

Wigan Council

Affordable Housing Strategy 2006-2010

(July 2006)

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1. Introduction

This new strategy has been developed as a result of discussion at the Borough Housing Partnership and the wider recognition of the emergence of local affordable housing shortages over the past couple of years. Along with other strategies such as Homelessness and the Private Sector Housing Strategy it is a sub-strategy of the overall Borough Housing Strategy.

The need for the strategy was recognised within the Housing Strategy 2005 Review with shortages of affordable housing identified as a newly emerging strategic gap. In addition to the overall shortage of accommodation, the strategy also identified the different housing market areas in the borough and the variations in their performance as an issue. There is a recognition that interventions need to be tailored to try to look to better “balance” housing provision in an effort to create sustainable communities. Such concerns are central within the Lyons Report and its concern over “place making”

In developing this Affordable Housing Strategy, the Housing Partnership has had workshop sessions in order to establish broad objectives and outcomes. Consultation on the draft strategy published in May 2006 has been extensive including a specialist group drawn from the Housing Partnership, consideration by the Housing Partnership itself and by relevant Panels. Detailed feedback from this process is attached as Appendix 2 and has been incorporated within the strategy.

Guiding Principles of the Strategy

The strategy should be:

- Non-discriminatory, sensitive and responsive to individual needs
- Designed to address assessed and identified need within the local community
- In accordance with national legislation guidance and codes of practice
- Reflective of the Community Plan
- Fair, open and understandable
- Representative of the views of users, providers, other stakeholders and the community
- Clear in its goals, practical in its operation and provide for monitoring of outputs / outcomes

It has been clear that for this strategy to be developed it should be based on sound information. For this reason the following studies have been completed:

- Wigan's Changing Housing Markets (2005)
- Housing Needs Survey Update (2005)

In addition the Council's systems of monitoring the local housing market have been improved and updated.

Strategic Aim:	An affordable home for all within a desirable community
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Outcomes by 2010:	530 additional affordable housing units Maintain the assessment of being a balanced housing market within the strategy For the housing price gap between township housing markets not to v
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Dimension	People and Choice		Neighbourhoods	
Priorities	<ul style="list-style-type: none"> Ensure access to affordable homes Provide more affordable homes Provide more accommodation for vulnerable groups 	↔	<ul style="list-style-type: none"> Fully understand the local housing market and its interaction with surrounding areas Provide affordable homes where they are most needed. To utilise development opportunities to create more balanced housing markets 	↔
Main Interventions	<ul style="list-style-type: none"> Improve access to housing e.g. Choice based lettings Improve use of existing housing e.g. Empty Home Challenge Fund Provide more new affordable housing in a wide variety of ways Access needs of vulnerable people and develop appropriate housing 	↔	<ul style="list-style-type: none"> Develop detailed monitoring of local market and contribute to sub-regional discussions / research e.g. Making Housing Count Ensure affordable housing is directed to where it is most needed via research base To influence development in weaker housing to try to better balance housing markets 	↔



	Key Enablers		Achieved Through	
	Community Participation / Hard to reach groups	⇒	Increased participation in Community Groups	⇒
	Partnerships	⇒	Community Partnerships. Housing Partnership	⇒
	Best possible services	⇒	Business excellence Performance Reports Chartermark Quality Assurance	⇒
	Accountability	⇒	Service Plans. Strategies	⇒
	Robust solutions	⇒	Research / Evaluation	⇒
	Staff	⇒	Investors in People / Communications	⇒
	Efficiency / Procurement	⇒	Benchmarking / Mixed economy	⇒

2. Background / Context

What is Affordable Housing?

Within this strategy it is important to define what is meant by the term “affordable housing”. Affordability is in real terms defined by the relationship between local incomes and the general market. Therefore the definition adopted by this strategy is:-

“Affordable housing is that provided with subsidy both for rent and low cost market housing for people who are unable to resolve their housing requirements, in the general housing market because of the relationship between local housing costs and incomes. This definition covers housing for social rent, shared ownership, low cost home ownership and sub-market rent” (from DCA).”

The types of affordable housing which comply with our definition are as follows:-

- Council or Housing Association property for rent
- Shared ownership with grant
- Shared equity where value is retained to provide sale at below market values and where control of the equity discount is retained as long as it is needed
- Discount market rented housing

National / Regional Policy

The need to increase the supply of affordable housing has been a key feature of Government housing policies for many years, initially directed at London and the South where concerns have traditionally been greatest. In recent years this emphasis has increased as more and more parts of the country have faced the problem of shortage. This can be seen within the Government's Sustainable Communities' Strategy and by the findings of the Barker Review which has set out the need to increase housing production to help create the required housing supply. There has also been the realisation that this housing should be delivered within a policy framework that incorporates housing, planning and economic development and which is related to sub-regional housing market areas rather than individual local authorities. Spending priorities have been adjusted at a national level with increasing housing investment being directed at affordability issues. This being largely directed to the South of England and is aimed as much at extending home ownership opportunities as for rent.

