This is an open report

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Report to:	**Community Protection Panel**
Date:	**2nd June 2008**
Subject:	**Private Sector Housing Strategy**
Report of:	**Director of Environmental Services**
Contact officer:	**Peter Layland 01942 828983**

Purpose / summary:	To outline performance within Private Sector Housing Strategy and to comment on proposals to review the strategy over the coming months.
Alternative options considered and reason for selecting the one recommended:	Alternative options have been considered but the only real alternative would be not to review the strategy which would potentially mean emerging issues not being tackled and not engaging in the emerging sub regional agenda.
Recommendation / decision:	To acknowledge the progress made on the current Private Sector Housing Strategy and to comment on the intention to review it over the coming months.
Key Decision:	This report does not involve a key decision.
Risks / Implications:	
Financial:	There are considerable risks to not reviewing the strategy including future financial issues.
Staffing:	This will be conducted with current staffing resources.
Policy:	Housing Strategy.
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Yes as part of the Housing Strategy evaluation. A further assessment will be carried out on the proposed changes to the strategy
Wards affected:	
Summary of reasons for report being closed in the public interest:	

Property Implications – Does the proposal involve a reduction, addition or change to the Council's asset base or its occupation?
No
If yes, have the property implications been agreed with the Corporate Property Officer?

Does this proposal have significant implications for the Council and the local population?
No
Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?
No

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?	**N/A ***
Has the Executive Director Business Support Services confirmed that any expenditure referred to within this report is consistent with the Council's budget?	**N/A ***
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	**NO ***

* delete which applicable

For Cabinet reports only :

Categorisation of the report:	**X**
Discussion leading to a decision	
Monitoring	
Sharing for corporate understanding	

	X
Discussion	
Decision	
Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
2nd June 2008			

The Background Papers for this report contain Exempt Information under Schedule 12A of the Local Government Act 1972.

Proper Officer Martin Kimber

Date 15 May 2008

1. Background

1.1 This report has two purposes firstly to show the progress made in pursuing the Councils Private Sector Housing Strategy (2006 – 2010) and in particular the drive to improve standards. Secondly it sets out the reasons for a more comprehensive review process than would normally be the case.

1.2 The Private Sector Housing Strategy was agreed some two years ago and was designed to be operational for five years up to 2010. It was envisaged that it would be subject to review in 2008. The Strategy framework is set out on the next page, but in essence it has the following main features:

AIM

A decent home for all within a balanced community

OUTCOMES BY 2010

Long term empty homes reduced to 1.8%

80% of vulnerable households to live in a decent home

Homes with poor energy efficiency reduced to 3%

Price gap between areas not to widen between 2005 and 2010

ACHIEVED VIA INTERVENTIONS BASED AROUND

People / Choice

Neighbourhood Renewal

Quality Homes

1.3 These aims / outcomes reflect the need to improve standards of housing in the private sector yet looking to achieve the wider neighbourhood objective of strengthening local housing markets.

Strategic Aim : A decent home for all within a balanced community

Outcomes: By 2010

Long term empty homes to 1.8% : Homes with poor energy efficiency to 3%

80% of vulnerable households to live in a decent home : Price gap between areas not to widen between 2005 and 2010

	People Choice	Neighbourhood Renewal	Quality Homes
Dimensions Priorities	• Ensuring older people have access to decent homes. Older people are particularly worried about security, safety and support. • Ensuring vulnerable groups have fair access to decent housing. • Ensure people with disability receive adaptation services	• Borough has low prices and some areas have unbalanced and weak housing markets. There is potential for market decline in certain localised areas.	• To tackle below quality standards within the private sector housing stock. (especially private rented, oldest stock, older people and vulnerable groups) • Empty Homes • Too many houses are cold/fuel poverty. • Environmental sustainability.
Main Interventions	• Older person housing strategy incl. handyperson scheme care and repair etc. • Services for people with a disability. • Services for vulnerable groups	• Working with others to try to balance housing markets by increasing housing choice/improving environment. • Working principally within a Renewal Area approach to improve appearance, image, community safety and helping reviewing comities via community involvement.	• Landlord accreditation • Regulations/licensing • Grants, loans promoting energy efficiency, fire prevention and home security. • Empty homes initiatives. • Environmentally sustainable policies.

