

# Building Bury's Future

*Bury's Housing Strategy*

**2014 - 2024**



**Bury**  
COUNCIL

## 1.0 FOREWORD

Housing is everybody's business. Having a roof over your head is one of those things that you expect in life but for increasing numbers of people it is becoming increasingly difficult to get onto – and then stay on – the property ladder.

At the time of writing, this country is going through a major housing crisis. Too few houses are being built, property prices remain high and the associated costs of accommodation, such as heating and repairs, are increasing rapidly putting a massive strain on household budgets.



**Cllr Rishi Shori**  
Cabinet Member for  
Adult Care, Health &  
Housing

It is against this background that we look to this Strategy to provide some hope and relief to local people. We cannot change the economic situation but by taking decisions and using our influence, we can help shape the local housing market and increase opportunities for our residents. With this in mind, the Strategy has twin aims:

*Sufficiency* – increasing the amount of housing for purchase or let but in keeping with the needs of the Borough. It is not just a question of more properties. Regard has to be paid to the environment and protecting features that build better neighbourhoods and make Bury a great place to live.

*Suitability* – houses that meet people's needs wherever possible in a location where they want, and can afford to live. This means decent homes, whether bought or rented, that are in reasonable repair, affordable and sustainable. Housing that meets these conditions promotes stable communities and decent neighbourhoods.

Delivering these aims will be extremely challenging but the housing market will pick up. We need to look ahead to promote regeneration, position the Borough to take advantage of opportunities that arise and be primed ready to support economic growth in the Greater Manchester City Region as and when that occurs.

I believe this Strategy does just that. It provides an excellent guide for us to respond to current and future housing pressures across all tenure types, and it gives me great pleasure to present our Housing Strategy 2014-24 – Building Bury's Future.

## 2.0 INTRODUCTION

The long term vision of our strategy is:

***"To encourage a sustainable mix of quality housing in the Borough that is suitable and sufficient to meet the needs of our residents"***

This means:

- Encouraging house building – to help meet the demand for accommodation whilst protecting the features that make Bury a great place to live.
- Promoting a balance between different tenure types (owner occupied, private rented, social housing) to maximise residents' choice in where and how they live.
- Promoting affordable housing.
- Working to reduce the number of empty homes in the Borough.
- Working with others to invest in housing, build decent neighbourhoods and improve the quality and sustainability of the housing stock.
- Influencing the market to recognise and support the specific housing needs of older people, people with disabilities and other groups within our communities.
- Supporting the 'Green Agenda' to maximise the energy efficiency of housing.
- Supporting individuals to access housing by providing good quality information, advice and guidance.

The housing picture is more complex than simply a case of supply and demand. With mortgage lending reduced, energy costs growing and income levels less assured, affordability is a big issue. This Strategy recognises these, and the other factors that are affecting demand, in setting out proposals.

The Strategy also takes account of the Council's desired outcomes for the Borough. The priorities identified are fully compliant with the Council's aims of:

- § Reducing poverty and its effects.
- § Supporting our most vulnerable groups.
- § Making Bury a better place to live.

The Housing Strategy has also been shaped by the Council's values. The priorities and action plan clearly:

- '*Put Residents First*' by understanding the needs of the population, identifying what matters to them and putting in place actions that meet their needs.
- '*Empower and Support Communities*' through increasing access to information, advice and guidance on housing resources – and encouraging greater resident involvement in housing projects.
- '*Support People in Greatest Need*' because we have a good understanding of housing need within our communities and the Strategy makes provision for groups (such as older people, people with disabilities) which have specific housing requirements.
- Demonstrate that the approach has been developed in an '*Open and Transparent Way*' through actively listening to people's views and building a robust evidence base to inform our decisions.

## 3.0 CONTEXT

### 3.1 National initiatives

#### National Housing Strategy

In November 2011, the Government launched 'Laying the Foundations: A Housing Strategy for England' which set out a package of reforms to:

- Get the housing market moving;
- Create a more responsive, effective and stable housing market;
- Support choice and quality for tenants;
- Improve environmental standards and design quality.