Within a North West context affordable housing issues are seen as a growing issue, although urban renaissance / renewal pathfinder strategy is currently the main regional priority. Currently the Regional Housing Strategy sets out the need for affordable housing as Priority 2 "Affordable homes to maintain balanced communities" and also stresses the need to utilise local planning powers to increase supply. With regard to this strategy this national / regional context provides the following key learning points:-

- Growing awareness of the need to provide an analysis based on local housing markets, developing interventions to balance local markets.
- Key inter-relationships between housing, planning and the local economy.
- Growing emphasis on home ownership initiative and meeting the needs of vulnerable groups.

Local Considerations

Traditionally the Wigan Borough has had a surplus affordable housing stock with significant numbers of poor quality public and private housing being demolished or converted over the last 20 years. However in the last couple of years this situation has reversed with increasing recognition within Housing Partnership discussions and within formal strategies e.g. UDP, Housing Strategy Update of this changing position.

These concerns are backed by a range of information which is set out in Appendix 1. This shows how house prices have risen, how demand for social housing is high but that the real supply has diminished and homelessness has increased.

Figure 1: Housing Affordability Index (average prices ÷ average earnings)

	2003	2004	2005
Wigan	3.6	4.2	5.6
Greater Manchester	3.9	4.5	6.5

These trends are reflected in Wigan's affordability index which shows a deteriorating relationship between income and house prices. This is due to a 48% increase in prices over the past couple of years and only a 12% increase in incomes over the same period. This means that less first time buyers or indeed people

currently renting can afford to buy. Our research shows that less than 25% of new households can now enter owner-occupation with the lowest access prices now requiring a household income of £19,000.

However our analysis also shows that whilst the Wigan Borough is facing these problems, our position compared with most others is still one of relative affordability. Research by Local Futures within our State of the Borough Audit (Dec 2005) shows that Wigan is still the 27th most affordable borough in the country (out of 354). Research has also shown that over the past five years our prices have grown at below the regional average. Also all our immediate neighbours (except Bolton whose position is the same) have an affordability position worse than ours e.g. St Helens (prices 6.2 X earnings), whilst popular areas such as Trafford have a much greater problem (prices 9.3 X earnings).

Despite this relative position it is however clear that the borough has a real affordability issue. The key question is - How should this be best tackled?

Key evidence can be found in two studies recently carried out on the Wigan Borough Housing Market namely "Wigan's Changing Housing Markets and the Housing Needs Update 2005.

- Wigan Borough's housing market is relatively enclosed with low levels of housing movement between townships and with places outside the borough. There is also a relatively low level of people moving house generally.
- Most housing movement takes place within townships with this being strongest within the older more urbanised townships.
- Whilst overall borough figures show a relatively balanced market there is a very definite variation in the operation of markets in the borough. The older more urbanised townships display many symptoms of weaker housing markets e.g. population decline, poorer housing conditions, concerns over neighbourhood, lower prices.
- Peripheral townships, especially near main transport links, show symptoms of being stronger vibrant markets, attracting new residents from both outside and from elsewhere in the borough, having a wider range of housing and significantly higher prices. Affordability concerns are strongest in these areas.
- The Housing Needs Update 2005 has identified a need for 106 additional affordable homes per year, based on anticipated supply and demand.
- This demand for affordable housing is from two distinct sources, firstly from people needing socially rented housing and from a new group of people in employment who cannot now afford to buy due to recent increases in prices.
- The overwhelming majority of new households in employment want to access owner-occupation and most would have been able to access this until recent price rises.
- To cater for both types of affordable housing need the Housing Needs Update Report recommended that at least 50% of the additional affordable homes should be for owner occupation and the rest for rent.
- The main demand is for smaller type of accommodation although there is little desire for one bedroomed accommodation.
- Both reports set out the continued priority need for regeneration within the weaker housing markets and the need for a carefully balanced geographical approach aimed at strengthening these weak housing markets and trying to provide more affordable homes within the stronger markets.

With regard to this strategy this local context provides the following learning points:-

- | |
|---|
| <ul style="list-style-type: none"> • Need for the Housing Strategy to link with the UDP and other strategies to help balance local |
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housing markets and help create sustainable communities.

- Need for policies to be geographically specific aimed at addressing the specific housing market issues in different parts of the borough.
- Need to continue to target resources at the weaker housing markets aimed at improving the choice and quality of housing and their neighbourhood.
- Need to provide more and a wider variety of affordable housing.

3. Strategy Framework

Based on this analysis of the needs and priorities the following strategic framework is set out.

Our aim is

“An affordable home for all within a desirable community.”

Our key outcomes are:-

By 2010 to:	• have produced 530 additional affordable housing units
	• maintained an assessment of being a relatively balanced housing market within the Regional Strategy
	• for the housing price gap between different township housing markets not to have widened.

The overall aim reflects the key element of not only increasing access to affordable housing but also to achieve the wider neighbourhood objectives. This aim is to be made into a reality by the setting of key outcomes which accepts the target based on the needs set out within the Housing Needs Update 2005 with the wider objectives of balancing our housing markets and creating desirable neighbourhoods.

Who should the Policy be aimed at?

The Affordable Housing Strategy aims to help two distinct groups access suitable housing. Namely:-

- Those households who need or desire socially rented housing. They will tend to be on very low incomes or whose employment is not secure. This group will vary in both its needs and requirements. Any policy will need to link with the existing stock and identify gaps in provision.
- Those households in secure employment but whose income is below the average for the borough. Until recently such households could afford to enter owner-occupation. Our Needs Survey suggests that most of these households aspire to be owners, but now need help to achieve this. Currently little or no affordable housing is available for these households except privately or socially rented housing. Good quality lower priced owner occupied housing is therefore required for this group.