Key Enablers

Key Enablers	Achieved through	Outputs
Community involvement especially hard to reach groups	Renewal Area Consultations Corporate consultation/townships	Ownership/involvement in solutions
Partnerships	Housing Partnership/Community Plan	Community targets Crime/anti social behaviour
Quality Services	Best Value, Business Excellence	Top Quartile performance Fit for purpose strategy
Accountability	Charter mark/ISO Quality	Performance Reporting Panel reports
Robust Solutions/ Risk Management	Research/Evaluation	Research in housing markets and condition surveys
Staff	Investors in People, learning culture	Well skilled/well informed staff
Efficiency/Procurement	Mixed economy reviews	Gershon/efficiency savings

2. Progress

2.1 The progress made by the strategy over the last couple of years is measured within the report using a variety of sources. Summaries of this evidence is set out within the following Appendices ;

- The trajectory against the strategies key outcomes (Appendix A)
- An overview of progress against the Action Plan (Appendix B)
- An evaluation of activity (Appendix C)
- A comparison against Regional figures (Appendix D)

2.2 These information sources illustrate the following:

1 We are likely to achieve three out of the four key outcome targets set for 2010. Progress in terms of improving housing conditions, energy efficiency and the narrowing of price gaps between areas has been significant over the past couple of years. Progress on the empty homes target was initially good but the number of long term vacant homes is rising.

2 There continues to be major improvements made in energy conservation. The borough still attracts high levels of Government grant in this area (£3.6m per annum) which translates into better standards for 2600 properties occupied by vulnerable people. Despite being in a very favourable position compared to the regional average there continues to be a significant fuel poverty problem and this is likely to increase given the trends in fuel prices.

3 The Council has managed to sustain progress and activity within its Housing Renewal areas. The block improvement works and the environmental / security works are especially welcomed by residents. This work looks to sustain and strengthen housing markets by injecting confidence in the area, by improving its appearance and finally it also improves the environmental and security situation within vulnerable neighbourhoods.

4 Appendix 3 measures the level of activity sustained by the Private Sector Housing Team. It shows the increasing levels of enforcement action taken year on year and illustrates the impact programmes such as this have on the housing stock. Thus over the past four years nearly 700 properties have been adapted for people with disabilities, nearly 350 homes occupied by vulnerable people have been made fit /decent and nearly 500 properties have undergone block improvement works. This ignores the considerable help and advice given to those not qualifying for assistance and the major improvements made to rear alley ways, installation of alley gates and the numerous environmental improvements. It also shows good programme management with actual spend last year very close to planned levels.

5 Due to sustained activity over the years, the regional comparisons show the Wigan Borough in a extremely favourable light in terms of the standard of our housing stock. For example only 15% of our private sector stock is non decent. To put his in perspective this is half of the North West average non decency and is the 2nd best out of the 43 Councils in the region. Given our socio economic profile this is an outstanding achievement.

6 Progress has also been made with regard to improving the homes of vulnerable groups. This can be illustrated by increased services to older people to allow them to stay in their homes eg handyperson scheme and the shortening of waiting list for adaptations. However with regard to the latter it needs pointing out that demand for adaptations is again increasing and this combined with recent Government changes means that pressures are likely to re-emerge in this area.

7 Whilst initially successful our policies to reduce the level of empty homes are currently under pressure with market forces making it difficult to make progress within this area. Especially worrying is the rise in long term vacants. However to put this in perspective our performance is still comparable with similar Councils.

3. Reasons for Reviewing Private Sector Housing Strategy

3.1 The above analysis presents a relatively favourable picture of progress with outstanding results in terms of housing conditions but with future threats to performance in terms of future trends within empty homes and in adaptations.

3.2 However there are wider issues occurring that means that we need to review our policy direction:

1 Government policy has moved to emphasise interventions within the housing market to achieve economic growth and to increase the supply of housing. It is characterised by the phrases “improving the housing offer” and in “balancing housing markets”. It aims to integrate investment / strategic planning in existing homes to measures aimed at wider regeneration and development objectives. To a significant degree this is already being carried out, but links need reinforcing.

2 The funding streams available to the borough are also changing with a lower government emphasis on housing renewal as opposed to affordable housing. This is illustrated by the 26% reduction in the funding allocation to all Councils in the current year for Private Sector Housing (resulting in a reduced total of £3.6m).

