
Overview and Scrutiny Board Briefing

Subject:

Housing Strategy 2019

Date:

Monday 5th March 2019

Report of:

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Economy.

Portfolio Holder:

Councillor Hannah Roberts

1. Summary/Details

The Local Housing Strategy (LHS) is Oldham Council's main strategic document for housing and interrelated services. It helps set out our strategic approach in tackling fuel poverty, improving house conditions, and meeting our allocations and homelessness responsibilities. In addition it helps articulate our local strategic response to national and Greater Manchester housing priorities.

It underpins and supports the delivery of a range of statutory housing responsibilities not least ensuring that the Council can demonstrate that it has periodically reviewed the housing needs of its area in relation to both housing conditions and the needs of the borough.

Further legislation requires that when we carry out such reviews, that they also have regard to the special needs of chronically sick or disabled persons and review the accommodation needs of gypsies and travellers residing in or resorting to the borough.

The LHS is supported by an up to date local housing needs assessment (LHNA) informed by a household survey and a large range of secondary data, which in turn supports the strategic and statutory planning obligations of the local authority. The LHNA completes and complements the assembly of the housing and planning evidence base for the borough.

The new LHS is very much an evidence backed strategy that adds value to developing Oldham's new Local Plan and is insightful into informing and supporting how the Council can act in response to the new house building targets arising from the publication of the Greater Manchester Spatial Framework to deliver high quality and more diversity of choice, tenure and price points in Oldham's housing offer.

2. Recommendations:

Overview and Scrutiny is asked to:-

1. Note the phased approach of the development of the Housing Strategy and final approval timeline.
 2. Discuss the summary findings and direction of travel arising from the work completed to date.
 3. Note that work is still to be undertaken on the delivery plan articulating the financial, legal and resourcing implications over the short, medium and long term.
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3. Background

The Council has commissioned Campbell Tickell and Arc4 to prepare a comprehensive housing strategy for the Borough in a three stage phased approach. This process began in May 2018 and is now drawing to a conclusion.

Stage One – Evidence base / Local Housing Needs Assessment

The first stage was to develop an extensive evidence base, the Local Housing Needs Assessment that has underpinned and has helped establish the strategic housing priorities across the Borough as a whole, individual Districts, Oldham Town Centre area and supported the Saddleworth Neighbourhood Planning area process.

The stage one evidence base was constructed from a range of existing (secondary) data sources, wide ranging internal and external stakeholder consultation and a major household survey which was completed via a random sample of approximately 15,000 households during October 2018. Outcomes of this work include: a review of our existing residents and their current housing choices and future aspirations; an assessment of affordable housing need; and an assessment of the need for specialist older person and supported housing. In addition an extensive study of Oldham's private rented sector was also completed.

The assessment of future affordable housing need included a review of the future type, size and tenure of dwellings that are required with the GMSF targets identified – including the need for social rented housing and intermediate tenure dwellings (including shared ownership and discounted market for sale).

Stage Two – Drafting the key themes and analysis for the Housing Strategy

This second stage whilst overlapping with stage one involved a wide range of both internal and external stakeholder engagement and workshop events, including district partnerships, the Youth Council, interviews with senior officers and included engagement with the development of the GMCA housing vision and strategy to ensure synergy. Consultation with all elected members was also arranged through a drop in session on the 20 November 2018.

4. Current progress

Stage Three- Final drafting, approvals and sign off on public consultation on the new Housing strategy

This stage includes an update and challenge event with leadership in January followed by the development of a delivery plan over the short, medium and longer term developed over the period January to April 2019.

Once agreed the consultation process will commence in May 2019.

Stage Four- Formal approval and adoption

This stage will conclude with the housing strategy and delivery plan being submitted for approval through the Councils Leadership in June 2019, Cabinet in June 2019 and Full Council in July 2019.