Our Three Themes

This strategy is to be driven by adopting the key 3 themes found within our overall Housing Strategy.

- **People and Choice**

Focusing our resources on improving people's access to affordable housing via improved information and knowledge and by creating a range of additional accommodation suitable for a range of needs.

- **Neighbourhood Renewal**

Focusing our resources to fully understand our local housing markets and their different needs and tailoring our interventions to best effect in helping create balanced and sustainable communities.

- **Quality Homes**

Using this policy to raise the standards of properties that become affordable and taking opportunities to improve the environmental sustainability of the stock.

The practical interventions to deliver these themes are now described within our strategic objectives. This is backed by the Action Plan which sets out plans in more detail.

People / Choice – Maximising use of the existing affordable housing stock.

This priority looks to maximise the best use of the scarce affordable housing resources. Considerable progress has been made within the last couple of years on this aim. For example the development of a Choice-based allocation system and the development of our Property Shops look to ensure people in most need obtain housing and are given a degree of choice. The negotiation with Housing Associations of nomination rights has also contributed to this aim. One of the more recent developments has been the major emphasis on homelessness prevention in an attempt to reduce demand. It is planned to try to extend these significant measures by fine tuning the existing Choice based allocation system and by further developing Property Shops so as to serve not just Council housing but to involve private landlords, housing associations and discount for sale schemes. Additionally it is planned to consider the use of incentives to help existing socially rented tenants to move home thus releasing valuable properties for rent.

People / Choice – Providing more affordable housing

Clearly the central part of the strategy is to produce more affordable housing to help overcome shortages. It is hoped that this will be achieved in 2 ways firstly by making existing housing more affordable and secondly by developing new housing. Some limited progress has been made via the development of the bond scheme with private landlords and co-operation with a homeless voluntary group who have acquired properties. Also contributing has been the Empty Homes Challenge Fund, which combines the development of rented housing with the wider aim of bringing back into use long term empty housing. These sources have provided some 30 additional properties in the last 12 months with more to follow next year.

In addition to these sources considerable work has been undertaken on new initiatives. Thus approval for a private sector leasing scheme has been obtained, RSL bids have been made including the new Home buy scheme and there will be a planned return of Council properties from the asylum seeker contracts. However the bulk of new affordable housing is likely to be the result of the new Supplementary Planning Policy for Affordable Housing. It is also expected that a new Empty Homes Challenge Fund will be taken forward, whilst Council funding of £400,000 for 2006/07 has been agreed to top up affordable housing development. A joint public: private regeneration scheme at Durham Street is also in preparation. Consideration of the purchase of ex RTB properties to provide additional rented housing relatively quickly is also being evaluated. Finally innovative ideas such as self build will be investigated.

The Council's overall aim is to provide 530 additional affordable homes by 2010 by a combination of the above measures. This target is in line with the predicted requirements of the Needs Survey Update 2005. Whilst a precise breakdown of the source of these properties is difficult, the majority will be provided by the operation of the new Planning Policy which, from June 2006, will require that 20% of any new housing developed on sites over 25 properties be affordable. If similar development patterns occur in the future some 300 properties will be created from this source.

A further target of 50% for rent and 50% for sale has also been set in line with the Needs Survey in an effort to increase the choice of housing in the future. Indeed it is expected that this will help reduce pressures on the demand for Council housing, whilst allowing relatively low paid groups the chance to obtain property.

Such a policy will not only produce the variety of housing needed, but it means that any response will be

cost effective and capable of flexibility in the face of future change and customer preference.

People / Choice – Provide more accommodation for vulnerable groups

It is important that the needs of vulnerable groups are taken into account within development plans. Progress has been made in establishing priorities, in developing funding bids and in the development of specific homelessness and older people's strategies. This will continue and consideration of vulnerable groups' needs will be incorporated within the operation of the new Planning Policy.

Neighbourhood Renewal – Fully understand the local housing market

Major efforts have been undertaken in recent years in understanding the borough's housing market. This includes the Needs Survey Update (2005), the Stock Condition Survey (2005), major reports (Wigan's Changing Housing Markets) and the UDP. This will develop further in the next year with the Greater Manchester Sub-regional work currently being undertaken by ECOTEC helping to develop further our knowledge of local markets, their expected neighbourhood trajectory and economic / planning links e.g. housebuilding targets. It will also explore our connection with our neighbours and develop a fully fledged sub-regional housing strategy. The Council feel well placed to react to these opportunities and this will be complemented by the continued development of our own monitoring of the local housing market. Council restructuring proposals bringing together the Housing, Planning and Economic strategic functions will also help in this process.

Neighbourhood Renewal – Provide affordable housing where they are most needed

Given the significant variation in the performance of localised housing markets it is important to provide affordable housing where it is most needed. Some work has been undertaken to inform where affordable housing is needed, and this is reflected within the new Planning Policy flexibility of operation. This work will need to be developed further so that market information at a localised level will be available to inform these processes. Again the wide approach to the production of new affordable housing will help to achieve this objective. It is expected that some 75% of new affordable housing should be targeted to the areas of greatest shortage. Given the key importance of the location of new development sites to both this policy and wider corporate objectives, ways of trying to influence its distribution and sequencing its release are being explored within the Councils planning framework.

