

## Report to CABINET

# Adoption of the Housing Strategy

### **Portfolio Holder:**

Councillor Hannah Roberts, Cabinet Member-Housing.

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### **Reason for Decision**

The previous Housing Strategy (2015- 2018) was approved by Cabinet in April 2015. It was a three year document that reflected the key housing challenges and opportunities facing Oldham at that time. Good practice dictates that housing strategies are reviewed every five years and no longer than every seven years. In addition as a local authority there is a statutory responsibility to periodically review the housing needs of the borough in relation to housing conditions and the needs of the local authority area. This statutory responsibility is usually articulated through the periodic publications of a housing strategy and housing stock condition surveys.

### **Executive Summary**

Oldham has a diverse housing market: stretching out from a town centre surrounded by an inner ring of high density and compact terraced housing neighbourhoods which are increasingly areas of regeneration priority, to outer suburbs, semi- rural parish standalone settlements and dispersed smaller rural settlements within green belt and countryside.

There has been significant changes in our local housing market and our service operating model since our last housing strategy was refreshed. Devolution has occurred, with agreement to meet our housing targets through a Greater Manchester spatial planning process. Alongside this major shift and together with new burdens in national planning methodologies and standards, now dictates the need for a completely new approach to how we meet our statutory planning and housing responsibilities. This new housing strategy will complement our existing homelessness strategy, link to our 30 year housing revenue account business plan and set out the evidence base for the development of our new local plan.

The new housing strategy also responds to the travel of direction towards working in a new integrated health and social care service cluster model being driven by Oldham Cares. The housing strategy therefore picks up in one of its key themes on the key

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function housing plays in supporting health and social care integration and wider public service reform.

A key objective of the development of the new housing strategy has been to reset the housing delivery governance framework that can start to tackle the challenges identified in the evidence base. Help meet the opportunities to achieve the housing priority themes acknowledged over the short, medium and long term. The accompanying delivery plan seeks to begin to start to locate housing and place shaping at the heart of Oldham's collective vision for the Borough.

The new housing strategy will, if adopted:-

- Enable the Council to determine priorities in each district or local housing market area as defined by the LHNA evidence base;
- Inform bids for both public and private funding to support the development of new homes in Oldham.
- Support the Council and its partners to make more informed People and Place making decisions about the targeting and future integrated commissioning priorities under for example the Integrated Care Organisation (Oldham Cares) and underpin external funding bids to support investment in existing housing services and stock in Oldham.
- Enable the Council to focus and develop new policies and ways of working that better fit the operating environment.
- Inform the Council to progress its energy conservation work, and to satisfy the Council's obligations under the Home Energy Conservation Act 1995 and subsequent guidance.

## **Recommendations**

1. Approve adoption of the new Housing Strategy and the accompanying delivery plan.

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## Adoption of the Housing Strategy

### 1 Background

- 1.1 The new housing strategy has been developing since January 2018, alongside a Local Housing Needs Assessment (LHNA), Strategic Housing Market Assessment (SHMA) and private rented sector study.
- 1.2 This work is now completed and has encompassed a full literature review and has been developed alongside wide ranging political and stakeholder input. A robust evidence base has formed the basis from which the strategies key themes and actions have been developed. For example our LHNA has been fully updated with two primary surveys: a borough wide household survey and insightful housing market survey including interviews with local estate agents and lettings agents. The LHNA will be legally binding in planning policy terms and follows the National Planning Policy Framework guidelines.
- 1.3 The new housing strategy has also been developed in line with the Oldham Plan, the Greater Manchester Spatial Framework and the Greater Manchester housing strategy. The Councils leadership have also had an opportunity to discuss and endorse the further development of the key themes emerging in the strategy in January 2019 and the draft strategy was shared with the Overview and Scrutiny board in March 2019. Final internal and stakeholder consultation and input was concluded in March 2019 and public consultation was opened in May 2019 and closed on the 4 June 2019.