Key objectives within the strategy included:

- Support to deliver new homes and support aspiration;
- The ability to tackle empty homes; and
- Ensuring better quality homes, places and housing support.

#### Localism Act 2011

A number of the National Housing Strategy reforms were included in the Localism Act 2011. In seeking to shift power towards local people, the Act included new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform of the planning system and the devolution of some housing powers.

Much of the housing-related issues within the Localism Act 2011 are addressed in Bury Council's Strategic Tenancy Policy 2013-16; the key issues being:

- **Reform of Social Housing Allocations** to allow local authorities greater flexibility on who should qualify to go on their housing waiting lists.
- **Reform of Social Housing** to enable social landlords to offer fixed term tenancies where an increased flow of customers through the sector would assist in meeting local demand and the prevailing housing conditions.
- **Reform of Homeless Legislation** to allow local authorities to use suitable housing in the private rented sector to discharge their homelessness duties.
- **Reform of Council Housing Finance** to end the subsidy system for rent collection and giving local authorities greater freedoms and flexibilities on income received.
- **Establishment of a National Home Swap Scheme** to encourage greater mobility of tenants to move between areas in order to secure employment.

### Affordable Rent

Affordable Rent was introduced as part of the Homes and Communities Agency's 2011/15 Affordable Housing Programme funding round. This form of tenure, where providers can charge up to 80% of the market rent, is intended to shift the balance between grant support and rental income as the means of financing projects. As a result, affordable rent has replaced social rents (which are around 60% of market rents) on future Government-sponsored schemes or projects designed to bring forward affordable housing. Over time, it is also expected that there will be a higher occurrence of conversions from social to affordable rent on existing registered provider stock within the Borough, which will put further pressure on finding accommodation for lower income households.

### Welfare Reform

Welfare Reform and its impact on things such as restrictions on Housing Benefit payable to those under 35 years of age, and under-occupancy charges for those claiming Housing Benefit and living in properties deemed larger than their needs, have both had a significant impact on landlords and tenants. There is increasing demand for smaller properties, placing strain on landlords' abilities to meet the requirements of those in the greatest housing need. At least for the short term, this could lead to a change in the size and type of accommodation that is needed.

### Empty Homes

Empty homes damage communities. Visually, they impact on the environment and give a poor impression of the neighbourhood, often attracting anti-social behaviour and a lack of investment in surrounding properties. Due to the housing shortage, vacant dwellings have become a national priority with funding available through the Homes and Communities Agency to make individual empty properties suitable for occupation, tackle clusters of empty dwellings and convert empty commercial dwellings into residential units. Successful bids have been submitted by Greater Manchester authorities, including Bury, for the early funding rounds and further bids can be expected should additional money become available.

## Green Initiatives

With energy prices rising, 'green' initiatives continue to be championed by Government. This can be seen in terms of a push towards more renewable energy and increased energy efficiency of new housing. The major framework in this respect is 'Green Deal' and energy company obligation (ECO). 'Green Deal' loans have been launched to help households fund energy efficiency measures with costs being recovered through agreed payments attached to electricity bills. Low income households or difficult to heat homes can get extra assistance through the energy company obligation (ECO). Other initiatives including Feed-in Tariff, Renewable Heat Initiative and Energy Performance Certificate requirements will also assist. Living at low temperatures contributes to ill-health, excess winter deaths and a wider range of problems, such as social isolation and poor outcomes for young people. With fuel poverty at a high level (18.6% nationally and 21.7% in Greater Manchester) and projected to rise, principally due to rising energy prices, the message, however, is simple; more needs to be done to enable everybody, particularly our more vulnerable residents, to obtain affordable warmth.

Within Greater Manchester, authorities are actively pursuing energy efficiency measures as part of a commitment to become a low carbon conurbation. These initiatives include a Greater Manchester version of 'Green Deal' in which Bury has invested over £1 million, improving energy efficiency of homes and 'energy switching' whereby residents are assisted to participate in energy auctions to get cheaper energy deals.