Neighbourhood Renewal – Create more balanced housing markets

This aim looks to use the development opportunities of an Affordable Housing Strategy to try to better balance housing markets. It looks to ensure that whilst new housing is provided in areas of shortage that this is not at the expense of the more vulnerable markets. It would also seek to ensure that significant new affordable housing is not built close to existing concentrations of similar housing. This could destabilise an area further when what is required is a greater range / choice of housing. It would also look to use certain types of affordable housing in certain regeneration areas in an effort to improve the stock / appearance of the area e.g. bringing back empty homes back in to use. Some progress is being made in this area, via existing initiatives e.g. Empty Homes Challenge / RSL bids and limited clearance. It is again appreciated that clearer market information is needed within this task, but the opportunities of developing this balanced approach via the negotiation within the new Planning Policy combined with our major interventions within our weakest markets e.g. renewal areas shouldn't be underestimated. It is expected that approximately 25% of affordable housing monies should be committed to these wider regeneration purposes. The key aim in this strategy is to stop the widening price gap between the weak and successful housing markets and to move to more sustainable communities. These policies would support current developments within the Renewal agenda.

Quality Homes – Utilise development opportunities to ensure it is more environmentally sustainable

Given environmental concerns and the increasing prices of fuel it is important that any housing development is more environmentally sustainable. Some progress has been made in developing revised standards within the UDP, within partnership schemes involving the Council and in energy advice. However it is hoped that further standards will be imposed on any Council funded scheme, to incorporate

high energy efficiency standards within refurbishment projects and to utilise negotiation opportunities with developers to encourage enhanced standards.

Key Enablers

Besides these priorities relating specifically to affordable housing our overall Housing Strategy is underpinned by a number of key enablers. These are common to all of our strategies and relate to providing systems for delivering “fit for purpose” strategies that are delivered. These enablers include common themes of:-

- Community Participation / Hard to Reach Groups
- Partnership working
- Best possible services
- Accountability
- Robust solutions
- Staff
- Efficiency / procurement

All these are important issues in any strategy. However for this particular strategy, especially important is:-

Partnership working	Due to the cross-professional / agency / public: private nature of the topic
Robust solutions	Given the complex nature of the housing market
Efficiency / Procurement	Given the costs involved it is vital that cost effective solutions are applied to set problems.

4. Resources

The resources to carry out this strategy will be available from the following sources:-

- Onsite provision of housing by developers (Planning Policy)
- Offsite commuted sums by developers (Planning Policy) to be used for affordable housing
- Council funding for affordable housing
- Council funding for regeneration including empty home challenge fund etc.
- Housing Corporation / Housing Association Funding
- Voluntary Groups
- Private Sector funding

Given the lack of forward Council or RSL funding and variations within housing activity due to economic performance precise levels of resources are difficult to predict. However it would be true to say that based on previous funding and expectations the following estimates are provided for the 5 year life of the strategy.

Council Funding (from mainstream	£3m – 4m
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funding)	
Housing Corporation Funding / HA	£4m – 6m
Voluntary Groups	£3m – 4m
Planning Policy / Private Sector	£14m – 18m

It is expected that such resources will be sufficient to fund this overall strategy.

5. Performance Measures

The measurement of performance is a key issue within any strategy. Its aim would be to provide a judgement on whether the strategy is successful in terms of its overall aim namely “An affordable home for all within a balanced community”. However equally important is for measures to be available during the implementation of the strategy so that progress can be measured and adjusted in light of changing circumstances.

Overall Key Outcomes

- To produce 530 additional affordable housing units by 2010.
- To maintain an assessment of being a relatively balanced housing market within the Regional Strategy.
- For the housing price gap between different townships housing markets to not widen by 2010.

Other Performance Measures

- For the Property Shops to provide multi-landlord services including housing associations, private landlords and mixed tenure options by 2010.
- Ensure voids in socially rented sector are below 1.5% in 2010.
- Ensure 50% of the additional affordable housing units are for owner-occupation and 50% are for rent.
- Ensure 75% of new affordable housing is provided within areas of greatest shortage.
- Ensure 25% of new affordable housing is linked to specific regeneration initiatives.

Housing Market Indicators

These need to be used to inform decisions on whether to adjust the strategy upon its annual review.