### 2 Current Position

- 2.1 There has been significant changes in our local housing market and our service operating model since our last housing strategy was refreshed. Devolution has occurred, with agreement to meet our housing targets through a Greater Manchester spatial planning process. Alongside this major shift and new burdens in national planning methodologies and standards, now dictate the need for a completely new approach to how we meet our statutory planning and housing responsibilities. This new housing strategy will complement our existing homelessness strategy, link to our 30 year housing revenue account business plan and set out the evidence base for the development of our new local plan.
  - 2.2 The new housing strategy also responds to the travel of direction towards working in a new integrated health and social care service cluster model being driven in part by Oldham Cares. The housing strategy therefore picks up in one of its key themes on the key function housing plays in supporting health and social care integration and wider public service reform.
  - 2.3 Work has been completed through the standard MHCLG methodology to calculate the local housing need figure for Oldham. The Greater Manchester SHMA has also confirmed Oldham as a Housing Market Area (HMA). In addition the completion of a local housing needs assessment (LHNA) has broken down the overall housing needs into the requirements for specific housing and affordability types and groups as per the National Planning Policy Framework (NPPF).
  - 2.4 A key objective of the development of the new housing strategy has therefore been to reset the housing delivery framework that tackle the challenges and help meet the opportunities to achieve the housing priorities identified over the short, medium and long term. It should be viewed as a key strategic document in helping shape future service
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models and the strategy seeks to place housing and place shaping at the heart of Oldham Partnerships collective vision for the Borough.

2.5 The new strategy will support Oldham Plan in the following ways:-

- Inform Oldham's strategic housing priorities with a robust analysis off the Oldham LHNA consistent with National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG) and other good practice; and provides a key piece of evidence to support the preparation and implementation of the Council's Local Plan;
- Created a socio-economic profile of households living in the Borough, including the key relationships between key economic assessments, stock conditions, affordability and housing need for each district;
- Created an evidence base that provides an overview of housing issues within the Borough, in particular those that have synergy with the requirements of the Greater Manchester Spatial Framework (GMSF), our developing Thriving Communities Index, and enables the Council to better understand local housing needs and be better enabled to identify the demand for different types of housing and affordability at a more granular level as per the NPPG;
- The Council is now able to determine the need for affordable housing for Oldham and a number of broad local housing market area boundaries defined by affordability and housing characteristics;

2.6 The new housing strategy will, if adopted:-

- Enable the Council to determine priorities in each district or local housing market area as defined by the LHNA evidence base;
- Inform bids for both public and private funding to support the development of new homes in Oldham.
- Support the Council and its partners to make more informed People and Place making decisions about the targeting and future integrated commissioning priorities under for example the already Integrated Care Organisation (Oldham Cares) and underpin external funding bids to support investment in existing housing services and stock in Oldham.
- Enable the Council to focus and develop new policies and ways of working that better fit the operating environment.
- Inform the Council to progress its energy conservation work, and to satisfy the Council's obligations under the Home Energy Conservation Act

### 3 Options/Alternatives

3.1 Option 1- Do nothing:

Oldham has a range of challenges that have been identified within the evidence base and the development of this strategy. These in summary are as follows:-

- Not a priority area for national housing funding programmes
  - Increase in housing targets alongside lack of viable sites
  - Local economy performance
  - An over propensity of pre-1919 terrace homes
  - Low council tax bands
  - Falling home ownership
  - Overcrowding
  - Drop in available social housing
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- Ageing population
  - Welfare reform

3.2 The Council could choose not publish a housing strategy and rely on housing stock condition surveys and the LHNA to satisfy itself that it has met its statutory obligations to keep the condition of its housing stock under review. However this would not help to alleviate any of the challenges above or be consistent with GMCA policy and travel of direction.

3.3 This option would carry no financial commitments and we would continue to work in conjunction with our partners to look at for example new housing deliverability, use existing resources and maximize opportunities via external funding bids for capital grants and revenue support.

3.4 Option 2- Adopt the new housing strategy

Oldham has a range of risks and opportunities that have been identified within the evidence base and the development of this strategy. These in summary are as follows:-

- Relatively affordable housing – potentially able to attract economically active households who see Oldham as good value.
- Opportunity to introduce a much broader housing offer
- Opportunity to create more movement in our housing market
- Expand private rented sector intervention including selective licensing to improve housing conditions and place
- Build on the Thriving Communities programme by better aligning place shaping with people.
- Build on Oldham Cares to integrate health and social care commissioning more fully the housing agenda.
- Lobby from an evidence base for more appropriate Greater Manchester and national funding programmes that better suit our challenges.

3.5 The adoption of the new strategy would mean that the Council would have to adopt new ways of working, take on more financial risk particularly in the development of a broader Oldham housing offer and to meet the increased delivery of new housing.

3.6 This option would require changes to our Capital programme to create a new and flexible Oldham Housing fund to help enable the development of new homes Oldham needs and would impact on budget capital and revenue setting cycles going forward to deliver the new ways of working set out within the housing strategy and accompanying delivery plan.