## No Second Night Out

With homelessness growing nationally, No Second Night Out is the Government's response to the problem of persistent rough sleepers. Whilst a larger issue for inner cities, all Greater Manchester authorities have signed up to a programme to ensure that no new homeless rough sleeper will be without some form of temporary accommodation after their first night on the street.

## Support for Older People

Supporting increasing numbers of older people, particularly those with dementia, is a major concern for society. With national policy favouring independent living rather than institutional care, new forms of accommodation and services are required to help people to live in their own homes for longer.

The Care and Support Specialised Housing Fund was introduced in 2012 to provide local authorities, registered providers and private developers with the opportunity to access funding to develop such housing with care facilities, particularly for people with dementia. This will enable residents to retain their independence by running their own, self-contained homes but with the reassurance of having support close by if needed.

The lack of specialist housing is, however, only one of the demographic pressures created by an ageing population. Other factors that need to be addressed include:

- § *Under occupancy* - As children grow up and leave the family home, older people frequently live in property that is larger than they need. With changes to the benefits system, this will cause some residents hardship and require them to 'downsize'. This assumes that there are sufficient numbers of smaller properties available to them.
- § *Affordability* - Often linked with under occupancy, the cost of running a home continues to rise and hits those on low or fixed incomes hardest. Many of these individuals are older people who, whilst protected from many of the initial welfare reforms, still face rising prices.
- § *Mobility* - Ageing often brings health issues such as restricted mobility or long term conditions which make living in older, less energy efficient property more difficult to manage. There is an increasing need for self contained, single storey dwellings to meet this demand. There is also a need to make best use of existing stock by providing appropriate cost effective adaptations, improving intelligence around already adapted stock and more effective matching and allocation of adapted properties to people in need of these.
- § *Inter-generational living* - Lifestyles of older and younger residents are different and have led, in some parts of the country, to segregation as 'villages' for older people and 'gated' communities have developed. This polarisation is not conducive to building strong and vibrant neighbourhoods. Balanced communities, which respect the differing needs and expectations of its residents, are essential to protect the character and health of our townships.



### **3.2 Regional Considerations**

In April 2011, the 10 councils within Greater Manchester (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) created a 'Combined Authority' to co-ordinate key economic development, regeneration and transport functions which includes:

- Delivering the objectives and priorities in the Greater Manchester Strategy and the Greater Manchester Housing Strategy 2010 to drive economic growth.
- Delivering the objectives identified in the Greater Manchester Local Investment Plan. This document sets the direction for the delivery of key aspects of the 'Creating Quality Places' strategic priority of the Greater Manchester Strategy.
- Overseeing and prioritising funding programmes, including the Affordable Homes Programme and bids to address empty homes.
- The GM Domestic Retrofit programme to improve the energy efficiency of homes.

