



Chief Executive's Department
Civic Centre
HARTLEPOOL

19th January, 2009

The Mayor (Stuart Drummond)

Councillors

Councillors Aiken, Akers-Belcher, Allison, Atkinson, Barker, Brash, R W Cook, S Cook, Coward, Cranney, Fenwick, Fleet, Fleming, Flintoff, Gibbon, Griffin, Hall, Hargreaves, Hill, Jackson, James, Johnson, Kaiser, Laffey, Lauderdale, A E Lilley, G Lilley, London, A Marshall, J Marshall, McKenna, Dr. Morris, Payne, Plant, Preece, Richardson, Rogan, Shaw, Simmons, Sutheran, Tumilty, Turner, Wallace, Wistow, Worthy, Wright, and Young.

Madam or Sir,

You are hereby summoned to attend an Extraordinary meeting of the COUNCIL to be held on THURSDAY, 29th January, 2009 at 7p.m. in the Civic Centre, Hartlepool to consider the subjects set out in the attached agenda.

Yours faithfully

P Walker
Chief Executive

Enc

COUNCIL AGENDA



Thursday 29 January 2009

at 7.00pm

**in the Council Chamber,
Civic Centre, Hartlepool.**

1. To receive apologies from absent members.
2. To receive any declarations of interest from Members.
3. To consider the following Motion:-

“Housing represents one of the biggest challenges facing Hartlepool today. There are literally thousands of people in our town who live in inadequate, poor quality homes or in some cases no home at all.

Poor housing can have a devastating affect on health, especially for children; it can seriously damage local environments and communities and can contribute in a very major way to the problems of crime and antisocial behaviour. In short the current housing crisis affects us all.

There are difficult economic times ahead, but rather than using this as an excuse to do less, the Labour Group sees these difficulties as a motivation to do more to help hard pressed families in Hartlepool. Simply doing nothing or waiting for the economy to pick up are not options, they merely represent an unacceptable abrogation of responsibility. At times like this, people should be able to look to their Council and to their community leaders for more help, not less, and we are committed to that aim.

Real partnership working is needed to fulfil such an aim and this involves pooling the expertise, experience and resources of all organisations with a stake in the housing sector. Only in this way will we achieve our objectives and, as the statutorily responsible body, it must be this Council that offers the strategic leadership to bring these partners together.

Therefore we call on Hartlepool Council to:

- Debate and set a more innovative and radical approach to the housing agenda in Hartlepool that focuses on the development of true partnership across all relevant organisations.
- Establish a housing task force, led by Hartlepool Council and encompassing all relevant bodies, to take this agenda forward.
- Use the Labour Group's housing policy as a blue print for future action: the policy is built on the following principles:
 - 1) Targeting empty properties:
The scourge of empty/abandoned properties must be urgently addressed to ease the housing crisis and improve our communities. With around 1500 such properties in private ownership in the town, the problems of crime, vandalism, graffiti, anti-social behaviour and the general effect of such eyesores on the local environment are all too common in many streets of the town and we believe these wasted assets should be utilised to combat housing need.
 - 2) Residents at the Heart of the Community:
Residents have a right to be completely involved in the design and development of new housing. This will ensure that these much needed new homes are planned with sensitivity to every community. We must be committed to ensuring that every resident can have their say, while at the same time rejecting ill-informed nimby-ism.
 - 3) Putting the Council at the Centre of New Development:
The Council, through new and innovative thinking, must position itself at the centre of new development to bring together real partnership working that maximises all potential resources and that ensures properly planned, high quality developments, which will meet the needs of Hartlepool people, are achieved.
 - 4) Demonstrating our true ambitions:
The culture of putting targets ahead of tenants and figures ahead of families must stop. The current LAA target for bringing empty properties back into use, which stands at a mere 15 properties a year, is pitiful and fails to reflect the ambitions of our town.

We therefore call on Hartlepool Council to set a new significantly higher local target, quite apart from the current LAA, to more accurately demonstrate our commitment to combating the housing shortage.

Signed:

J Brash

R W Cook
M Fleet
S Griffin
G Hall
M James
A Marshall
C Richardson
C Simmons
G Worthy

4. To receive the Chief Executive's report (to follow)

COUNCIL REPORT

29th January 2009



Report of: Chief Executive

Subject: BUSINESS REPORT

1. **HARTLEPOOL – HOUSING POSITION STATEMENT (JANUARY 2009)**

The paper enclosed as **Appendix 1** is a position statement on selected aspects of housing in Hartlepool, intended to provide a context to the proposed Council debate.

HARTLEPOOL : HOUSING POSITION STATEMENT (JANUARY 2009)

1. INTRODUCTION

- 1.1 Housing is recognised as a key area of activity amongst the priorities of the Council and its contribution to the economic, social and economic wellbeing of the town is recognised in the policy framework of the Council. This paper is intended to provide a position statement on housing within the Borough, and highlights the national regional and local policy context; the current market position; recent achievements and current activities, and; some of the key issues facing the Council in discharging it's duties as the local housing authority.

2. NATIONAL AND REGIONAL HOUSING CONTEXT

- 2.1 The Government's Sustainable Communities Agenda and the associated national and regional policy guidance provide the framework within which local authorities develop and deliver their housing strategies. The Housing Green Paper –Homes for the Future: More Affordable, More Sustainable identifies the following national priorities for housing:-
- More homes to meet growing demand – targets of 2 million new homes by 2016 and 3 million by 2020
 - More sustainable, well designed homes that meet national decent homes standards and link better to schools, transport and healthcare provision
 - More affordable homes to buy and rent
- 2.2 The Strategy paper also introduced the requirement for local authorities to carry out Housing Land Availability Assessments to ensure that sufficient land is made available within each Borough to meet identified needs.
- 2.3 Supporting this strategic policy direction, the Housing Planning Policy Statement (PPS) 3 identifies the need for local housing authorities to provide a variety of housing in terms of tenure, price and mix of different households and for local authorities to produce Strategic Housing Market Assessments to analyse housing needs and provide supporting evidence, which should include calculations of affordable housing need. PPS3 also reinforces national policy towards prioritising previously developed land and buildings (brownfield) in sustainable locations ahead of greenfield sites, and includes a requirement for a sequential approach to site allocation.

- 2.4 At the regional level the Regional Spatial Strategy (RSS) sets targets for housing development based primarily on population projections and aspirations for economic growth. These targets are translated into sub-regional and local area housing allocations, which in turn reflect the Region's economic, regeneration and spatial priorities. These targets are in turn translated into annual net build targets for each area, which for Hartlepool range between 390 and 400 per year over the Plan period 2004-2021. Local authorities are required to ensure that they have sufficient developable land within their area to achieve these targets, and these should be reflected in their Local Development Frameworks (LDFs). In addition to housing numbers and land supply, the RSS prioritises the need to tackle low demand and regenerate deprived areas in order to create a better balance between housing supply and demand and improve the housing stock. The RSS recognises the role of Tees Valley Living on which the Council has board representation and involvement and the Housing Market Renewal (HMR) target areas within the Tees Valley, which include the central parts of Hartlepool.
- 2.5 The RSS also prioritises the need for an inclusive range of housing and includes a policy requiring the preparation of Strategic Housing Market Assessments including identification of affordable housing needs. Strategies, plans and programmes should also seek to make provision for a range of dwelling types, size and tenure to meet assessed needs including the needs of families with children, single person households, disabled and older people.

3. THE COUNCIL'S STRATEGIC HOUSING ROLE

- 3.1 Hartlepool Borough Council as the strategic Housing Authority for the Borough plays a lead role in preparing and delivering housing policy in Hartlepool. Taking an overview of all housing related issues the Hartlepool Housing Strategy 2006-11, for which a supplementary update is currently being prepared, provides the over-arching policy framework.
- 3.2 The Hartlepool Housing Strategy identifies the following key priorities for housing in Hartlepool:-
- Addressing the housing regeneration challenge particularly the Housing Market Renewal Programme in Central Hartlepool and delivery of key regeneration sites such as Victoria Harbour
 - Meeting the 'Decent Homes' standards and targets set by government
 - Meeting the housing and support needs of the vulnerable
 - Ensuring the provision of affordable housing
- 3.3 Underpinning this strategic document, and in support of these priorities a series of policy documents and supporting 'evidence based' reports have been

produced which help provide a comprehensive framework for addressing housing issues in the Borough. These include:-

- The Hartlepool Housing Regeneration Strategy- which set the context for HMR intervention, policy and priorities. This has been supported by subsequent area development plans such as the New Deal for Communities Community Housing Plan, North Central Hartlepool Master Plan and Central Hartlepool Housing Regeneration (Financial Modelling and Implementation Framework) and design and development briefs all of which are aimed at refining and developing the HMR intervention programme and supporting funding bids and CPO processes.
- Hartlepool Housing Needs Assessment (2007) and the Tees Valley Housing Needs Assessment(2008) which provide evidence of Housing need and identify specific affordable housing requirements
- The Hartlepool Housing Land Availability Study –5 year and 15 year housing land supplies have been identified in line with government requirements. As part of the process of further refining this information to assess suitability and to prioritise development sites further work has been carried out, is in progress, or is about to commence including an Employment Land Review, A Strategic Housing Land Availability Assessment, a Brownfield Land assessment and an analysis of sites in Council and other ownership to identify potential housing sites.
- The Hartlepool Older Persons Housing Care and Support Strategy – which develops a strategic framework and action plan for the delivery of housing provision for older people linked to social care and health requirements and supported living
- Hartlepool Homelessness Strategy (2003-8) – a mid period review was carried out in 2006 and a full review is programmed for 2009-10.
- Private Sector Stock Condition Survey - In partnership with Darlington and Stockton Borough Councils, the authority is procuring a stock condition survey which will provide data on the condition of private housing set in the context of national and regional data and English House Condition Survey reports, describe to what extent the authority may need to exercise its duties under the Housing Health and Safety Rating System, dealing with Houses in Multiple Occupation (HMOs) and non-decent homes across owner occupied and private rented sectors, and energy efficiency.