## 4 Preferred Option

4.1 Option 2- Is the recommended option

## 5 Consultation

5.1 Consultation opened up with a postal housing study survey to 15,000 residents of the borough. Workshops and stakeholder events have taken place with the services within the Council, the Director of those services and with external partners and elected members. Public consultation began through a drop in event on the 12 December 2018. The Overview and Scrutiny Board noted the report on the 5 March 2019. The extensive consultation process ended with the draft strategy opened up for public comment for four weeks until this closed on the 4 June 2019. A summary of all the consultation undertaken with links to the detailed responses are set out in appendix 4.

## 6 Financial Implications

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- 6.1 The adoption of the new Housing Strategy would be a commitment for the Council of revenue and capital resources over and above the current resources for potentially up to 15 years.
- 6.2 The Capital Strategy references the new strategy and details schemes in development through the Housing Revenue Account (HRA) such as Extra Care, Supported Housing (SHALD) and some Town Centre affordable housing. These schemes have a budget allocation in the 2019/22 Capital Strategy funded from HRA reserves.
- 6.3 The potential to have a flexible facility to assist in the development of new housing sites across the borough would need to be further developed to understand the risks, impact on the market to deliver schemes, the levels of borrowing and repayment available for the Council and if any State Aid applies. To carry out this work there is a potential need for some revenue expenditure for legal and additional financial advice. For example, having a £10m flexible scheme within the Capital Programme funded via borrowing would cost c £1.7m pa in repayment. This would be an added pressure to the revenue budget as and when the borrowing is drawn down and repayment is required. Alternatively, a flexible fund could be included within the Capital Programme from the re-prioritisation of scheme in the programme which are already funded from within the Medium Term Financial Strategy (MTFS).
- 6.4 This review would enable a framework for appraising future housing schemes to be drafted and used for each opportunity going forward to best enable housing to of all tenures to grow within the Borough. Costs for any external advice are not known at this point and based on the action plan would be in future years following officer review. There are no current resources available within the MTFS for this therefore, Members would have to prioritise the use of reserves to support such work.
- 6.5 As advised, should the Housing Strategy be adopted it will require the allocation of resources over and above that factored into the capital and revenue planning process. Members will therefore need to consider this in the context of all the other competing corporate priorities and the Councils significant financial challenge for 2020/21 and future years which requires reductions in expenditure or increases in income. It is also important to have regard to the requirement to demonstrate financial sustainability which will be an essential element of budget setting process from 2020/21.
- 6.6 If the Council is to take on more financial risk particularly in the development of a broader Oldham housing offer and to meet the increased delivery of new housing, the availability of reserves will be of even greater importance. (Sam Smith)

## **7 Legal Services Comments**

- 7.1 The New Housing Strategy document outlines in detail what it will attempt to achieve and how. Under Section 8 of the Housing Act 1985, it is a requirement that the Council periodically reviews the housing needs of its area in relation to housing conditions and the needs of the borough. It is also a requirement that when carrying out the review, regard is given to the specific types of people within the borough and their specific Housing needs, for example the housing requirements of the chronically sick and disabled.
- 7.2 The New Housing Strategy will also help the Council comply with its other legal obligations under key legislation such as the requirements of the traveler community in the borough, S224 Housing Act 2004, providing properties suitable for those ineligible for Housing assistance but who have children, part 7 Housing Act 1996, and of course it is important that the Housing strategy is up to date in order to be better equipped to tackle Homelessness as is required under the Housing Act 1996 and the Homelessness Reduction Act 2017. Section 3 of the Housing Act 2004 also requires the Council to know
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about the condition of all Housing stock in its area. Option 2 is the preferred option. (Alex Bougatef).

- 7.3 The Council also has obligations under the Care Act 2014 to promote the wellbeing of individuals living in their area and in doing so consider the 'suitability of accommodation' in meeting the at home care and support needs of older and vulnerable people. The Care Act and the accompanying regulations and guidance outline how housing can support a more integrated approach and set out local implementation requirements including:
- The general duty to promote wellbeing which makes reference to suitable accommodation
  - Housing is not just the 'bricks and mortar', it also includes housing related support or services
  - Housing must be considered as part of an assessment process that may prevent, reduce or delay an adult social care need
  - Information and advice should reflect the housing options available, as part of a universal service offer
  - Care and support should be delivered in an integrated way in cooperation with partner bodies, including housing.