The full proposed timeline is set out in the table below:-

Council Approval – Timeline	Meeting Title/Key Activity	Date of Meeting/Key Activity	Deadline	Notes
	First fair draft in progress issued	16 January 2019		
	Project Review Group	17 January 2019		
	Leadership –Housing visioning session	28 January 2019		Discuss seek broad consensus of summary of key issues that the evidence base and consultation to date. Agree Timeline below.
	Internal consultation and final feedback from project review group begins on fair draft	23 January 2019	31 January 2019	
	Final consultants drafting	31 January 2019	14 February 2019	
	Final testing with EMT/DMT/ Health/ Social Care/Children services and statutory service leads/agreement of Strategy with internal stakeholders and Key external stakeholders.	14 February 2019	April 2019	
	Overview and Scrutiny of Summary section of the Housing Strategy.	5 March 2019	21 February 2019	It is not possible to get to the July Full Council without going to O and S in March 2019.
	Purdah Period	25 March 2019	2 May 2019	
	Leadership	April 2019		Agreement on Housing Strategy, delivery plan and proposals for public consultation
	Public Consultation survey opens with strategy and delivery plan	3 May 2019		
	Public Consultation ends	31 May 2019		
	Strategy is updated and finalised	7 June 2019		
	Leadership	10 June 2019	31 May 2019	
	Cabinet	24 June 2019	13 June 2019	
	Full Council	10 July 2019	28 June 2019	

5. Key themes and potential delivery plan proposals of the housing strategy.

The new Housing Strategy and proposed delivery plan would mark a significant change in how we think about, plan for and take decisions and action on housing over the short, medium and long term.

If Overview and Scrutiny are in agreement the Housing Strategy would contain the following key themes.

5.1 The scale of housing development

The emerging Greater Manchester (GM) vision and framework will provide a credible platform for Oldham to develop its future on a broader stage. The GM Spatial Framework projects the need for 14,290 new homes in Oldham over the period 2018-37, equivalent to 752 per annum and more than double the numbers built over recent years.

Scaling up development over the next five years and making sure we deliver the right mix of size, type, tenure and affordability of homes in each neighbourhood, to make Oldham an attractive place to live, will require a new way of working.

In no particular rank or order, the delivery plan could then comprise of the following short, medium and long term objectives:

- Resources are agreed to consider what sort of new homes the Council will deliver directly – social homes, affordable rent, specialised housing – including the legal, financial and resourcing implications for the Council.
 - The Council may then build some new homes directly where this fills gaps in provision. It is proposed that would then consider the following vehicles for this: Local Authority New Build models, Council-controlled vehicles such as a local Housing Development Company, Special Purpose Vehicles, Joint ventures with private developers and registered providers.
 - Prioritise development of, initially, one or two new purpose-built housing schemes that specifically meet the aspirations of young people as part of the Oldham Town Centre redevelopment. We would also consider similar schemes elsewhere, steered by the findings of the research, and these would be included within the Housing Propositions.
 - Undertake financial modelling to ensure that the above homes are affordable for young economically active people earning average local salaries for their age.
 - Invite all our partners to tell us about their specialisms and strengths, the roles they see themselves playing, and their credentials in doing so – with specific reference to our housing strategy;
 - Develop a MoU with a partner/s, where appropriate, that lists some actions that the partner and the Council will take to deliver on a number of key priorities.
 - Continue developing our SME Engagement Plan to provide better opportunities for SMEs who are committed to playing a positive role in achieving Oldham's vision to submit and win contracts. This would include Small and Medium-sized house builders and developers.
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- Aim to increase the proportion of new homes built on brownfield sites over the next 5 years
 - Develop and implement a programme for bringing selected empty homes into use, to bring new investment and energy into some localities.
 - Consider selective demolition and rebuilding where this is considered the most appropriate solution to improving the locality and housing market.