4. STRATEGIC PARTNERSHIP WORKING

- 4.1 Housing policies are developed in an integrated way and the Council is engaged in partnerships at a number of levels in developing and delivering housing policy. At a sub-regional level Hartlepool is fully engaged through Tees Valley Living, Tees Valley Unlimited, the Tees Valley Joint Strategy Unit and various working and research groups. This involvement at city region level is essential as housing resources (and indeed other housing regeneration funds) are increasingly channelled through sub-regional partnerships. The Tees Valley Unlimited Board

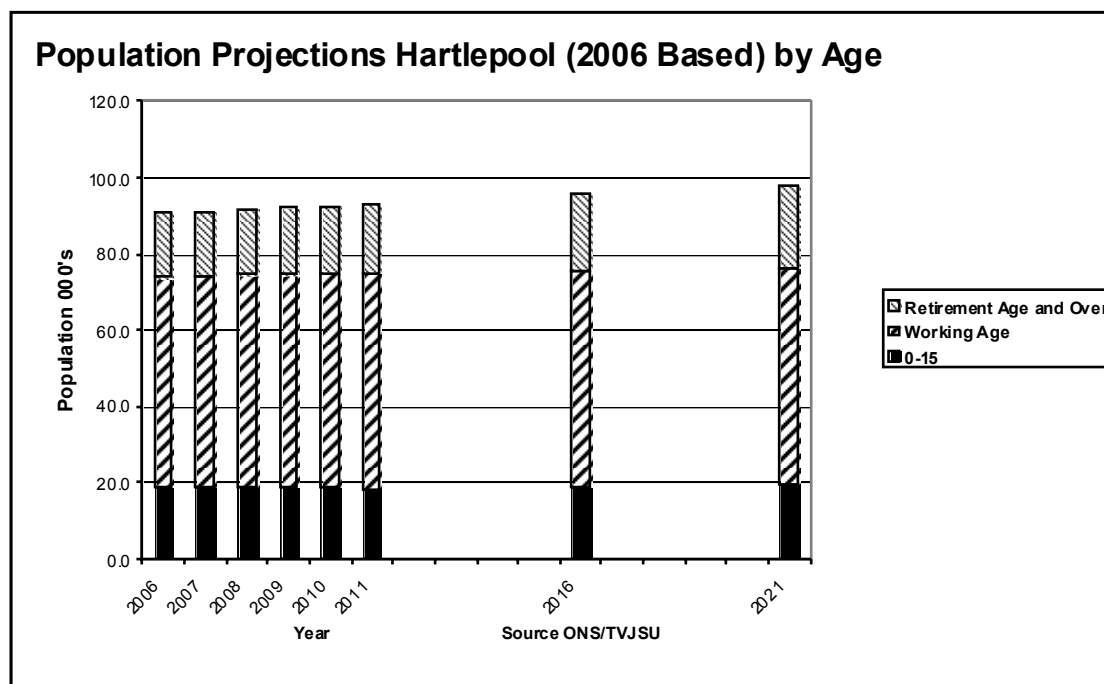
(on which the Council is represented by the Mayor and the Chief Executive) and related Sub Boards now has responsibility for the agreement and distribution of resources such as SHIP and HMR funds allocated to the Tees Valley. The establishment of the Multi Area Agreement (MAA) for the Tees Valley reinforces this sub-regional delivery vehicle and ties the participant local authorities into delivering key outcomes relating to housing and economic development. The MAA includes targets for housing growth.

- 4.2 Wider joint working, includes Tees Valley officer groups such as the Chief Housing/Planning Officers meetings where common issues across the Tees Valley are considered ensuring that authorities work closely together across a range of housing and planning topics, ensuring consistency, efficiency and the securing of resources.
- 4.3 Within Hartlepool the Hartlepool Partnership oversees the delivery of the Sustainable Community Plan and through its Housing Partnership and the recently proposed Housing Sub-Group engages with a range of housing stakeholders in overseeing the housing strategy and strategic vision of the Partnership. The Housing Sub-Group includes representatives from Registered Social Landlords (RSL's), the local community eg Hartlepool Voluntary Development Agency and tenants of Housing Hartlepool, and the private sector through local estate agents.
- 4.4 The delivery of housing priorities is tied into a Local Area Agreement (LAA). The LAA is a three year agreement based on the Community Strategy that set out the priorities for a local area agreed between Central Government (represented by the regional Government Office) and a local area (represented by the local authority and other key partners through Local Strategic Partnerships). Hartlepool's LAA which was revised in 2008 is structured around the aims and themes of the Community Strategy. It forms the strategic framework for monitoring progress and aims to deliver a better quality of life for people through improving performance on a range of national and local priorities.
- 4.5 Hartlepool's LAA includes targets in relation to the following housing areas:-
 - Balancing Housing Supply and Demand
 - Improving the Quality of Existing Housing
 - Meeting the Housing Needs of Vulnerable People
- 4.6 Community engagement is a central feature of housing development activity with established consultation processes in place for the HMR programme. The NDC Community Housing Plan had community involvement at the forefront of its development and on other sites developer partners have been appointed early on in the development process, to work together with the steering groups (including residents) to develop and refine proposals. On new sites which are coming forward, RSLs are encouraged to consult as soon as meaningful by

producing sketch schemes for consideration prior to planning applications being submitted. Other developers are encouraged to adopt similar approaches and this would be a particular requirement where Council land is involved.

5. THE HARTLEPOOL HOUSING MARKET

- 5.1 The Hartlepool housing market is relatively self-contained. There is some immigration from areas such as Easington, Stockton and Sunderland but Hartlepool mostly functions as an independent housing market. In broad terms the local housing market is characterised by a relatively affluent western and southern suburban area and a relatively deprived central area including areas of market failure. The total population of the Borough is approximately 92,200 (Joint Strategy Unit (JSU) mid 2008 estimate) which represents a continuation of a recent slight upward growth trend. JSU figures indicate that there were approximately 40,000 households at mid-2008.



Population by Age 000's	Hartlepool Population Projections (2006 Based)							
	2006	2007	2008	2009	2010	2011	2016	2021
0-15	18.6	18.5	18.5	18.4	18.4	18.3	19.0	19.7
Working Age	55.3	55.6	55.9	56.0	56.4	56.6	56.8	56.7
Retirement Age and Over	17.2	17.2	17.4	17.7	17.9	18.2	20.0	21.8
Total Population	91.1	91.3	91.8	92.1	92.7	93.1	95.8	98.2
Households 000's								
	2006	2007	2008	2009	2010	2011	2016	2021
Number of Households	39.4	39.7	40.1	40.5	40.9	42	44	45
Average Size	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2

Source: ONS.

- 5.2 The population of the 60-65 plus age group is expected to rise significantly regionally and nationally and this is reflected in the borough. In Hartlepool the retired population is expected to rise from 17,200 in 2006 to 21,800 by 2021. The population of Hartlepool is projected to increase from 91,100 in 2006 to about 98,000 by 2021. This is as a result of births exceeding deaths throughout this period and net inward migration. The number of households will increase from 39,000 in 2006 to 45,000 by 2021.
- 5.3 A trend towards smaller households and an increase in recent and anticipated population to support aspirational economic growth targets, leads to a requirement for additional housing provision (all tenures). This is supplemented by a requirement to address identified shortages in executive, large family and elderly accommodation. This requirement is expressed in the overall net housing allocation for Hartlepool over the RSS period 2004 – 2021 amounting to 6,730 dwellings in total or between 390 and 400 dwellings per year. This is an aspirational “requirement” which was consistent with pre-recession economic projections and policy objectives including the development of major brownfield sites. By way of comparison, net housing completions since 2000, have totalled 2,260 which represents an average annual rate of just over 280. Whilst in the early part of this period growth was close to 400 dwellings per year, in recent years the net figure has been affected by demolitions within the HMR areas and delays in the advancement of Victoria Harbour, which is expected to account for a significant proportion of future housing activity.

Gross New Housing Completions 1991- 2008				
Year	Private	H.Assoc	Council	Total
1991/92	221	103	72	396
1992/93	111	233	0	344
1993/94	84	102	0	186
1994/95	441	93	0	534
1995/96	220	92	0	312
1996/97	271	93	0	364
1997/98	298	59	0	357
1998/99	424	8	0	432
1999/00	401	12	0	413
2000/01	485	9	0	494
2001/02	396	0	0	396
2002/03	388	2	0	390
2003/04	337	21	0	358
2004/05	195	14	0	209
2005/06	245	0	0	245
2006/07	248	10	0	258
2007/08	259	70	0	329

5.4 In terms of household tenure, 2001 Census figures showed the following breakdown for Hartlepool:-

Tenure Breakdown 2001			
	Hartlepool		England & Wales
Owner-occupied	23558	63.0%	68.9%
Council Rented	7389	19.8%	13.2%
Housing Association	2562	6.9%	6.0%
Private Rented	2772	7.4%	8.7%
Other	1104	3.0%	3.2%

Hartlepool – Social Housing Stock Trends			
As at 1 st April	LA owned stock*	RSL	Total
2003	7845	2567	10412
2004		9996	9996
2005		9883	9883
2006		9816	9816
2007		9618	9618
2008		9309	9309

5.5 The above table show a steady decrease in the RSL stock available for letting which is mainly attributed to Right to Buy/Right to Acquire.