- 7.4 The Council must act fairly in carrying out the consultation exercise on the proposed new housing strategy and must ensure that the following "Sedley" principles are applied:
- that the consultation must be at a time when proposals are still at a formative stage;
  - that the proposer must give sufficient reasons for any proposals to permit intelligent consideration and response;
  - that adequate time is given for consideration and response; and
  - that the product of consultation is conscientiously taken into account when finalising the decision.

Furthermore, the Council may be required to consult on alternative options which it has considered and rejected and give its reasons for their rejection.

- 7.5 At the same time, the Council must also be mindful of its equality duty under Section 149 of the Equality Act 2010. The Act requires equality considerations to be reflected in the design of policies and for these issues to be kept under review.

Section 149 states:-

(1) A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. When making policy decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups

The Council will need to carry out the consultation exercise with its equality duty in mind in order to inform the preparation of an Equality Impact Assessment for consideration by members before adopting the final housing strategy document.

- 7.6 The Council will need to abide by its Contract Procedure Rules in procuring any external resources required to support the implementation of the housing strategy.
- 7.7 Legal Services will provide legal advice and support as and when required to do so and where necessary consideration may be needed in relation to specific pieces of legal advice e.g. in relation to State Aid and land transactions/works contracts to ensure that
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the Council complies with any legislation and case law in force at the time (Elizabeth Cunningham Doyle)

7.8 External legal and financial advice may be required on a case by case basis as a scheme is progressed to supplement in-house advice on issues such as state aid, tax and housing law and must be procured by Legal Services in accordance with the Council's Contract Procedure Rules.

7.9 Any contracts for the supply of works, goods or services made in the name of the council will need to comply with the Council's Contract Procedure Rules and all relevant EU regulations. All land transactions will need to comply with the Council's Land and Property Protocols. All financial transactions will need to comply with the Council's Financial Procedure Rules. (Rebecca Boyle)

## 8. **Co-operative Agenda**

8.1 The key themes in the strategy have been prepared so that they embrace the Council's co-operative agenda within the delivery plan resources being directed so that the aims, objectives and cooperative ethos of the Council are enhanced. The proposed adoption of the Housing Strategy would be fully consistent with the Economy and Skills Directorate messages:-

#OurBit -Providing services based on the needs of neighbourhoods and communities-  
The Delivery plan is based on evidence of needs.

#YourBit- Being active in your Community and supporting our ambitions for growth-The Delivery plan sets out our new house building targets for growth and through the development of 'Place Plans' provides a platform for residents to be active in helping spatially shape their neighbourhoods.

#Result- Ambitious and thriving communities where people are proud to live, work, visit and invest- The Delivery plan sets out clearly our challenges and opportunities and how we intend to address them.

8.2 Reforming public services and encouraging innovation, leading to better outcomes and delivery lies at the heart of co-operative services. Reviewing our approach to land price and planning obligations: We would:

1. 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
2. Consider packaging strategic sites – linking good quality viable sites with more challenging ones – to bring sites forward through a single developer.
3. Work proactively with developers and provide greater clarity on the more complex sites, through pre-application discussions.
4. Maximise government funding to support site assembly and other specific purposes (for example through the Small Sites Fund with Homes England)
5. Invest in site remediation to enable the development of strategic sites.

8.3 If the Housing Strategy was to be adopted there would be also be the following policy implications which are anticipated to be as follows:

- Review and broadening of our range of financial products including but not limited to our Equity Release offer and review of our Local Authority Mortgage Scheme.
  - Review of our Housing Options Service.
  - Development of a supported Housing and temporary accommodation Strategy
  - Development of a Private Rented Sector Improvement plans
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- 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.
  - Review our approach to land price and planning obligations: We will:
  - 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.
  - Review the council's internal arrangements for aligning the processes and decision-making between housing and planning teams in order to deliver a coordinated approach to new development including the development of an affordable housing policy.
  - Identify new sources of funding suitable to enable development in different ways Consider how best to maximise the opportunities to increase our borrowing capacity against our Housing Revenue Account, 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:
    1. Commuted sums (where appropriate)
    2. New Homes Bonus
    3. Borrowing from the Public Works Loans Board borrowing etc.
  - The Council will build some new homes directly where this fills gaps in provision. We will 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
  - Develop a series of 'housing insights' 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.
  - Change the governance arrangements so that the Strategic Housing Partnership Board and Oldham Cares work together to consider and make decisions about how services are organised and funded in order to help people to stay well and living independently in their homes
  - Develop a Temporary Accommodation strategy in response to the need for higher levels of provision. This is likely to include building and procurement of new accommodation specifically for the purpose of housing homeless people (temporary accommodation), drawing on our Housing Revenue Account and increase borrowing permissions.
  - Combine intelligence on home condition with other sources of data (in GIS systems if appropriate) including: in order to identify where the biggest health gains might be made and therefore where to focus interventions