3 This funding issue is likely to change further in the future with funding being channelled through sub-regional structures. This is part of the move to make more strategic funding decisions and these trends will feature in the GM Multi-Area Agreement. Whilst this is likely to improve the overall investment strategy across the sub region, it does mean further uncertainty in future funding levels.

4 There is also a need to look afresh at local trends and issues. We do need to realise that we are likely to be facing different housing conditions over the next couple of years and we need to respond to this. Thus we are likely to face future pressures in terms of empty homes. We are also facing a larger and more diverse private rented market and there are issues and opportunities within this area. Pressures are also building on the housing adaptation service and new government proposals have just been announced. This is all in addition to our core need to re assess our “fit” between investment within our existing housing and future new development to ensure we maximise our impact.

3.3 As a result of the above it is our intention to conduct a review of the current Private Sector Strategy over the coming months. This will ultimately lead to the development of an amended strategy, changes in our grants / assistance policies and proposals to tackle some of the issues identified above. It will be designed to achieve two objectives, firstly to try to ensure we continue to attract funding to maintain our work and secondly to tackle some distinct emerging local issues.

3.4 It is intended that this review will be carried out as part of the already agreed overall Housing Strategy Review in liaison with the Housing Partnership. Members are reminded that the target for this is to produce a Draft Strategy by December 2008. However elements of the review will be presented significantly earlier than this via possible funding bids and proposals to alter the assistance policies etc.

4. Conclusion

4.1 The housing area has and continues to undergo dramatic changes and the proposals within this report present an intention to review policies within Private Sector Housing in line with the new situations we face.

Appendix 1

Our Trajectory Against Key Outcomes

Precise progress against the 4 key outcomes set is difficult between strategies because figures are produced via detailed stock condition surveys with the next scheduled for 2010. However based on the previous condition survey and activity since then the following picture is estimated.

2010 Outcome Target	Likelihood of achieving target	Explanation
- 80% of vulnerable households living in a decent home	High	Major investment has been attracted to housing over the past few years. Main threat to the measure would be a rise in the number of vulnerable people (eg rise in unemployment)
- Reduce long-term empties to 1.8%	Moderate	Whilst progress was made in reducing the rate up to 2007 the rate has subsequently risen to levels equating to the target.
Reduce the number of homes with poor energy efficiency to £%	High	Major investment has occurred within this area. Despite this the rate of fuel poverty set to increase due to rises in fuel costs.
Ensure the price gap between areas does not widen between 2005 and 2010	High	Price gap has narrowed considerably in recent years due to market conditions and considerable new development within the core of the Borough. Due to a changed market outlook future trend are uncertain.

Appendix 2

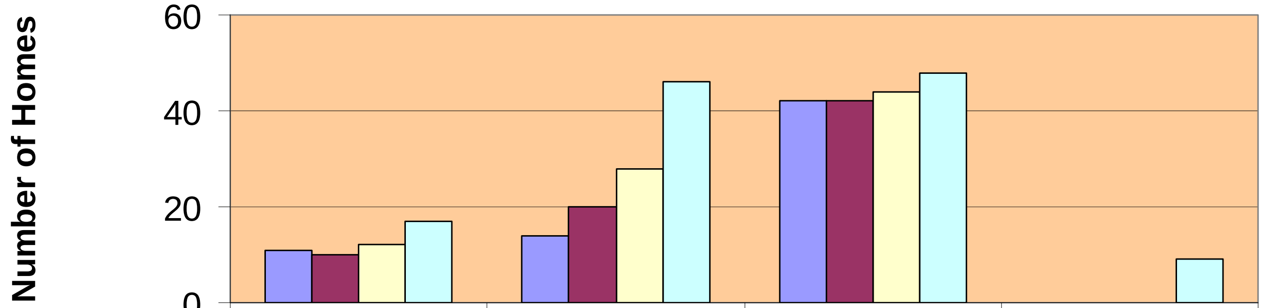
Summary Private Sector Strategy – Action Plan