- 5.6 Around 25% of the current housing stock is social rented accommodation and there is a strong demand for such accommodation. This has been exacerbated in recent years initially through increases in house prices generally as the local market has caught up with national market trends, which has affected affordability levels and people's ability to enter the private housing market. More recently the impact of the credit crunch has caused uncertainty around individual's financial security and significantly adversely affected their ability to gain access to mortgage finance.
- 5.7 There has also been a reduction in social housing accommodation through Right to Buy with 1459 properties having being bought over the past 10 years.

Right to Buys Hartlepool 1998-2008		
Period		Number of dwellings Sold
April 1998	March 1999	57
April 1999	March 2000	75
April 2000	March 2001	105
April 2001	March 2002	171
April 2002	March 2003	257
April 2003	March 2004	273
April 2004	March 2005	259
April 2005	March 2006	113
April 2006	March 2007	95
April 2007	March 2008	54
Total		1459

- 5.8 The following tables give an indication of the housing stock characteristics :-

Dwelling Stock Characteristics

Dwelling Type	%
Detached house	14.3
Semi-detached house	29.3
Terraced House	37.0
Bungalow	8.9
Flat/Maisonette	9.8
Other	0.7
Total	100.0

Dwelling Age	%
Before 1919	13.1
1919 - 1944	16.9
1945 - 1964	27.7
1965 - 1984	21.0
1985 -2004	19.6
2005 on	1.7
Total	100.0

No. Bedrooms	%
One bedroom (inc. bedsits)	8.1
Two bedrooms	28.5
Three bedrooms	48.5
Four bedrooms	11.7
Five or more	3.1
Total	100.0

Source: Hartlepool Housing Market Assessment 2007. (Based on 39,270 occupied dwellings, 2006.)

6. HOUSING NEEDS IN HARTLEPOOL

Housing Needs Assessments

- 6.1 The Hartlepool Housing Needs Study 2007 identified an annual need for 393 (gross/244 net) new affordable housing units to meet the housing aspirations of Hartlepool residents. The assessment also highlighted specific shortages in terms of large family homes and accommodation for the elderly and identified a significant proportion of residents living in 'unsuitable' accommodation such as single elderly residents living in larger properties. The Tees Valley Strategic Housing Market Assessment (TVSHMA) which was finalised in December 2008 took account of the earlier assessment but proposes to reduce the annual requirement down to around 291 per annum (gross/193 net).
- 6.2 The lower revised figure has resulted partly from a refinement in the government's methodology for assessing need (and which attempts to more accurately reflect the 'aspirational' element of the needs assessment), and also reflects recent and expected reductions in house values and the resultant impact on affordability.
- 6.3 The demand for social rented accommodation has a number of causes which change over time. The existing problem of accessing mortgages is one of these. Nonetheless, there remains a significant shortage of affordable housing accommodation in Hartlepool. The fact of the matter is that given realistic levels of resources available from the Homes and Communities Agency and taking

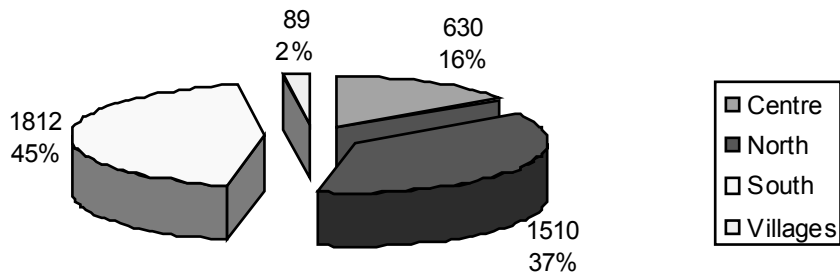
account of new provision in the pipeline, these annual need estimates could not be achieved. The Council is, however, progressing a range of initiatives (described in later sections of this note) aimed at increasing the provision of affordable/community homes and addressing these needs.

Analysis of the Housing Waiting List

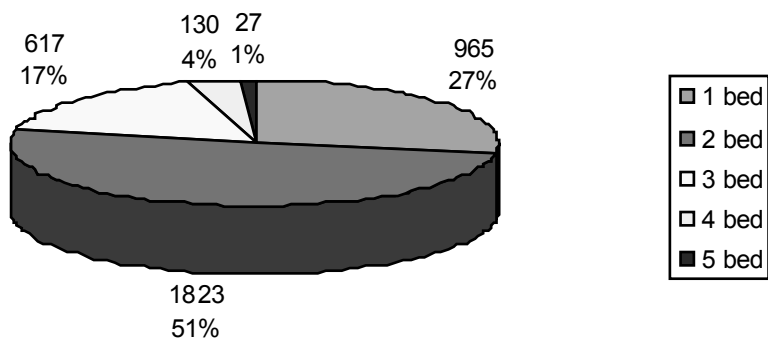
Table Households on Register Trend 2003-2008 (excluding transfers)	
Year As at 1st April	Total households on Register
2002	2998
2003	3033
2004	7310
2005	3222
2006	2920
2007	2968
2008	3696

- 6.4 Overall the numbers on the housing waiting list have varied but have increased recently. The peak in 2004 coincided with the Large Scale Voluntary Transfer of stock from the Council to Housing Hartlepool.
- 6.5 There are currently 3,715 applicants on the Housing Register (as at 16th January 2009) for social housing in Hartlepool, of these 3,562 are active (101 have been suspended, 42 are under offer and waiting to move into their new accommodation and 10 are pending further information).
- 6.6 Of the 3,562 active applicants there are 591 Housing Hartlepool tenants requesting a transfer to alternative accommodation, 60 of these have been awarded priority status for rehousing which equates to 10% of those on the transfer list. Of the remaining 2,971 applicants 146 have been awarded priority status which equates to 5% of those on the waiting list.
- 6.7 The following charts provide further analysis of the active 3,562 applications;

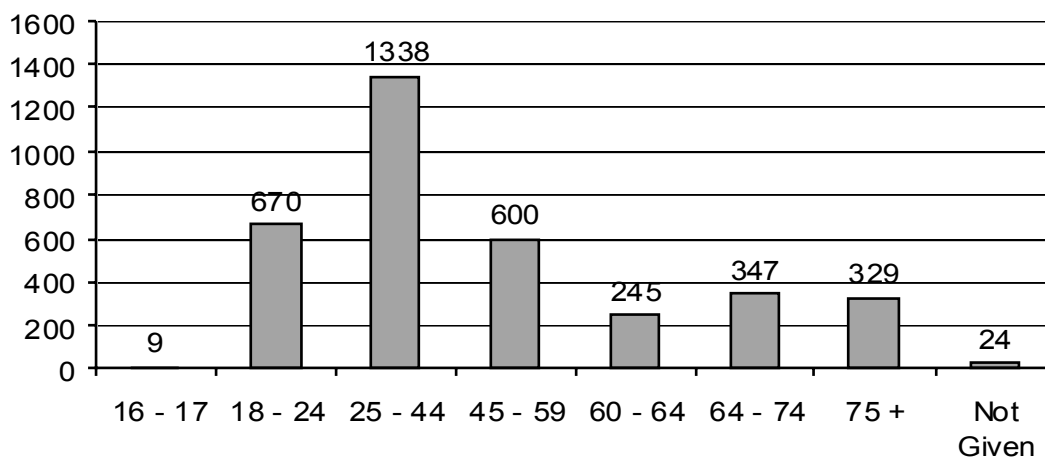
Applicants 1st Choice Area to be Rehoused



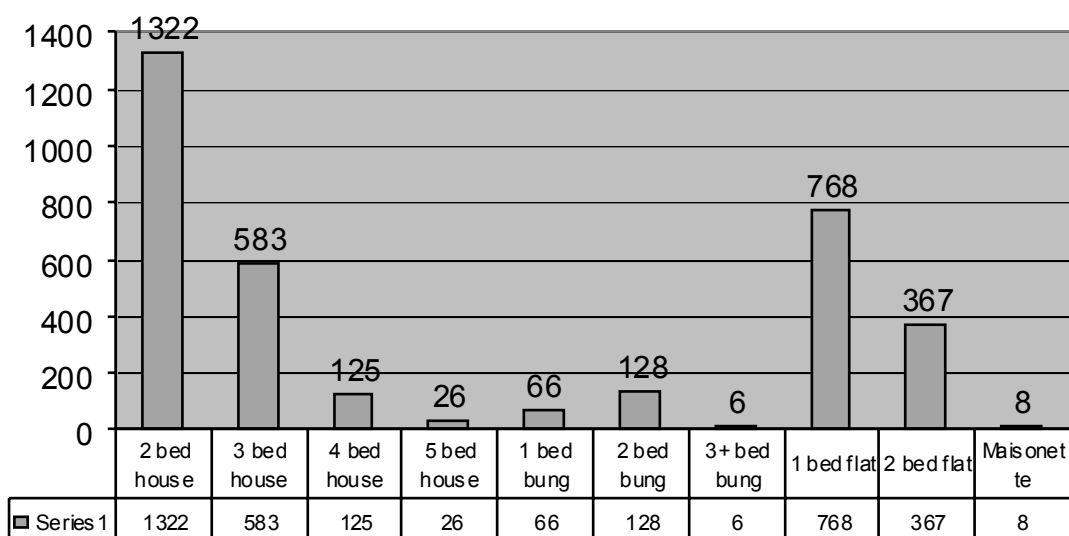
Applicants Required Number of Bedrooms



**Age Range of Applicants on the Housing Register as
at 16th January 2009**



Applicants Required Property Types and size



Homelessness

- 6.8 In terms of homelessness, due to the Council's focus on homelessness prevention and the intensive casework involved homeless acceptance have declined from 81 applicants being statutorily homeless in 2007/08 to an annualized figure of 32 (based on the first three quarters) in 2008/09. (Though the last quarter figures are usually higher).