## 9 Human Resources Comments

- 9.1 Delivering the actions set out in this report over the short, medium and long-term will impact budgets and therefore staffing. As appropriate actions are further explored and developed managers are advised to seek the advice and support from People Services, and early input from the relevant HR Business Partner, to ensure compliance with the relevant employment legislation, council policies and best practice. (Lauren Jones)

## 10 Risk Assessments

- 10.1 In agreeing a Housing Strategy the Council has to balance its statutory risks to ensure an appropriate number of houses are built, the requirements of the Housing Revenue Account to remain in surplus against the amount of financial risk it is prepared to undertake. The proposed Strategy is ambitious in its aims so it has an increased financial
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risk to that previously agreed. The Council will need to balance this risk in managing its overall financial resources. (Mark Stenson).

## 11 **IT Implications**

11.1 None.

## 12 **Property Implications**

12.1 If the Housing Strategy was to be adopted there would be a range of property implications arising from the implementation of the delivery plan. The details of these implications would be worked through and be subject to separate approval reports to ensure that all commissioning activity as a result of this Strategy complies with Oldham Council's land and property protocols, policies and procedures and if required any legislative requirements. (Bryn Cooke).

## 13 **Procurement Implications**

13.1 Procurement will work with Key Stakeholders to ensure that all commissioning activity, as a result of this Strategy, complies with Oldham Councils CPR's and if required the EU Public Contracting Regulations 2015. (Steve Boyd).

## 14 **Environmental and Health & Safety Implications**

14.1 If the Housing Strategy was to be adopted there would be a range of environmental and health and safety implications arising from the implementation of the delivery plan. The details of these implications would be worked through and be subject to separate approval reports to ensure that all commissioning activity as a result of this Strategy complies with Oldham Council's Environmental and Health and Safety protocols, policies and procedures and if required any legislative requirements.

## 15 **Equality, community cohesion and crime implications**

15.1 The new housing Strategy aligns to the Corporate plan in the following ways and the outcomes of the delivery plan are intended to continue to develop more cohesive communities.-

*An inclusive Economy –where people and enterprise thrive.*

- Attracting investment and encouraging business and enterprise to thrive. Through investment in new homes and attracting investment from developers both public and private.
- Delivering key regeneration projects that are growing our business base, creating jobs and transforming opportunities The residential elements set out in for example the Town Centre master-plans and house building feeds local building suppliers and products.
- Working with Partners to create quality work prospects-and ensuring all residents can access new skills and opportunities and be work-ready. New house building provides a range of apprenticeship and skilled and manual work opportunities

*Thriving Communities –where everyone is empowered to do their bit.*

- Increasing the sense of involvement and ownership of issues that affect people and they care about. Through the adoption of place plans. The strategy would make public that the Council will consider the potential for a series of Place Plans, drawn up with residents as part of the local planning or neighbourhood
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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):

1. 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;
  2. Access to transport and active travel routes, schools, retail, business locations, green spaces, leisure facilities, amenities;
  3. The roles of community groups and the voluntary sector might play in contributing to public life working alongside public service providers;
  4. The type and design of homes developed in each place (drawing on the evidence-base);
  5. 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.
- Nurturing and safeguarding strong neighbourhoods that work together to improve their lives and the communities around them. The delivery plan calls upon the development of 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 want to be in a position to develop a Healthy Housing Services in line with the direction of travel with the strategic ambitions of the Greater Manchester Combined Authority:
    1. Support residents through a jointly commissioned 'Care and Repair' offer to carry out necessary works to their homes, ideally 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 develop a '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.

15.2 Provide the new 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).

## 16 **Equality Impact Assessment Completed?**

16.1 Yes, Appendix 5 and Appendix 6.

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17     **Key Decision**

17.1    Yes

18     **Key Decision Reference**

18.1    HSG-03-19.

18.2    Discussed and noted at the Overview and Scrutiny Board on the 5 March 2019.

19     **Background Papers**

19.1    Overview and Scrutiny Report- 5 March 2019

20     **Appendices**

20.1    Appendix 1- Housing Strategy 2019

Appendix 2- The Local Housing Needs Assessment

Appendix 3- Private Rented Sector Report

Appendix 4- Summary of consultation

Appendix 5- Equality Impact Assessment.

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