- Housing Affordability Index
- Access price into owner occupation by township
- Levels of homelessness
- Demand for socially rented accommodation
- Demand for discount for sale accommodation
- Supply of affordable accommodation
- Levels of vacant housing
- Level of provision for vulnerable people

- Satisfaction levels with housing / neighbourhood

6. Action Plan

Theme: People and Choice

What is the issue / problem we need to address?	How will we deal with it? (priorities / objectives)	Resources	Milestones/ Targets		
			2006 / 07	2007 / 08	2008 onwards
Ensure Access to affordable homes	It is vital that the existing affordable housing stock is used to the maximum effect to address shortages. This involves information systems, allocation procedures and using				
	<ul style="list-style-type: none"> Property Shops 	Mainstream monies	Develop the role of property shops to include private landlords and RSLs and affordable housing.	Develop the role of the Property Shops to include shared ownership/ equity schemes	
	<ul style="list-style-type: none"> Choice based lettings 		Implement reviewed Allocation system		Review allocation System.
	<ul style="list-style-type: none"> Negotiation of RSL nomination rights 			Review operation of RSL nomination system	
	<ul style="list-style-type: none"> Minimising voids in Council stock 	Housing Revenue Account	Ensure voids for WALH are below 1.5%		
	<ul style="list-style-type: none"> Homeless Prevention measures 	Homelessness Directorate	Implement actions from Homelessness Strategy Action Plan	⇒	Produce new Homelessness Strategy with focus on prevention
	<ul style="list-style-type: none"> Cross agency initiatives 	Housing Corporation funds	Participate in Open Market HomeBuy (Plumlife)	Evaluate and consider use of commuted sums for further funding	
	<ul style="list-style-type: none"> Landlord Accreditation Scheme 	Nil	Continue to promote	⇒	⇒
	<ul style="list-style-type: none"> New affordable home ownership allocation and eligibility criteria and marketing 		Develop systems to allocate affordable housing produced through planning policy	Develop marketing of new affordable homes, may include appointment of officer within Property Shops	
	<ul style="list-style-type: none"> 	Affordable		Consider the	

	Incentives	Housing / mainstream funds		use of incentives to allow existing social rented tenants to move into affordable home ownership, thus releasing rented properties	
Provide more affordable homes	More affordable housing can be produced by making the existing stock more a the supply of new affordable housing.				
	<ul style="list-style-type: none"> Use of the Empty Homes Challenge Fund 	Affordable Housing / mainstream funds	Re-tender a revised Empty Homes Challenge Fund Policy		
	<ul style="list-style-type: none"> Operation of the Bond Scheme 	Homeless Directorate/ ISB / NRF	Continue to operate	Review effectiveness and long term funding	
	<ul style="list-style-type: none"> Co-operation with Green Pastures 		Seek to maximise development of affordable housing with voluntary groups	⇒	⇒
	<ul style="list-style-type: none"> Approval for a private sector leasing scheme 	Mainstream monies	Implement scheme	Evaluate effectiveness of scheme	
	<ul style="list-style-type: none"> Planned return of WALH properties from Asylum Seeker contracts 	Housing Revenue Account	Maximise the value of the additional WALH properties being made available for use.		
	<ul style="list-style-type: none"> Consider purchase of ex RTB properties 	Mainstream monies	Produce cost/benefit analysis and explore legal and financial issues		
	<ul style="list-style-type: none"> RSL bidding 	Housing Corporation funds	Explore bid for funding from the "Northern Housing Challenge" with suitable	Negotiation and preparation for 08/10 Housing Corporation bidding round with partner	RSL 08/10 bidding round

	<ul style="list-style-type: none"> Seek innovative ways of providing affordable housing e.g. Self build and Homebuy 	Affordable Housing/ Housing Corporation funds	partner	RSLs	
	<ul style="list-style-type: none"> Agreement of the new Supplementary Planning Policy for Affordable Housing 		Implement the Supplementary Planning Policy for affordable housing and develop discount for sale schemes.	Utilise Council monies and commuted sums to create Affordable Housing esp regeneration schemes.	
Provide more accommodation for vulnerable groups	The overall Housing Strategy and the SP Strategy identifies a number of gaps i				
	<ul style="list-style-type: none"> Funding bids in support of prioritised gaps 	Housing Corporation funds	To ensure the detailed monitoring of local housing markets including vulnerable groups	Develop further RSL funding bids	RSL 08/10 bidding round
	<ul style="list-style-type: none"> Development of the Older Persons' Strategy 	Various sources, including Affordable Housing monies	To ensure guidance documents for the operation of the Planning Policy of the Planning Policy include consideration of vulnerable groups	Target Commuted sum resources to provide affordable accommodation to meet the needs of vulnerable groups	
	<ul style="list-style-type: none"> Research into gaps in knowledge and consider opportunities for increasing affordable housing options 				
	<ul style="list-style-type: none"> Promote Lifetime Homes 			Develop further RSL funding bids to Lifetime Homes	RSL 08/10 bidding round

standard within new affordable housing schemes				
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Theme: Neighbourhood Renewal

What is the issue / problem we need to address?	How will we deal with it? (priorities / objectives)	Resources	Milestones / Targets		
			2006 / 07	2007 / 08	2008 onwards
Fully understand the local housing market and its interaction with surrounding areas	To maximise the impact on local housing markets it is vital that they are fully understood and any change is anticipated. It is also important to ensure we understand the effect of				
	<ul style="list-style-type: none"> Publication of "Wigan's Changing Housing Markets" 		Develop further the monitoring of the local housing market at township level and monitor the effect of our interventions	⇒	⇒
	<ul style="list-style-type: none"> Housing Market Analysis. 		To utilise the ECOTEC research study findings to develop knowledge of Wigan's housing market predicted trajectory, local market information and our links with our neighbours		Carry out a full Housing Needs Survey
	<ul style="list-style-type: none"> Participation in Regional / Sub-regional networks. 		Strengthen sub regional links and learn from good practice on provision of affordable housing and sustainable development	Use the joined up local and sub-regional agenda to maximise Wigan's case on a range of related neighbourhood issues.	
	<ul style="list-style-type: none"> Community Plan 2005. 				
	<ul style="list-style-type: none"> Develop understanding of wider planning and economic issues affecting housing provision in the borough 		Use of Council's Environmental Review to further develop joint agendas with other neighbourhood services	Formation of new Environmental Services Directorate	
Provide	Given the geographical variations in the borough it is important that affordable				