- 6.9 During 2007/08 casework files were opened for 1545 clients (674 of these being under 25) and the annualized level for 2008/09 is 1276. However during 2007/08 the Housing Advice Team prevented homelessness for 182 applicants (103 of these being under 25) and during the first three quarters of 08/09 this figure has risen to 264 (60 of these being under 25), an annual rate of 352. (Though the last quarter figures are usually higher).

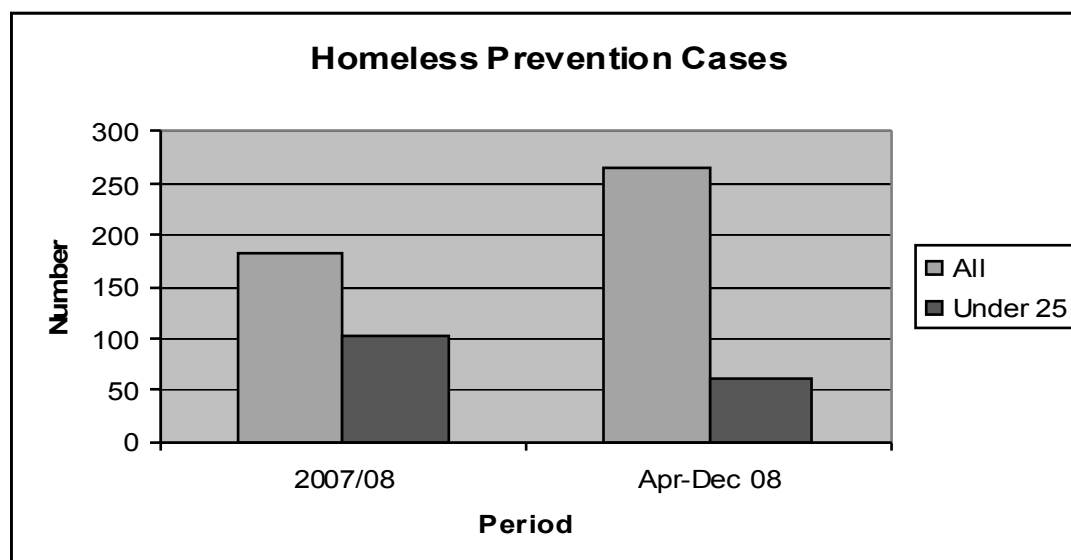


Table All RSL Dwellings Let in Hartlepool 2003-2008 (turnover)			
	Total LA Lets	Total RSL Lets	Total
2002/03	1192	362	1554
2003/04	139	1398	1537
2004/05	0	1210	1210
2005/06	0	807	807
2006/07	0	796	796
2007/08	0	690	690

- 6.10 This table shows dramatic decrease in the turnover of RSL lettings due in part to the reduced amount of stock but also increased sustainability of tenancies and investment towards the Decent Homes standard. This reduces the capacity and flexibility to meet expressed housing needs on the waiting list. New allocations policies and CBL will support more transparent allocation of housing.
- 6.11 There is also a need for low-density/executive housing provision in Hartlepool.

7. HOUSING INVESTMENT IN HARTLEPOOL

- 7.1 The following table indicates the level of investment in housing in the period 2003-11. This shows a gross total of £246.6m.

Housing Investment in Hartlepool 2003/8 – 2008/11			
	2003/08	2008/11	Total
HMR	£26m	£16.6m	£42.6m
Joseph Rowntree - Hartfields			£40m
Housing Hartlepool and Dept. of Health - Orwell Walk		£10m	£10m
RSLs (all RSLs new build)	£5.8m	£14.5m	£20.3m
Housing Hartlepool-Decent Homes			£100m
HBC Private Sector (Grants/Loans)	£2.5m	£1.5m	£4m
Disabled Facilities Grants (DFGs)	£2m	£1.2m	£3.2m
Energy Efficiency Private Sector Homes	£1.5m	£0.9m	£2.4m
Filling the Empties (Accent HA)	£0.5m		£0.5m
Supporting People			£23.6m
Grand Total			£246.6m

- 7.2 The Large Scale Voluntary Transfer (LSVT) of Council Housing stock to Housing Hartlepool has led to major levels of investment in these properties to the value of almost £100 million since March 2004. This has helped to ensure that over 90% of Housing Hartlepool's stock now meets the governments Decent Homes Standard. Major investment has also been achieved on the HMR programme as well as in the Joseph Rowntree Foundation scheme at Middle Warren.
- 7.3 Public sector investment in housing has included the Supporting People programme has also contributed over £23.6million between 2003 and March 2009 for housing related support services to enable residents to live independently across all tenures.
- 7.4 In terms of future investment, there is an element of uncertainty around future resources as the Homes and Communities Agency will want to review existing commitment and priorities. In terms of the HMR programme resources Pathfinder Status has been agreed and Hartlepool has secured 23% of the sub-regional allocation. Hartlepool is only one of two authorities in the region to have secured funding from English Partnerships (Now HCA) in this period towards Housing Market Renewal amounting to £5m of resources. HMR resources are now committed up to 2011 and whilst it is hoped that further resources will be available beyond that period, the level and availability is not yet known. The Council has to date adopted an approach to HMR which has allowed it to

develop a strategic programme of intervention, but not to over commit itself in terms of site specific activity. This has been achieved by targeting resources towards those areas most affected by housing market failure as opposed to a broader blanket approach as adopted by some other local authorities.

- 7.5 The Council is involved in continual engagement with the new Homes and Communities Agency (HCA) and other partners in an effort to promote the case for continued and further funding for Hartlepool. An early visit by Sir Bob Kerslake the Chief Executive of the Homes and Communities Agency has taken place and Pat Ritchie the Regional Director is due to visit in February in addition to ongoing meetings with officers at various levels within the Agency. These meetings are aimed at highlighting our achievements as well as housing needs and opportunities in Hartlepool.
- 7.6 Two particular areas of engagement which are focussed on securing additional housing resources are the Growth Point initiative and the Tees Valley response to the Credit Crunch.
- 7.7 Working with partners in Tees Valley Living, the Tees Valley has been successful in achieving Growth Point status. This initiative is aimed at supporting the government's objective of providing 2 million extra homes by 2016 and those areas selected for Growth Point status. As one of 20 approved Round 2 bidders (there are 49 in total) The Tees Valley has recently been awarded £6.2 million over the next 2 years and Hartlepool can expect to receive around £1million of this towards activities such as developing new sites and supporting the continuation of HMR areas. It is hoped that further Growth Point resources will be available beyond 2011.
- 7.8 Growth Point areas will also be given priority through the Community Infrastructure Fund (CIF) and a Tees Valley bid is currently with the Department of Transport which includes a scheme for junction improvements at the A19/A689/A1185 junction and the A689 corridor.
- 7.9 The Council along with Housing Hartlepool and other RSL's, local authorities and Tees Valley Living has also been involved at a Tees Valley level in developing responses to the credit crunch. A paper entitled 'The Tees Valley Housing Recovery Programme' has been prepared and will shortly be presented to the Tees Valley Unlimited Board. The purpose of this paper is to show how; given additional resources the Tees Valley could do more to stimulate the housing market within the sub region. The intention is for the approved paper to be submitted to the Homes and Communities Agency as a lobbying tool to try to secure additional resources.

- 7.10 The Tees Valley Credit Crunch Steering Group (TVCCSG) which has developed this paper acknowledges that the main cause of the current stagnation in the housing market is down to access to mortgage finance and that this issue is being considered at a national level.
- 7.11 National level support has included provision of additional capital loan finance to banks; the establishment of the national clearing house system (Home Buy Direct), providing finance to RSL's to purchase unsold private properties on agreed sites, and; regional allocations to assist homeowners who are having problems in maintaining mortgage payments. The North East's share of this Mortgage Rescue Scheme fund was £4m which represents only 2% of the resources made available nationally.
- 7.12 The TVCCSG has proposed a number of potential interventions which could help kick start the market or at least accelerate recovery. Some of these initiatives link closely in with HMR and Growth Point objectives and the Group also recognise the potential for RSL's, with their greater ability to access HCA funds to take a lead role in purchase and development of properties.
- 7.13 Key recommendations of the TVCCSG include:-
- RSL's taking a more prominent development role – working collectively, RSL's could establish joint ventures with the private sector to bring forward more mixed tenure housing schemes.
 - More flexible housing tenure models that help prospective purchasers to switch between purchase and renting properties
 - Opening up new sites – this could be achieved in a number of ways either by providing on -site or off -site infrastructure to reduce development costs; or as in the case of some local authorities and private site owners who are reluctant to bring forward sites because of currently reduced land values, to enter into joint ventures with developers to allow deferred capital receipt payments with, for instance, payments being made on sale of dwellings; or the potential to share in any long term overage.
 - Additional support for HMR programmes – in the current climate property acquisitions within HMR areas are proceeding at an increased pace in particular as property investors are looking to offload reducing assets. The opportunity exists therefore to accelerate the HMR programme to capitalise on reducing house prices.