People / Place	Progress
Older Peoples Housing	Common elements to the Older Persons Housing Strategy
Adaptation Services	Good progress reported to Panel in March 2008
Vulnerable Groups have fair access to decent housing	Good progress in terms of allocation policy / linkages with other groups etc. Les progress than anticipated with regard to Private Landlords
Quality Homes	
Tackling below quality standards within the private sector stock	Excellent progress in this area Wigan now has a good standard of housing compared with other North West Councils
Tackle empty homes	Whilst the empty homes strategy has been implemented less progress has been achieved in this area than hoped. Despite this the Councils postion in Greater Manchester is still good
Tackle energy efficiency / fuel poverty	Good progress has been achieved in this area, despite this fuel poverty growing due to rising fuel prices
Environmental Sustainable Standards	Good progress achieved in ensuring all schemes with Council involvement meet standards
Neighbourhood Renewal	
Prevent market decline largely via the Councils Renewal Area Strategy.	Good progress achieved within the Renewal Areas

Appendix 3

Evaluation of Activity by the Private Sector Housing Team

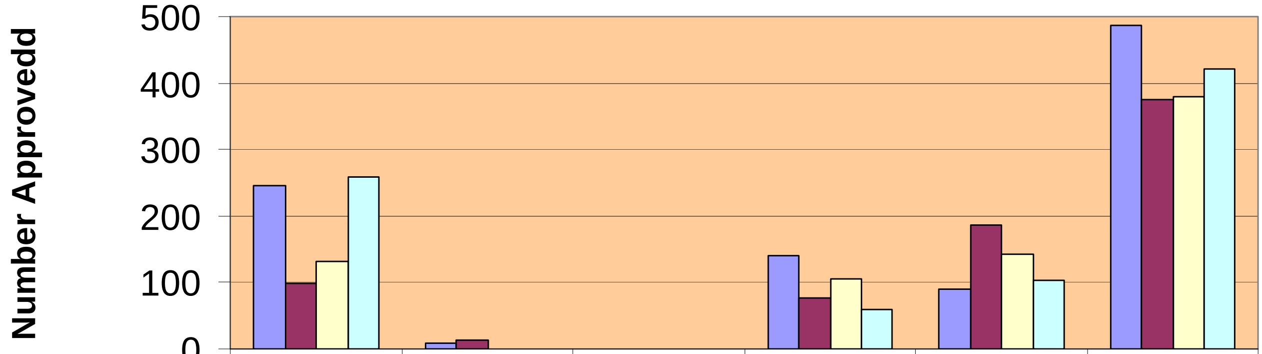
<u>Enforcement Action Taken</u>



	Hazardous » Demolished	Hazardous » Healthy & Safe	Empty » Re-occupied	HMO » Licensed
2004-05	11	14	42	0
2005-06	10	20	42	0
2006-07	12	28	44	0
2007-08	17	46	48	9

Action Type

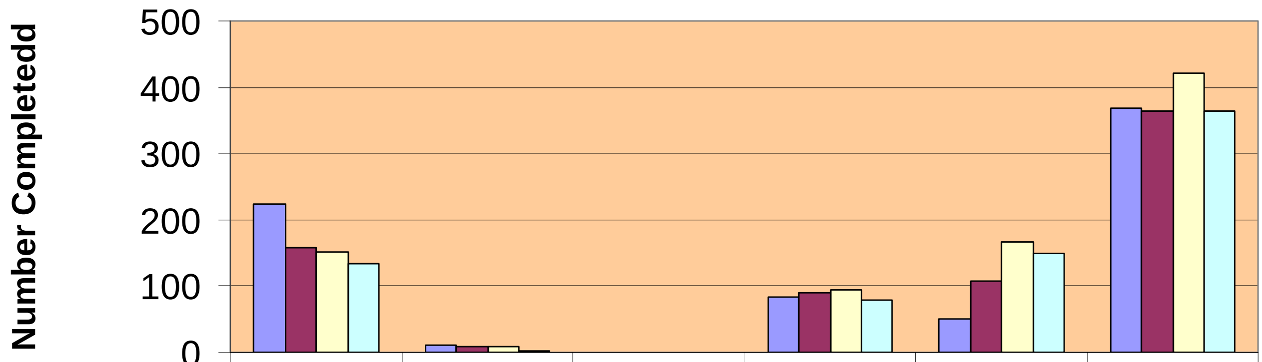
<u>Housing Assistance Approved</u>



	DFG	ECF	HDG	HFA	RAA	Total
2004-05	246	9	1	140	91	487
2005-06	99	13	0	76	187	375
2006-07	132	0	0	106	142	380
2007-08	259	0	0	60	102	421