affordable homes where they are most needed	areas most in need.				
	<ul style="list-style-type: none"> Use of market information / Wigan's Changing Housing Markets to inform those townships most in need of affordable housing 		Develop clearer market information to identify at a localised level those areas in need of affordable housing.	⇒	Review market information given
	<ul style="list-style-type: none"> Production of development briefs on Council owned land. 	Mainstream/private monies	Develop proposals for a mixed tenure scheme at Durham Street	Consider development potential of other Council owned sites	
	<ul style="list-style-type: none"> Supplementary Planning Document – Affordable housing 		Develop guidance on the operation of the Planning Policy to ensure properties are built where they are needed	Seek ways of influencing land supply and sequencing its release in support of the Councils housing/ regeneration objectives	Review guidance documents for the Planning Policy
To utilise development opportunities to create more balanced housing markets.	Given the variations within housing markets it is important that opportunities a stronger markets are provided with more affordable accommodation but that th more vulnerable markets. The regeneration of these areas is paramount in the c communities in Wigan.				
	<ul style="list-style-type: none"> Increased investment in the more vulnerable housing markets to improve the existing stock and the appearance of areas. 	Mainstream monies and affordable housing resources	To develop clearer market information to identify at a localised level those areas in need of regeneration.		
	<ul style="list-style-type: none"> Encourage development which provides variety within the housing supply in vulnerable 		Develop guidance on the operation of the Planning Policy to avoid an oversupply of affordable housing in		

	markets.		vulnerable housing markets and encourage a more diverse housing supply in these areas.		
	<ul style="list-style-type: none">• UDP land release policies.		Use negotiation opportunities to influence developers' housing proposals		

Theme: Quality Homes

What is the issue / problem we need to address?	How will we deal with it? (priorities / objectives)	Resources			
			2006 / 07	2007 / 08	2008 onwards
Utilise development opportunities to ensure housing is more environmentally sustainable	Given environmental concerns and the increasing prices of fuel it is vital to ensure housing is environmentally sustainable				
	<ul style="list-style-type: none"> Revised standards within the UDP 			Ensure environmental sustainability standards are met in any Council funded scheme.	Explore use of renewable energy sources on new affordable housing
	<ul style="list-style-type: none"> Energy efficiency 	Private monies/ RSL funding		Encourage enhanced standards within negotiations with developers.	All RSL schemes to achieve Ecohomes rating – Very Good
		Mainstream monies		Incorporate high energy efficiency standards within any refurbishment project.	

Appendix 1: Affordability Information

Housing Affordability Index (average house prices ÷ average earnings)

	2003	2004	2005
Wigan	3.6	4.2	5.6
Greater Manchester	3.9	4.5	6.5
Trafford	5.7	6.3	9.3

Wigan's average price of housing is currently over £110,000. This is relatively low both nationally and regionally (13th lowest out of 43 areas in the NW Region).

Access Prices into Owner Occupation and Required Income by Township (autumn 2005)

Township	Access Price *	Required Household Income
Ashton / Bryn	£76,000	£24,000
Atherton	£74,000	£23,000
Golborne / Lowton	£77,000	£24,000
Hindley / Platt Bridge / Abram	£61,000	£19,000
Leigh	£66,000	£21,000
Orrell / Billinge / Winstanley	£75,000	£24,000
Standish / Aspull / Shevington	£94,000	£30,000
Tyldesley	£80,000	£25,000
Wigan	£68,000	£22,000

* Cheapest housing in township that is in reasonable condition

Income Statistics in Wigan

Average household income = £19,884 (2005).

However evidence from the Needs Survey shows that some 35% of all households earned below £14,000 and only 10% above £37,000.

It has been calculated that three quarters of new households are now unable to afford to buy their own home. In the past this has typically been less than a half. Given the small size of the private rented and the RSL sectors this means that more people are turning to the Council for help.

Homelessness

- Now established at a high level (3,000 presentations).
- However an increased proportion is being accepted as homeless (from 27% in 2003 to 50%+ in 2005).
- Major reason for homelessness is relationship breakdown.
- Homelessness increases can be tracked to increases in house prices.

Number of Homeless cases accepted as having a Priority Need:

1999/00	495
2000/01	536
2001/02	662
2002/03	878

2003/04	1,117
2004/05	1,445

Social Housing Situation

- WALH report high demand for all accommodation. (over 5000 on the waiting list).
- Major losses in social housing stock are occurring from right to buy (806 lost in 2003/04, 694 in 2004/05).

Supply of Socially Rented Housing (available for new lets per year):

1999/00	3,596
2000/01	3,112
2001/02	2,769
2002/03	2,859
2003/04	2,387
2004/05	2,251

Thus over the last five years the numbers of homelessness acceptances has increased threefold whilst the supply of socially rented housing has diminished by 40%. The main issue within this fall in available housing has been the decline in tenants moving out of socially rented accommodation.