5.2 Making evidence-based decisions about housing

In order to improve our ability to steer housing development across the borough, we have undertaken a resident-informed Strategic Housing Market Assessment and research into Oldham's private rented sector. These documents have given us a comprehensive evidence base and show what is happening in Oldham's housing market. We have consulted residents on a range of housing related matters and have listened to what disabled people, people with dementia, people with mental health problems, people with a learning disability and care leavers say about the housing they need. These help explain the changes and challenges Oldham is experiencing. They point to land and investment decisions that will need to be taken; and they put forward proposals for the type and size of homes, and specialised housing, that could be built in each district to provide for the projected population increase.

In no particular rank or order, the delivery plan could then comprise of the following short, medium and long term objectives:

- Undertake a review of the Selective Licensing Scheme to see how much difference it has made so far – to the housing market and to the lives of residents living in those neighbourhoods;
 - Depending on the outcome of the above review: consider whether the resources available (from licensing fees) are sufficient or whether there might be a case for allocating small amounts of additional funding to speed up progress and explore whether and in what ways the scheme might be modified to achieve better outcomes decide whether to expand the scheme to other neighbourhoods.
 - Through Housing Propositions and the planning system propose to identify a number of centres and sites across the borough that are close to good local facilities such as shops, community amenities, GP surgeries and bus routes and look to facilitate development that includes an inclusive housing offer such as apartments and bungalows that are attractive to active older people looking to downsize and are suitable for people with a range of care needs.
 - The above sites where we build these new homes will be the focus of measures to develop 'age-friendly' communities where older people feel in control, safe and secure.
 - Facilitate build of new extra care housing in at least two locations, and at least one Enhanced Extra Care scheme, to increase the options for older people looking for a long-term housing solution with support and care options on site.
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- Commission the Youth Council and Action Together to support young people (aged 16-30) to undertake research into where their peers move to when they leave the family home or care system, the degree of satisfaction with those moves and what young people ideally want, from their living experience. This would include visits to view innovative schemes developed specifically for young people elsewhere – such as ‘co-living’ designs.
 - Involve young people in the Masterplanning exercise for Oldham Town Centre, to ensure it becomes attractive to young people (as well as other age-groups) offering a pleasant residential experience for young people with good shops, restaurants, leisure facilities, communal spaces and transport links

5.3 Providing a good quality Oldham Housing Offer

We aim to provide a diverse Oldham Housing Offer that is attractive and meets the needs of different sections of the population at different times of their lives. We are being more creative than in the past to enable people to find housing solutions that suit them. Our proposals go beyond the projected numbers of new homes and focus on the dynamics between people, homes and the wider economy. For example, helping an older person find a suitable, smaller, more manageable home might also provide help an overcrowded household meet its need for a larger home. Providing living experiences that we know young people will find compelling might help bolster Oldham’s economy by reducing the outflow of younger people. And a locally focused mutual exchange scheme for council and housing association residents might enable more people find more suitable homes without having to wait for a home to be allocated to them via the register.

As well as building new social housing in the borough, we are considering how the Council can support people in a range of housing situations, for example, by putting up equity to enable people to buy a home and/or renovate a poor condition home. Through owning loan shares in homes across the borough that are repaid over a given time period or on sale of the home, the Council could create a modern way to subsidise housing and make it affordable.

In no particular rank or order, the delivery plan could then comprise of the following short, medium and long term objectives:

- Establish a new service to supply advice and information on the full range of housing options, including shared ownership, Help to buy, developer assisted purchase options, Rent to Buy, equity shares etc. Consider whether this is best provided through a contract or in-house.
 - Consider Council financial support for offering financial products for first time buyers and criteria for doing so. For example, ‘equity stakes’ to cover the deposit in some first-time-buyer purchases that would be repayable over a period of time (e.g. 5 years), mortgages suitable for self-employed people who find it difficult to secure a mortgage on the open market or for those who want observe Sharia lending/borrowing principles.
 - Explore options for introducing a Tenants Incentive Scheme to provide up front finance to assist social housing tenants to access home ownership along with other types of direct support that might be appropriate.
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- Undertake research to determine whether a rent-to-buy scheme might work in Oldham's housing market, to enable households with an ambition to own their home to start by renting and transition to full ownership over a period of time. And if so, to make this offer available.
 - Explore the options for establishing an Ethical Equity Loan Fund through which poorer older home owners living in poor condition homes can access finance to improve their homes. In doing so, we will seek the advice of the London Rebuilding Society⁴ and look into good practice from elsewhere. The loan funding plus any interest or value-linked uplift would be repayable on sale of the home and could, therefore, become available for further lending.
 - Assist overcrowded households to move into the larger homes where appropriate, for example by assisting the household to access the finance required offering a Council equity share in a larger home households in very overcrowded conditions, where no other options exist (subject to eligibility criteria)
 - Offer and promote more custom-build options for those who want to purchase a site in a location where they want to live and to take charge of designing their home and managing the building process
 - Support intentional communities to achieve their aspirations for a community living experience through a range of models of community housing, including:
 - **Community Land Trusts** – they have the potential to remove the land value from house prices (since the land is held in trust) making the homes more affordable.
 - **Co-housing** – where people live 'independently together' having their own private space as well as some shared facilities
 - **Cooperative Housing** – for which there are a number of models for residents to manage their own homes collectively.
 - Re-establish a local mutual exchange scheme in partnership with housing providers, drawing on best practice from elsewhere. There are likely to be two elements:
 - People will be able to 'advertise' their desire to exchange tenancies and details of their home online and they will be able to contact each other online.
 - We also propose to hold one or two events per year, inviting everyone on the housing register so that people can meet each other face to face and find out more about each other's properties to help them decide which ones are of interest and which to eliminate from their search.

5.4 Delivering new homes

When delivering the new homes, old approaches will not be adequate. Oldham has a limited land supply and many unviable brownfield sites are not sufficiently attractive to developers. The Council will develop a 'toolkit' of approaches to help increase certainty for developers and reduce the burden on difficult sites. For instance, we will change the way we negotiate planning obligations, providing loans and gap-funding, and improving

existing homes to make neighbourhoods more attractive to purchasers. We will draw on these new tools flexibly and site by site basis to unlock more development opportunities. We will develop partnerships with developers and registered providers that show genuine commitment to Oldham's emerging vision, and work with them to enable sites to be developed. The Council will also take direct action to build new homes. We will consider how to use our new Housing Revenue Account borrowing capability for this and which partnerships will enable us to do so effectively.

In no particular rank or order, the delivery plan could then comprise of the following short, medium and long term objectives:

- Develop Joint Ventures with Registered Providers and private developers where this approach to risk-sharing improves our collective capability for developing a range of housing on a wide range of sites.
 - Establish a 'Developers Group' comprising the Councils' planning and housing teams, private developers and Registered Providers to share what the evidence is telling us is required, understand the delivery barriers and consider options for delivering against requirements.
 - Review our approach to land price and planning obligations: We propose to: Review and adjust our planning obligations policy, so that we are not adding to the development burden on sites where the viability is already challenging
 - Consider packaging strategic sites – linking good quality viable sites with more challenging ones – to bring sites forward through a single developer
 - Work proactively with developers and provide greater clarity on the more complex sites, through pre-application discussions.
 - Maximise government funding to support site assembly and other specific purposes (for example through the Small Sites Fund with Homes England)
 - Invest in site remediation to enable the development of strategic sites.
 - Supporting better developer certainty and cash-flow. We may wish to explore:
 1. Defer payment on sale of any of the council's land for housing until completion of schemes/sale of homes
 2. Promote take up of the government's home ownership schemes including Help to Buy to reduce the price that purchasers pay for homes.
 3. Consider the case for offering come first-time buyers with Council funded support to purchase a home.
 4. Facilitate dialog between private developers and registered providers regarding sale of new homes, both to guarantee sales and enable the provision of affordable and intermediate housing.
 5. Consider the case for the Council buying new homes from developers in the more marginal areas.
 6. Continue to make low cost developer finance available for particular schemes, through Homes England's Home Building Fund, to reduce the equity required to develop out those schemes.
 7. Draw on funding available – from a range of sources – to support infrastructure costs where this will help to bring sites forward.
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- Identify new sources of funding suitable to enable development in different ways. We would propose to:
 1. Keep an active dialogue with Homes England regarding potential sources of funding that might become available in the future that Oldham might apply for in order to make progress against this Housing Strategy.
 2. Consider how best to maximise the opportunities to increase our borrowing capacity against our Housing Revenue Account
 - Invest our HRA in new development to deliver against this Housing Strategy and the Housing Propositions.
 - Create an 'Oldham Housing Fund' that can be drawn on in a flexible way on a case-by-case basis to enable the right mix of homes in the right places – including small loans and 'gap funding'. Sources might include: commuted sums (where appropriate) New Homes Bonus, borrowing from the Public Works Loans Board borrowing etc.