8.1 **SOME KEY HOUSING ISSUES FOR HARTLEPOOL**

Credit Crunch & Resources for Housing

Key Issue – How to kick start the housing market and achieve housing growth targets?

- 8.1.1 In many respects the Credit Crunch is the new major issue affecting housing in Hartlepool as it has totally changed the housing market from the point of view of purchasers, investors and providers. Assets are likely to reduce significantly in value, confidences have been reduced and credit is constrained by its availability and stricter conditions and requirements which severely limit access to funding. This also affects RSL's for which cross subsidy models from sales are no longer viable. They also have to access credit and have to ensure reasonable repayments in the new economic situation. In this context the Council may need to consider a more active, strategic involvement in the purchase of land to secure appropriate development, other investment and provision of mortgages.
- 8.1.2 The previous section indicates the types of initiatives which are currently being considered at a Tees Valley level to address the credit crunch including: supporting RSL's to take a leading role in site development including proactive partnerships with the private sector and acquisition of new empty properties; more flexible housing tenure; opening up sites for development and; extra support for HMR acquisitions. In addition Hartlepool along with its partners continue to lobby major funders such as the HCA in an effort to secure further resources. Support should also be given to help take maximum advantage of national initiatives such as Home Buy Direct.
- 8.1.3 Many developers have stopped building and the overall build rate is greatly down on target levels. The Joseph Rowntree Foundation's Hartfields Care Village is however still progressing and this will help achieve completion targets in the short term, but this development is the exception. RSL's are likely to have a lead role in developing sites in the short term, albeit on a modest scale as they secure funds from the HCA for affordable homes and developers are starting to show support for such arrangements on their land as it gives them work and helps maintain their workforce. Bringing forward Council land will also help facilitate housing activity, as could provision of infrastructure such as access roads and site remediation work through the Growth Point initiative. Even if this does not result in an immediate uplift in development, such measures could help accelerate growth once the market starts to pick up.
- 8.1.4 One area of the housing market where there is increased activity is in the housing market renewal areas where owners, particularly private investors are looking to offload properties as their values start to decrease. Whilst so far property values in the town have not yet decreased significantly, there is the opportunity to secure more for public money as assets reduce in value.
- 8.1.5 Strategic acquisition of land by the Council may prove to be a cost effective way of intervening in the market to help secure development rates and achieve affordable housing targets, although it is important to ensure that such delivery targets remain realistic.

- 8.1.6 Constraints on budgets will also make it important to be selective about areas of intervention in order to maximise impact, and to ensure that Council priorities are reflective of these restrictions and the associated costs.

Land Supply

8.2 *Key issue- to ensure that there is adequate supply of developable land available within the Borough to achieve housing growth targets and provide for a range of housing needs and lack of Council owned land.*

- 8.2.1 As part of its statutory planning function the Council is required to keep accurate and up to date information on land and must ensure that there is an adequate supply of housing land to deliver regional allocations identified in the Regional Spatial Strategy (RSS). Evidence of sites that have the capacity to deliver 5 and 15 year supplies of housing have to be submitted to the Government Office. Evidence of a 5 year supply has been submitted and sites to accommodate a full 15 year provision have been provisionally identified.
- 8.2.2 Preparation of the statutory Local Development Framework (LDF) requires much more rigorous evidence to be provided in support of planning policies. Further detailed work has therefore been initiated over the last 18 months, which will contribute to a more comprehensive information base including sites suitable for housing development. This includes:-
- a review of all Council land and other ownerships which might be suitable for housing provision with Cabinet. Overall excluding Schools Transformation sites which might become available, only 10.84 hectares of potentially suitable housing land was identified on 18 separate sites with a potential for approximately 277 units
 - the recently completed Employment Land Review which has looked at all employment sites in the Borough, identified those which are surplus to requirements and suggested possible alternative uses including housing.
 - more significantly, the Strategic Housing Land Availability Assessment (SHLAA) is being carried out as part of the evidence gathering for the LDF Core Strategy and this is looking at all land within the Borough to identify and assess the potential for new housing development. This comprehensive exercise is being carried out with input from land owners and developers including the Home Builders Federation. Some public owned land is identified as having potential for housing development and officers will seek dialogue with the owners to consider opportunities for bringing these forward.
 - a Brownfield Land Review which has recently been initiated with support from the Homes and Communities Agency which will cover land in all ownerships in the Borough.

- 8.2.3 In relation to the location of housing, Hartlepool is a densely developed settlement and space for development is at a premium. Development of land outside the urban fence needs to be considered although at the Local Plan Public Inquiry, the autonomous Inspector restricted housing development to within the existing urban boundaries in line with national planning policy guidance and to support the prioritisation of brownfield site redevelopment, primarily at Victoria Harbour. More recently there has been a relaxation of government policy to allow opportunities for some development outside the urban fence in order to help achieve the target of providing 3 million new affordable homes by 2021.
- 8.2.4 LDF policies will need to reflect this national policy shift and some of the SHLAA sites put forward for consideration by owners/developers are outside the current urban fence. Whilst at this stage these should not be ruled out, it is important for the overall regeneration of the town, to ensure that such sites, which are easier to develop under normal market conditions, do not prejudice the development of the more difficult priority regeneration areas. It is essential to continue to focus on developing the regionally strategic site at Victoria Harbour which is undergoing critical negotiations, the marina and other more sustainable brownfield sites such as Britmag which is shortly to be the focus a public inquiry in relation to the current planning application for the reclamation and residential redevelopment.
- 8.2.5 Through a combination of the above assessments, land has been, and will continue to be, identified for future housing development. From the initial exercise of identifying Council land with existing potential for housing development several sites are being considered for early development by locally based RSLs in line with decisions of the Cabinet. There will be a continuing need, however, to consider further opportunities and interventions to support the release of housing land especially through joint ventures and brownfield land.
- 8.2.6 Alongside this, Cabinet has agreed a protocol for the disposal of Council land for affordable rented social accommodation which will help secure identified housing priorities. This protocol sets out the general principles for the potential disposal of Council land at undervalue for affordable accommodation and includes specified criteria relating to planning and design, development principles, affordability requirements and capital receipt.

Affordable Housing

8.3 Key Issue – need to ensure increased but realistic levels of affordable housing to meet the range of identified needs.

- 8.3.1 'Affordable Housing' has a statutory meaning used to secure subsidy and is a nationally recognised planning policy terminology. The definition of affordable housing is set out in the government's Planning Policy Statement 3. This definition is copied at