Tenure

- Compared with the national picture Wigan has a high proportion of owner occupation, (76%) a slightly above average supply of socially rented stock (20%) but a small private rented sector (4%).
- The proportion of socially rented housing by township is as follows:

Ashton / Bryn	16%
Atherton	33%
Golborne / Lowton	19%
Hindley / Platt Bridge / Abram	19%
Leigh	26%
Orrell / Billinge / Winstanley	5%
Standish / Aspull / Shevington	11%
Tyldesley	16%
Wigan	28%

Appendix 2: Consultation Responses to the Draft Strategy

Housing Partnership Affordable Housing Subgroup (25th May)

This group consisted of representatives from Housing Associations, Private Landlords, Private Developers, Tenant / Community reps, Wigan & Leigh Housing and officers from Planning and Community Protection.

- Clear support for an Affordable Housing Policy
- Clear recognition of the need to combine affordable housing and regeneration priorities
- Supportive of a balance of housing types reflecting the needs of those seeking rented housing and those who are now priced out of owner occupation. However this needs to be monitored and provision needs to be flexible reacting to future needs
- A great deal of work will be needed to implement the strategy and this should be partnership based.
- A key area will be the development of criteria / policies within the new low cost housing area
- Possible role of buying back ex RTB properties as they would produce housing quicker than new
- Opportunities to bring back poor old empty property
- Need for the Council to work proactively on empty homes and on bringing small often Council owned sites forward for development
- Need to seek ways of controlling where new housing development sites emerge and phasing there release

Housing Partnership Convention (9th June)

The Partnership Convention featured a full meeting of the Partnership and included all stakeholders. A presentation on Affordable Housing was made and a workshop session was held.

Issues

The issues surrounding affordable housing were agreed but with an acknowledgement that issues may change in the future.

Other issues to add were:

- Its clear that demand is extremely high for social housing
- Right to Buy is slowing down – Its no longer as “affordable” as it previously was
- There are still smaller pockets of decline – even in generally higher demand areas
- Homelessness not just about affordability – there are wider neighbourhood issues
- With shared ownership, when your share is sold you are in the same position as before it can be static and whilst not ideal it is a start. It can also staircase out
- In terms of property types – work with developers early to guide on types. Bungalows etc.
- Developers & types – Look at broader policy – build more required types

Proposals

- There is a reference to need – but it should really be about choice
- Not just about housing – what about communities & facilities
- Local connection links required for those accessing affordable housing
- Issue of working with RSLs
- Does shared ownership work? Yes – it's a way of buying a stake in a property
- You can apply to staircase up a stake when you can afford to. You could put a bar on the level of stake e.g. 75%
- Planning policies land controls – need to develop this
- Good idea to market through Property Shops
- It would be good to review every 12 months – to see how it works
- Look at self build projects
- Development companies
- Retirement villages?
- Criteria for allocation. Needs to be affordable and manageable for each person
- Freeing up properties – incentives etc...

Community Protection & Environment Panel (5th & 7th June)

- General support (individual exceptions) for the Draft Affordable policies
- Shortage of rented housing acute
- Concern over the operation of the housing for sale element of the policy e.g. price of property, amount of borrowings etc
- Concern that housing should be available to existing communities
- Questions over apartment style housing and the need to take account of any service charges
- Can developers contribute to the various Council requirements and still produce attractive housing
- Why not build Council housing via WALH
- Want to be closely involved in the further development of Affordable housing policy and in the monitoring of its operation

Appendix 3: Wigan's Changing Housing Markets 2005 - Summary

1 Overall Aims

- The study was commissioned because both the local housing situation and the whole government agenda surrounding sustainable communities were changing.
- The aims of the study were to understand the local and regional housing markets and to develop priorities for intervention within Wigan's housing market, aimed at maintaining stable and sustainable communities.
- The evidence used in the study is largely based on independently conducted research and it featured discussions with stakeholders (Housing Partnership).
- Its methodology has been developed locally, but is largely derived from a recent study in Cumbria.

2 Findings

- Almost the entire Wigan Borough is a distinct housing market (using ODPM definition). Thus the vast bulk of its housing interactions occur within the borough and its housing links with its sub region and surrounding areas are limited. This is in contrast to its important and growing regional economic linkages.
- Despite recent increases in house prices Wigan's housing market is still weak, with house prices well below regional and sub-regional averages (-24%) and still relatively affordable by regional standards.
- There are wide and growing variations within the performance of the different local housing markets within the borough. This being particularly important given that it consists of a series of distinct townships.
- The study found that the majority of the borough (the central older townships) have weak housing markets, with falling population levels, low house prices, a relatively restricted choice of housing and a high fear of crime / nuisance.
- In contrast some peripheral townships have significantly stronger housing markets with higher prices, a choice of housing types for those who can afford them and a diminishing rented market.
- The study found the role of past development patterns to be critical in the emergence of these variations and the very nature of the existing housing stock to be an obstacle to positive change. It also found very low levels of migration in or out of the borough.
- The study also confirmed the need to tackle borough-wide issues such as the need for greater provision for vulnerable people, to look at implications of an ageing society and the need to strengthen links over community safety issues.