5.5 An evidence-based, co-designed 'Place Offer'

The evidence base will help us develop a better Local Plan and steer the right sort of new housing within the borough. But rather than being merely a technocratic exercise, we want local people to work with us to make sense of the evidence and shape what happens in their neighbourhoods.

Our Thriving Communities programme and Selective Licensing Scheme enable a more proactive approach to solving neighbourhood problems with residents. We want to consider taking further steps and invite residents to co-produce 'Place Plans' with us, to provide blueprints for how their neighbourhood might develop over the next 20 years. As part of this, we would ask residents to consider what the evidence says about housing requirements within a series of Housing Propositions. Together, these will provide a vehicle for constructive conversations about how the housing offer and the place offer for their neighbourhoods could change for the better.

In no particular rank or order, the delivery plan could then comprise of the following short, medium and long term objectives:

- Consider the potential for a series of Place Plans, drawn up with residents as part of the local planning or neighbourhood planning processes, to support positive resident engagement in building Oldham's future and the Council's goal of a Cooperative Council.

These Place Plans might include consideration of (for example): What functions their locality might fulfil within the borough and Greater Manchester e.g. an economic centre, a place for young professionals to live, a recreational area etc; Access to transport and active travel routes, schools, retail, business locations, green spaces, leisure facilities, amenities; The roles of community groups and the voluntary sector might play in contributing to public life working alongside public service providers; The type and design of homes developed in each place (drawing on the evidence-base); The spaces between the homes and buildings – making sure there are attractive shared spaces, including green spaces, where residents are inspired to meet and interact.

We would propose to take a variety of actions, across multiple agencies and with a range of partners, to increase the level of trust and confidence between people from different backgrounds and to encourage mixing within residential areas. We will focus our activities any new residential developments as well as some existing neighbourhoods. These activities would take different forms in different neighbourhoods and could include ensuring new homes are advertised through media that will reach the full range of community groups, social events to help new neighbours to meet each other and mix, supporting new migrant communities to settle, providing language support, education work with schools and dealing with hate crime.

- Develop detailed plans for each former industrial site as and when they become available for redevelopment, in partnership with residents living nearby. We would propose this would be guided by the Place Plans, Housing Propositions and analyses of the suitability of the site for development.
- Undertake detailed masterplanning exercises to steer the redevelopment of Oldham Town Centre, making a particular effort to engage young people in the plans.
- Develop a series of 'housing propositions' as part of the place plan and masterplanning exercises, that set out the mix of new homes as well as other housing interventions and investment we are considering prioritising in each place – drawing on the evidence in the Housing Market Assessment and other sources
- Use the Housing Propositions to hold conversations with residents, inform the Local Plan, hold pre-application discussions with developers, support development of a toolkit the Council can use to support site viability and on-site delivery.
- Include provision of the range of types of homes for disabled people, people with dementia, people with mental health difficulties, people with a learning disability and care leavers – guided by the evidence – within the Housing Propositions