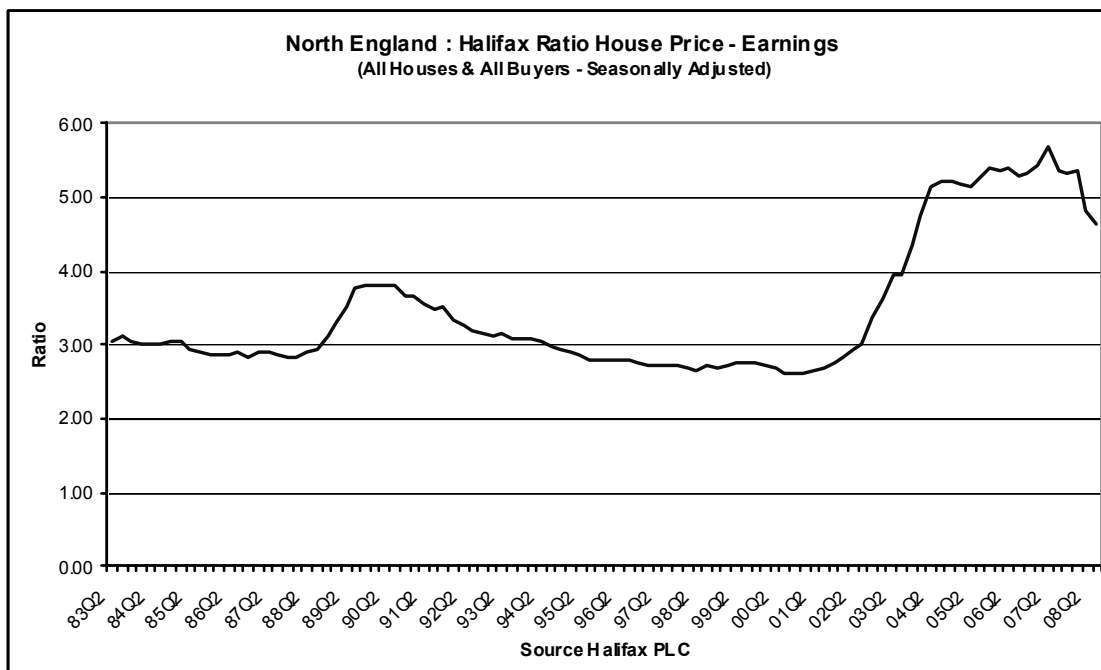
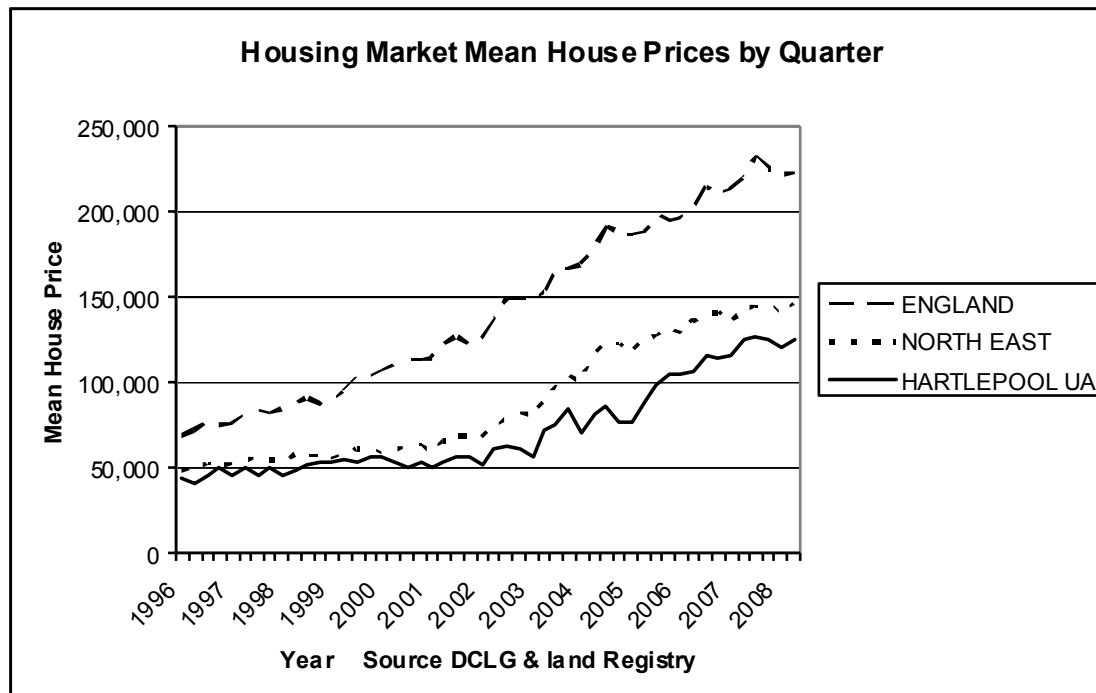
Appendix A to this report but in summary includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

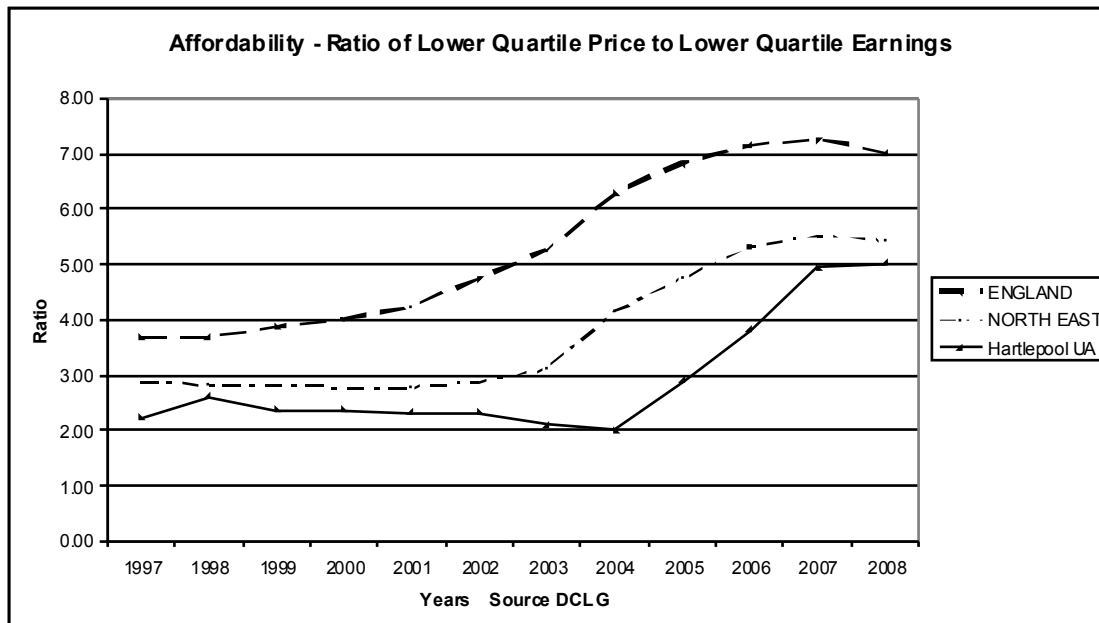
8.3.2 Levels of affordability are affected by two main factors – property prices and earnings. Demand for affordable housing also reflects these two factors, although the recent credit crunch has meant that lack of access to mortgage funds has also impacted on the demand for affordable social housing.

8.3.3 In relation to earnings, average wage levels for Hartlepool are relatively high compared to some parts of the region (See table below) and whilst house prices have risen significantly over the past 5 years these are still much lower than national average figures.

Median Weekly Earnings of Full-time Employees by Residence £								
	2002	2003	2004	2005	2006	2007	2008	% increase 2002-2008
Darlington	335.0	352.0	346.4	368.9	378.4	404.8	415.3	24
Hartlepool	344.8	340.3	364.7	372.4	404.9	440.6	461.7	34
Middlesbrough	313.4	335.6	356.0	350.3	367.4	387.6	415.3	33
Redcar & Cleveland	336.5	345.7	383.5	422.7	404.0	405.6	415.3	23
Stockton-on-Tees	362.3	388.8	414.2	418.7	445.1	453.9	456.1	26
Tees Valley (est)	338.4	352.5	373.0	386.6	400.0	418.5	435.3	29
North East	343.2	350.5	368.8	383.3	391.5	400.5	421.6	23
Great Britain	392.7	406.2	421.3	432.8	445.9	459.0	479.3	22

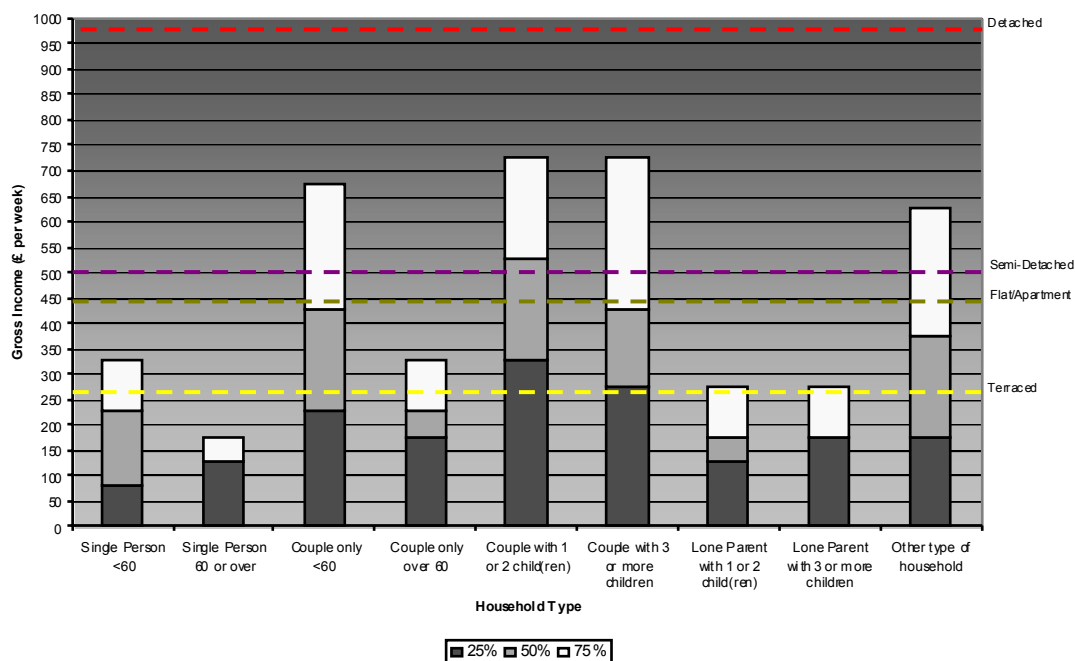
8.3.4 The following tables show comparative figures relating to average house prices and 'affordability' based on the ratio between house prices and earnings.