Grant / Loan Type

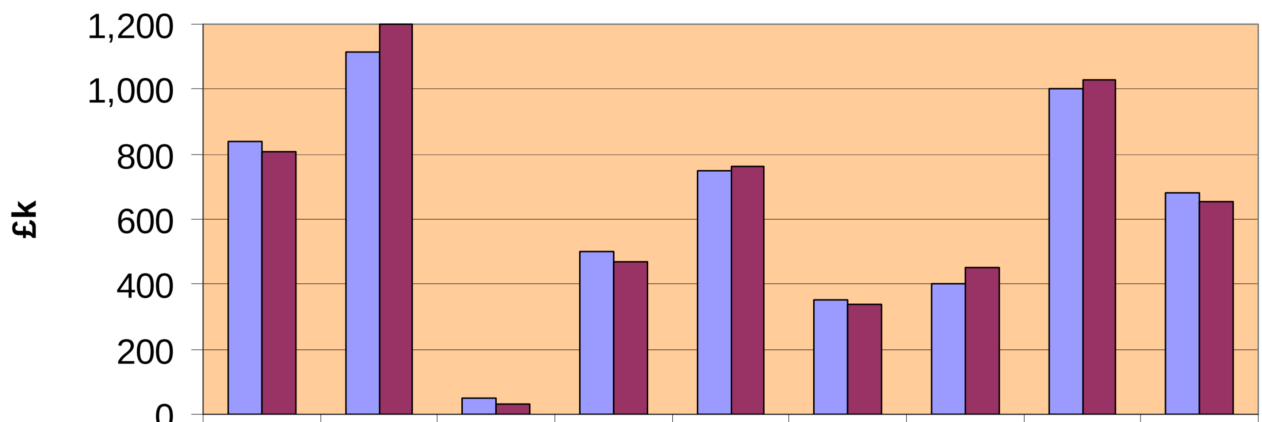
Housing Assistance Completed



	DFG	ECF	HDG	HFA	RAA	Total
2004-05	224	10	1	84	50	369
2005-06	158	9	0	90	107	364
2006-07	152	9	0	95	166	422
2007-08	133	2	0	80	150	365

Grant / Loan Type

Capital Programme 2007/08



	Clear ance	DFG	ECF	HFA	Abram	Bed ford	Firs	Page field	Platt Bridge
Target	840	1,113	50	500	750	350	400	1,000	683
Actual	809	1,199	33	469	762	337	451	1,030	655

Grant / Loan Type

DFG ; Disabled Facility Grant
ECF ; Empty Homes Challenge Fund
HFA ; Home Fitness Assistance
HDG; Hospital Discharge Grant
RRA; Renewal Area Assistance

Appendix 4

Key Regional Statistics

Percentage of Private Sector Homes Non Decent	
NW Average	**29%**
Bolton	24%
Bury	17%
Manchester	33%
Oldham	78%
Rochdale	30%
Salford	35%
Stockport	26%
Tameside	33%
Trafford	51%
WIGAN	**15%**

Percentage of Private Sector Homes Vacant	
NW Average	**4.2%**
Bolton	4.8%
Bury	2.4%
Manchester	8.2%
Oldham	3.3%
Rochdale	4.0%
Salford	4.8%
Stockport	
Tameside	4.6%
Trafford	3.2%
WIGAN	**2.9%**

GO – NW 2008
hybrid measure

These statistics are the latest comparative figures available. Locally trends since then have been of a rising empty home total.

Percentage of Private Sector Homes with an Energy rating below 40	
NW Average	**14.2%**
Bolton	10%
Bury	5.9%
Manchester	7.8%
Oldham	25.9%
Rochdale	8.4%
Salford	15.0%
Stockport	20.6%
Tameside	NK
Trafford	7.4%
WIGAN	**7.8%**

GO – NW 2008
hybrid measure

House price Changes (2001/02 to 2006/07)

% change for all housing	110%
% change for lowest quartile of house prices	164%