5.6 Housing and support to improve people's lives and health

Partners in Oldham share an ambition to achieve and sustain the fastest possible improvement in the health and wellbeing of Oldham's residents by 2020. Support, adaptations and other measures – such as activities that help keep older people active – have a huge role to play for some of our more vulnerable residents. And we need to find the right blend of advice, temporary housing and support to prevent people becoming homeless and address the needs of those who are homeless. Making our homes and neighbourhood healthy places to live is also key to realising this ambition.

While we made significant physical improvement to our private homes between 2010 and 2015, Oldham's private housing, especially the private rented sector, remains in poor condition and unhealthy compared to the national average. This burden on Oldham's people presents a heavy cost to our health services. Although we have little capital resource to invest in these poor condition homes, we intend to develop a long-term plan to radically improve them. This will include campaigning with our GM partners for more resources to enable us to take action. In the short term, we will do more to reduce residents' fuel poverty by increasing resources for our successful Warm Homes Scheme.

We will also work to identify the most vulnerable people living in the poorest homes and concentrate our efforts there.

In no particular rank or order, the delivery plan could then comprise of the following short, medium and long term objectives:

- Establish a Housing and Health Partnership Board with representatives from housing (the Council's strategic housing team and housing providers), health and social care to consider and make decisions about how best a range of housing and housing related services are integrated organised and funded. For example provide health and care integrated teams with direct access to housing specialists, who can offer impartial advice on a case by case basis (potentially by embedding housing specialists within these teams if appropriate).
- Develop a Health and Care Action Plan that sets out the full range of actions we will take to ensure that housing-related matters that impact on people's health and wellbeing are being addressed.

Through the Action Plan we propose to be in a position to:

1. Support residents to carry out necessary works to their homes, when this is prescribed via social prescribing or identified through MECC or another route;
 2. Reduce the likelihood that older residents will fall in their home and better target rapid response' service that responds quickly when they do fall in order to stabilise their condition in their home and avoid a visit to A&E;
 3. Seek out and find 'hidden' residents, who may not be visited by a frontline worker, but who may be in need of medical attention and/or have other needs;
 4. Support positive relationships between tenants and private landlords to support successful tenancies and prevent illegal and 'no fault' evictions;
 5. Minimise the negative effects for households living in temporary accommodation;
 6. Ensure that people being discharged from hospital will go back to a home that is 'fit for discharge' either on their day of discharge or soon after so that it will not impede their recovery;
 7. Routinely record details of people's living circumstances and home condition whenever a health, care or housing staff member makes a visit, in order to build a database of where the problems might lie.
- Combine intelligence on home condition with other sources of data (in GIS systems if appropriate) including: Thriving Communities Index, Risk stratification for ill-health in order to identify where the biggest health gains might be made and therefore where to focus interventions.
 - Develop a position statement (based on the private housing stock condition survey and other sources) and a long-term strategy and action plan for addressing the poorest condition homes in the borough – building on our existing knowledge and expertise of what works such as 'home improve equity loans'.
 - Campaign for resources to deliver the scale home improvement required as set out in the long-term strategy and action plan, including lobbying activities with other Greater Manchester locality.
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6. Conclusion

The emerging strategy and delivery plan will need to be delivered in a phased approach and it builds on the work already underway across the Oldham Partnership.

The financial challenges the Council face are not insignificant and it is therefore essential the next phase of work understanding the financial and legal consequences arising as a consequence of the delivery plan is important. The strategy acknowledges the opportunity and need to draw on resources of the Council and the plan must reflect this.

This strategy is an important building block in terms of rebalancing Oldham's economy and ensuring and contributing to an inclusive society.