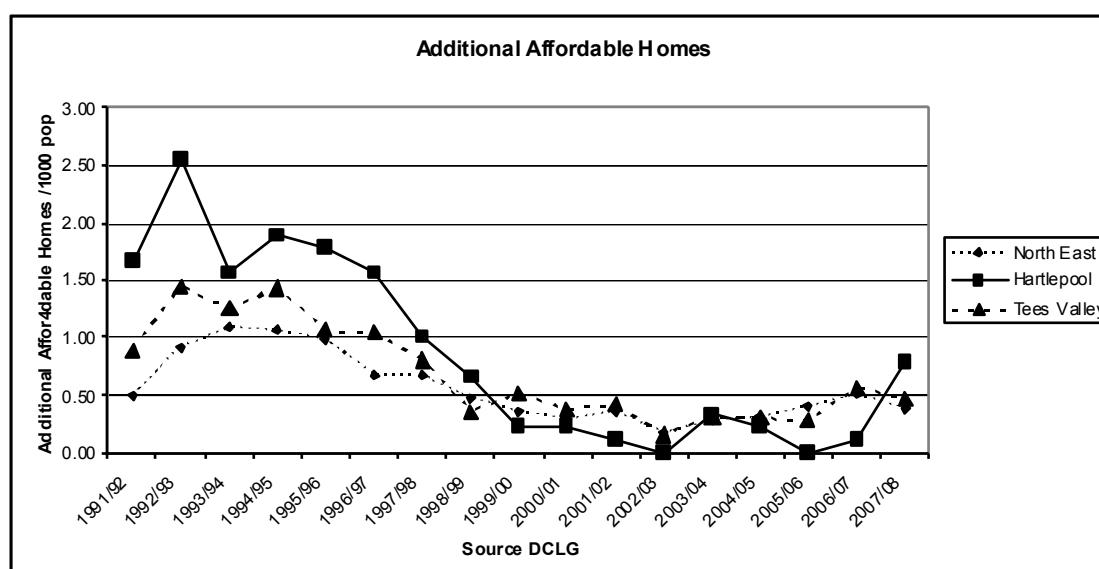
8.3.5 These figures indicate that the affordability of housing has reduced in Hartlepool in the last few years compared to regional and national averages

Relative affordability of lower quartile property prices by household type



Source: Hartlepool Housing Market Assessment 2007

- 8.3.6 It is evident that there is now a significant issue around affordability of Housing in Hartlepool though it appears that this may moderate to some extent as house prices fall. On the other hand the access to credit and lack of confidence in the market and lower supply of houses overall may make access to housing more difficult.
- 8.3.7 Prior to the credit crunch, the Hartlepool Housing Needs Assessment (2007)(HHNA) identified significant unmet housing needs with 3700 people on the Housing Register, 3000 of which are not currently social renters. The HHNA highlighted a need for more large family homes and more elderly accommodation and identified an annual requirement for 393(244 net) new affordable homes per annum based on an assessment at that time
- 8.3.8 In 2008, revised annual targets have been proposed through the Tees Valley Strategic Housing Assessment (TVSHA) of around 291(193 net) per year. This revised figure reflects current circumstances including the very significant changes in economic conditions and recently built new affordable units together with changes in the government's assessment criteria which try to balance 'aspirational' expectations with more realistic assumptions.
- 8.3.9 Only a proportion of this reduced need estimate is likely to be achievable given the weaknesses of the private market (providing affordable housing via S106 Agreements) and the capacity within the National Affordable Housing Programme. This can accommodate only 1000 new affordable dwellings per year for the whole North East region – of which Hartlepool represents 3.5% in population/household terms.



8.3.10 The LAA targets for the next 3 years aim to achieve as a minimum the following

LAA Targets Affordable Housing 2008-11	
2008-09	20
2009-10	60
2010-11	80

8.3.11 The Council is taking further steps to support the provision of new affordable housing units. Within the past 18 months an assessment of Council owned land has been carried out to identify potential sites for housing. This exercise has been extended to include land which is not in Council ownership. The development of the Strategic Housing Land Availability Assessment (SHLAA) being carried out as part of the development of the Local Development Framework, together with other land use surveys described elsewhere in this paper will help provide a comprehensive database for identifying suitable land for housing.

8.3.12 The Council is also working pro-actively with RSL's to support them in developing bids for resources including specialist accommodation. RSL's have been encouraged to develop bids on Council owned sites including Surtees Street and Golden Flatts, the latter in partnership with a local private developer. As referred to also earlier in this paper support through the Tees Valley Credit Crunch Steering Group, the HMR Programme and the Growth Point initiative are also aimed in part at securing further affordable accommodation.

8.3.13 The Council has also recently agreed a framework for the disposal of Council land which will be taken into account and the overall situation monitored to assess the effectiveness of achieving these priorities.

8.3.14 Additional affordable homes provision is being sought on development sites through the planning process. At present this is done through negotiation using Section 106 Agreements, but in response to the identified need an Affordable Housing Development Plan Document (DPD) is being prepared which will require certain levels of affordable housing provision on all sites over a certain size. The initial Preferred Options report identified a preferred range of between 20% and 30% on development sites of over 15 units. Recent considerations including feedback from developers and other consultees on the Preferred Options report, revised projections coming out of the Tees Valley SHMA, the need for some correlation of requirements across the Tees Valley, and the need to ensure site viability are suggesting that this figure is too high and should be reduced. A recent Planning Inspector decision on an Affordable Housing DPD in another part of the region deemed the policy to be unsound on grounds of viability. Care also is needed to ensure compatibility with other TV authorities; otherwise Hartlepool

will lose developments and growth potential to other areas if our requirements are more constraining than those areas.

- 8.3.15 As part of the review of the Preferred Options document and in response to the above, a viability assessment exercise is being carried out to test a range of scenarios around levels of affordable housing provision which will help provide a more robust policy basis for determining levels of affordable housing.
- 8.3.16 Significant progress is also currently being made towards increasing levels of accommodation for the elderly are currently being developed at Hartfields (242 units of mixed tenure) and Housing Hartlepool has also recently been successful in a bid for funding to build a 60 unit mixed tenure extra care facility at Rift House (Orwell Walk). Given the high levels of units being offered care needs to be taken not to affect the balance too quickly so that demand and supply is kept in balance – change should be delivered with an eye on the Older Person's Housing Strategy and Action Plan.
- 8.3.17 The framework agreed for the disposal of Council land requires an element of elderly housing person provision e.g. bungalows. There is a specific financial issue surrounding the provision of bungalow accommodation in that the land requirement for a bungalow is generally greater than that for a conventional two storey property. This has an impact on the overall cost of a scheme, which given current government grant levels, tends to reduce the viability of developments to RSL's. Alternative methods of providing more cost effective, less land hungry, but equally satisfactory provision might be encouraged, for example through provision of lifts to upper floors in new apartment developments.
- 8.3.18 It should also be noted that new build RSL schemes are currently built to lifetime standards with accessibility and adaptability in mind.

Housing Market Renewal

- 8.4 Key Issue - to continue the strategic programme of Housing Market Renewal within the priority central area sites to address the problems of low demand and housing market balance.**
- 8.4.1 Since 2003 Hartlepool as part of the Tees Valley Partnership has been at the forefront of HMR development. Although not selected as one of the original Pathfinder programmes the Tees Valley continued to develop its HMR programme and was supported by significant resources from central government funds. Through a combination of good management structures, demonstration of need, lobbying and an excellent track record of delivery, the Tees Valley is now recognised as one of the Pathfinders.

- 8.4.2 The programme has been supported at both local and sub-regional level by detailed evidence gathering which has helped to make the case for support, and has provided the basis for prioritisation of intervention areas. This has included the Tees Valley Living HMR Strategy (2007), the Hartlepool Regeneration Strategy (2004), Strategic Housing Market Assessment (2007), the Tees Valley Sub-Regional Housing Strategy (2007), the Hartlepool Housing Strategy, the NDC Community Housing Plan and several area assessments which have focused in on specific locations for intervention such as North Central Hartlepool.
- 8.4.3 Clear management and delivery structures have been established with, at the sub-regional level, the Mayor being a member of the Tees Valley Living Board. At the local level close links have been developed with the Hartlepool Partnership including regular reporting to the Housing theme partnership.
- 8.4.4 Delivery partnerships have been established with Hartlepool Revival (which included HBC representation), in relation to the delivery of the NDC Community Housing Plan, and also with Housing Hartlepool in areas such as Dyke House and Belle Vue. These mechanisms include strong community input, both in terms of representation on development and delivery steering groups and in terms of consultation on individual scheme proposals.
- 8.4.5 The above processes and structures have been well received. A recent Audit Commission report on the Tees Valley Living programme assessed the HMR partnership as performing well overall and highlighting its approach to the delivery of affordable housing and mixed communities, community cohesion, consultation and support plus the delivery and impact of schemes.
- 8.4.6 Further to this, a recent Value for Money report also undertaken by the Audit Commission found Tees Valley Living had strengths in targeting of investment in areas of market weakness, sound financial and performance monitoring, good alignment of initiatives and schemes to bring together funding streams, together with a strong record of partnership working.
- 8.4.7 In terms of HMR resources, over the period 2003 - 2008 Hartlepool has been successful in securing £26 million from a range of sources including the Housing Corporation Strategic Housing Investment Programme (SHIP) programme, the Housing Market Renewal Fund (HMRF), English Partnerships (EP) and NDC. Further resources have contributed to the programme including Housing Hartlepool and the private sector. In addition the Council, as well as providing staff support, has also supported the delivery of the programme through financial management including prudential borrowing.
- 8.4.8 Overall these funds have supported the acquisition and clearance of 650 properties and will lead to the creation of 320 new homes on 3 sites.

8.4.9 Further resources totalling £16.6m have been secured to continue the HMR programme up to 2011 from HMRF, SHIP and EP. Receipt of EP funding is particularly pleasing as this is allocated on a limited basis nationally, and represents recognition of Hartlepool's good track record of delivery. The Council has agreed to the prioritisation of these resources towards the delivery of a new scheme within North Central Hartlepool (clearance of 200 properties and provision of approximately 95 new homes in the Perth Street area) and also to support further property acquisitions within Belle Vue and West Central Hartlepool, in partnership with Housing Hartlepool.