3 Policy Direction

When Wigan's position is compared to an ideal balanced housing market necessary to deliver sustainable communities, the following interventions are needed.

- Intervention to reduce the future chance of severe market problems within the weaker housing markets, thus avoiding the need for more drastic and expensive action later. This has been the main priority for past action and it should remain so.
- Secondly to provide for future housing needs including more affordable housing in the stronger markets to ensure people who need to live in certain locations can.
- Finally to look to address the need for greater housing for vulnerable people and to ensure the

challenges of demographic change e.g. ageing society are met.

The study sets out a wide number of principles against which future strategy should be developed. The report stresses the need for the current strategies aimed at protecting and improving older housing and their environments to be developed and enhanced by encouraging a wider range of housing types within the weaker areas. As regards stronger markets the report advocates developing more affordable housing and ensuring development in these areas avoids undermining adjacent weaker housing markets.

4 Priorities for Action

Priority 1

To undertake a revision of the current Housing Strategy with detailed proposals, consultation completed and ready for implementation by the summer of 2005.

Priority 2

That the main challenge facing the Wigan housing market remains trying to reverse the declining housing markets within the central township areas and to therefore retain this focus when revising the strategy.

Priority 3

To develop an affordable housing policy within the Unitary Plan and to examine the recent and anticipated changes in the planning system (in particular PPG 3).

Priority 4

To undertake more work on borough-wide housing issues for older people, vulnerable people, for BME communities and to strengthen links with the Community Safety Partnership.

Appendix 4: Housing Needs Update 2005 - Key Findings

The Housing Market, Costs and Incomes

- The house price inflation increase for the Borough over the last two years is 48.2%.
- The entry level stock, (flats/maisonettes) has increased by 57.4% and average terraced house prices have increased by 29.9% in the last 12 months to April 2005.
- In terms of the entry level stock, terraced houses are assessed to be the main access property for first time buyers, due to sales levels, 44.7% of all sales in the Borough and the average price at £80,528.
- The sales levels of semi-detached and detached properties in 2005, 35.0% and 15.5% respectively are lower than 2003 levels (54.5% and 30.7% respectively).
- The increase in the price of terraced houses (75.0%) and flats / maisonettes (82.6%) is massively in excess of wage inflation in the two year period from 2003. Incomes in Wigan are assessed independently to have increased by 12.0% to April 2005.
- Access to market housing has therefore become much more difficult for new households than it was in 2003, increasing the need for subsidised housing of some form.

Population and Household Changes

- The most significant feature in terms of population change is the growth in the population of the over 65 age group. An increase of 23,400 individuals (52.5%) is seen over the forecast period, the largest increase between 2011 and 2016 (17,500; 14.4%).
- Another prominent feature is the fall in the 30-44 age group. This main economically active group shows a decrease over the forecast period (5,500; 7.7%). The largest fall occurs between 2006 and 2011 (4,800; 6.9%).
- Numbers in the 20-29 age group also decrease (700; 2.0%). As this age range comprises new households forming this will have implications for future affordable housing need both in the short and longer term.
- The "older" retirement group, those 80 and over grows by 74.0%, 8,000 more people by 2026. This group represents 18,800 people in the area by 2026 who are much more likely to have care and support needs which should now be assessed in detail.

Affordable Housing Needs Requirement

- The total affordable housing need annually is for 2,294 units. Net re-lets of the existing social stock, after RTB impact, average 2,188 units.
- Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 106 units a year, a large number in relation to past new supply. These units will need to come from new sites, conversions and market purchase by RSL's to reduce the shortfall figure each year.
- Essentially planning should be providing for balanced communities, which acknowledge the need for social compatibility if the problems of housing in the past are not to be repeated. The Local Development framework should provide a policy basis for future affordable housing delivery.
- The increases in average house prices of between 83% and 75% for flats and terraced houses over the last two years have excluded a large proportion of 'first-time buyers' from the owner occupied market.
- We believe therefore that the proportion of affordable housing provided on new sites should

encompass more subsidised low cost market housing than would have been the case three years ago when it was a more marginal element of affordable need.

- The 2003 survey found that 77% of concealed households forming wanted to be owner occupiers. In view of the huge increases in house prices since the original survey, their ability to enter the market has become far more difficult as incomes have increased by only 12% in the same period. The households would not have been natural candidates for social rented accommodation and there is a danger that unless they can access the type of housing they feel they need and would prefer locally, many of them will leave the Borough altogether.
- In regeneration projects to improve neighbourhoods it will be important to provide a better balance of housing stock and in economic terms vital to develop accommodation for households who will be able to provide a better and more sustainable social and economic balance within the neighbourhood. The mix of affordable units in our view from new unit delivery should be moving closer to an equal split i.e. 50/50 between social rent and affordable market housing. Actual balance in individual areas will depend on the overall objectives for the neighbourhood and the existing social rented stock availability.
- New Planning Guidance is due in the Autumn of 2005 following many consultation documents on affordable housing and sustainable development and balancing housing markets. The focus of the emerging guidance is very strongly towards maximisation of delivery through the private housing market.
- This Guidance will also contain the review of the 2000 Good Practice Guidance on Local Housing Needs Assessment and 2006 will be a key period for a full up-date of the 2003 Housing Needs Survey.