8.4.10 In terms of delivery timescales, HMR is a long term process which can't be rushed. To do so could lead to failure in gaining and maintaining community support or securing necessary Compulsory Purchase Orders (CPO's) to assemble sites. Detailed evidence gathering is required and much of this is now in place, (although it needs to be continually monitored and refreshed). The availability and level of funding is also a key determining factor of the rate of progress and whilst funding is secured to 2011, concerted efforts will be required to secure further resources beyond this period. It is essential therefore not to over commit in terms of scale and areas of intervention until these resources are in place.

New Methods of Working

8.5 *Key Issue – consideration of new partnership working approaches to housing delivery.*

8.5.1 Over recent years there has been an increase in the level and scope of partnership working in the delivery of housing developments schemes.

The Council is engaged on a number of fronts in support of increasing housing provision, including affordable homes.

8.5.2 Particular intensive activity is occurring on the HMR sites where developer partners have been appointed early on in the development process, to work together with the various steering groups (including residents) to develop and refine proposals. On North Central Hartlepool, formal agreements have been established with English Partnerships to deliver key benefits including agreed numbers of affordable homes, specified design quality and efficiency levels, and provision of employment and training opportunities for local residents.

8.5.3 A similar partnership approach was adopted in association with New Deal for Communities through their delivery company Hartlepool Revival, and Yuills in developing their two West Central Hartlepool sites. More recently working with Housing Hartlepool a developer partner is being sought for the Belle Vue site. On this scheme, developers have been requested to submit outline proposals, and these will be assessed against criteria which will include housing quality, design

standards and training provision. Further opportunities can be explored through the New Approaches to Public Procurement (NAPP) agreement to help deliver additional public benefits.

- 8.5.4 The delivery of Victoria Harbour is also being pursued through a partnership arrangement between the landowners, Tees Valley Regeneration, the Council and the Homes and Communities Agency. Associated with this development the partners are providing input to a Supplementary Planning Document which will provide greater certainty around the delivery of the scheme proposals in terms of the overall vision, strategic framework, land use arrangements and design.
- 8.5.5 In respect of Council owned land invitations have gone out to RSLs to explore the potential for developing schemes on some Council owned sites including land at Surtees Street and at Golden Flatts. In relation to Golden Flatts this has included informal discussions with prospective developers. At Surtees Street work has been undertaken by a RSL to develop options with a view to developing affordable units at this town centre location.
- 8.5.6 At Seaton Carew, the preparation of planning and marketing briefs for potential development sites has been endorsed by Cabinet with a view to (subject to consideration of responses to a public consultation exercise) seeking proposals which will deliver new sports, health and community facilities as part of an overall development package.
- 8.5.7 Informal discussions have also been held with local firms regarding possible joint ventures and although at a very early stage, the potential of these will continue be explored.
- 8.5.8 Some consideration has been given to involvement in more formal partnerships such as Local Housing Companies or Local Development Vehicles, however, these may not be appropriate for an authority like Hartlepool as such formalised arrangements would normally involve substantial input of assets in the form of cash and/or land. A recently established housing company elsewhere in the region for instance, was based around their ownership of around 1800 dwellings. The difficulty for the Council in pursuing such initiatives is that it is not a major property owner following stock transfer, nor does it own much land which it would need to contribute towards such formalised partnerships. Also given the limited opportunity to gain capital receipts from what it does own, the Council may wish to consider other priorities for using such resources. It would also be necessary to quantify the 'added value' that such arrangements would provide as appropriate management, legal and accounting processes would need to be put in place. Many of the benefits of such arrangements can be achieved through existing mechanisms. Smallscale joint ventures are however being explored.

Private Sector and Empty Properties

8.6 *Key Issue – to reduce the number of empty properties in private ownership and to secure improvements in the quality of private housing.*

- 8.6.1 There are around 1500 properties in the private sector which are currently empty and over 500 of these have been empty for more than 6 months. The need to tackle the problem of empty homes is a crucial issue as it can have a serious negative impact on local communities and surrounding areas in terms of image, values and anti-social activity. However, it should be noted that in order for a housing market to operate effectively, enabling movement to take place within that market, around 3% of properties would be expected to be vacant at any one time under normal market conditions. For Hartlepool this would equate to almost 1000 properties.
- 8.6.2 In addition account needs to be taken of the impact of the HMR programme on this total. The 1500 figure includes some empty properties within identified HMR areas which are not yet in HBC or its partners' ownership but are targeted for acquisition. If the trend over recent years is considered, the impact of HMR has been to reduce the number of empty properties. Council tax data indicate that the level of vacancy in the private sector has reduced by around 200 properties over the past 5 years. A specific objective of the HMR strategy is to secure the clearance of those areas with the greatest concentrations of empty properties where the market has failed, and to focus attention on improving those properties surrounding these areas of failure, through targeted assistance in order to bring these properties back into use and up to required standards. In turn this should encourage other private owners to upgrade their properties if they can see evidence of improvements elsewhere in the area.
- 8.6.3 The HMR programme is a direct response to the problems of empty homes and given sufficient resources, this could help to significantly reduce the number of empty private dwellings. There is a recognised need for further intervention to bring voids within the retained housing stock back into use, although this is relatively expensive and resources to enable Councils or RSL's to intervene have been limited. Whilst some RSL's are keen to explore this, funding and flexibilities would need to be secured from the HCA or other sources.
- 8.6.4 Acquisition of empty new properties is one of the objectives of central governments 'clearing house' scheme where private developers have been invited to register sites where they would be willing to dispose of new unoccupied dwellings. The intention is that RSL's would acquire these with funding from the clearing house fund. These properties would then be occupied on a normal rental or some part ownership basis. The Tees Valley Credit Crunch Steering Group are proposing that further government support is sought towards more flexible

tenure options which could for instance allow a tenant to move from rental to full ownership.

- 8.6.5 A similar approach could be applied to empty second hand properties, but in both cases there will be a critical requirement for external resources to fund renovation and bring housing up to required standards (many new private dwellings do not meet the minimum efficiency standards applicable to RSL's in securing Housing Corporation (HCA) grant).
- 8.6.6 As with schemes in the 1980's, schemes to purchase second hand property can be very costly in terms of acquisition and refurbishment and are not usually reflected in resulting values. An example of an RSL getting involved in purchase and restoration of vacant empty properties is the "Filling the Empties Scheme in Tees Valley". This scheme was a joint initiative between Accent Housing Association and local authorities within the Tees Valley with funding from the 2006-08 SHIP allocation. Accent Housing was the RSL appointed to deliver the project and became the owner of the properties acquired, which they would rent out at affordable rates. In Hartlepool an average of £45,000 was paid to purchase properties which were largely street houses in areas adjacent to HMR sites. On average a further £50,000 was spent on bringing these properties up to an acceptable standard. The renovated properties were assessed as having a market value of £50,000. Bearing in mind average public sector investment of £95,000 this scheme has proved to be very 'capital hungry'.
- 8.6.7 Since 2003, £3.7 million public sector funding has been spent on private sector improvement grants with a further £1.5 million allocated up to 2011. This resource has been largely concentrated around the key regeneration areas including adjacent to HMR clearance sites. In addition, a further £1.5 million has been spent on energy efficiency improvements between 2003 and 2008 with a further £0.9m allocated up to 2011.
- 8.6.8 The current limitations on external funding to Councils, makes it more difficult to effectively intervene in the acquisition and renovation of private properties. Under the recent housing funding settlement funding toward private sector housing was significantly reduced by the Regional Housing Board. RSL's may therefore be better placed to acquire and renovate private properties within the housing authority's strategic framework should additional resources be secured from the HCA in response to the TVCCSG paper, and would be better able to manage such properties.
- 8.6.9 The other issue associated with tackling the private sector housing market is in relation to management of tenanted properties. A selective licensing scheme is set to go ahead later in the year following recent government in principle approval. This scheme will require all landlords in the six priority areas to be licensed in order to rent their properties. Licensed landlords will be subject to a set of conditions relating to the management of their properties and the

behaviour of their tenants. Landlords who fail to obtain a licence can be fined up to £20,000 and those who breach their licence conditions can also be prosecuted and fined up to £5,000.

8.6.10 Expansion of this scheme will depend on Government approval and resource availability and a successful evaluation of the original scheme. The intention is to monitor those priority areas identified by Cabinet and to work in partnership to address issues identified as well as monitoring additional areas and extending into these areas where capacity and resources permit.

8.6.11 A Tees Valley Empty Property Strategy is being developed in conjunction with the other Tees Valley authorities to introduce wider ranging and varied enforcement approaches, and where possible, to follow a common approach. In particular, the possibility of using 'enforced sale' provisions in the Law of Property Act 1925 and 'empty dwelling management orders' under the Housing Act 2004 to either instigate action by an existing owner or take over the management of the property, the detailed procedures required, and the possibility of partnership working are being actively considered.

APPENDIX A

DEFINITION OF AFFORDABLE HOUSING

Planning Policy Statement 3 provides the following definition of Affordable Housing :-

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'*

Social rented housing is:

'Rented housing owned and managed by local authorities and registered social landlords for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.'

Intermediate affordable housing is:

'Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (eg HomeBuy), other low cost homes for sale and intermediate rent'