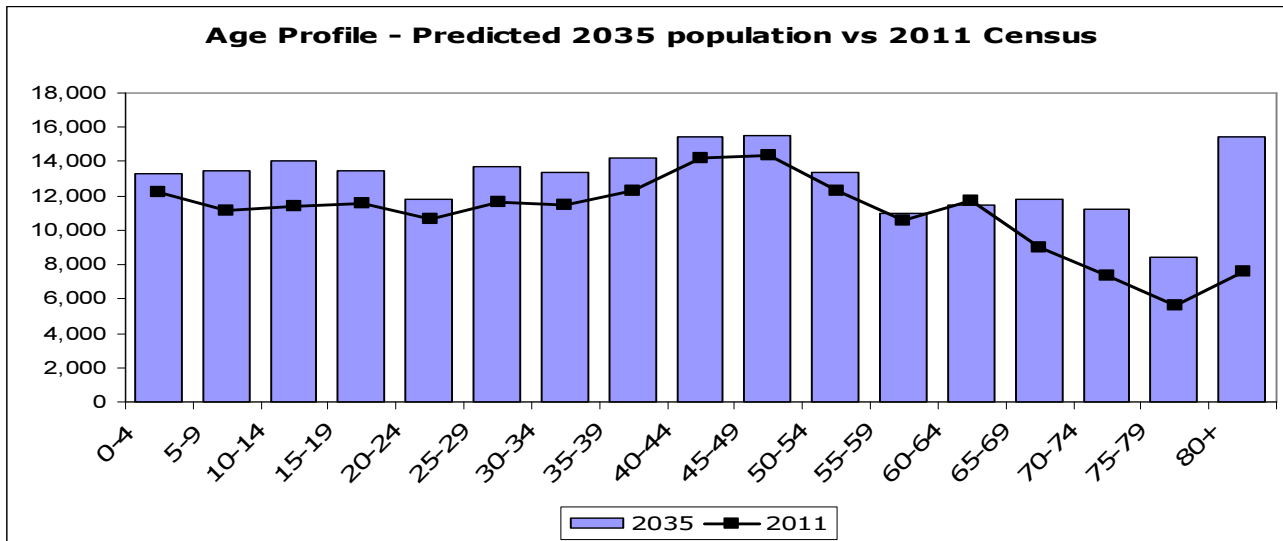
Housing and construction generally plays a key part in the drive for economic growth. The Greater Manchester Strategy highlights the need to ensure the continuing economic development of the region, supported through the provision of adequate housing of the right types, sizes, tenures and location. Bury's Housing Strategy contributes positively to this approach by presenting a thorough analysis of local issues and understanding the needs of our residents.

### **3.3 Key Local Issues**

#### Context

Situated just to the north of Manchester, Bury covers an area of 9,919 hectares (24,511 acres). The population of 185,060 is located within six township areas each with their own character and history that the Council is keen to preserve. Overall, Bury is one of the more prosperous districts within Greater Manchester although the 2010 Index of Multiple Deprivation (IMD) shows a mixed picture across the Borough. Some parts of East Bury, inner Radcliffe, Whitefield and Prestwich are within the 10% most deprived areas nationally. This is also reflected in public health where the Borough's Joint Strategic Needs Assessment shows a 10 year gap in male life expectancy between the most deprived areas and parts of the Borough which are least deprived.

The Borough's population has grown at a steady pace over the years and is set to rise from 185,060 to around 221,000 (or 20%) in a generation. However, this hides a major shift in the age profile. The proportion of older people will increase from 15% to over 20% of the population with particular emphasis on the very elderly where there is expected to be 8,000 (60%) more people over the age of 80 than the 2011 Census.



Age seldom comes alone. This is confirmed by the Joint Strategic Needs Assessment which suggests that nearly 1 in 5 people will have a limiting long term condition – conditions which account for 52% of GP appointments, 65% of out patient appointments and 72% of hospital in-patient bed days. The links between health, social care and housing are strong; more appropriate accommodation would make a significant impact on health and social care budgets.

Another demographic factor requiring consideration is that the Housing Need and Demand Assessment 2011/12 estimates that over 25,000 people are in single households. This equates to 30% of Borough's housing stock being sole occupied.

In the 2011 Census, 89.2% of the Borough's population is white, with Pakistani being the single largest ethnic group at 4.9%. This ethnic mix is set to change in the coming years as the school census showed the proportion of non-white children increasing from about one in seven to one in five between 2006 and 2012. The Borough also has a mix of religious groups. Christians make up 63% of the population, followed by Muslims (6.1%) and Jewish (5.6%).

The changing demographics have major implications in terms of both the sufficiency and suitability of homes. In addition to normal supply and demand pressures the ageing population will require more accessible accommodation and housing with care; a growing population requires more homes to be built – some of which will need to be of a size and in geographical locations to match the needs of ethnic and faith communities; whilst the anticipated increase in single person households raises questions of under occupancy and affordability especially with the introduction of welfare reforms from 2013.

### Housing profile

The 2011 Census recorded 81,423 residential dwellings in the Borough of which 78,113 were occupied by one or more resident. Of the total housing stock, 8,188 of these were Council-owned, social rented housing and 4,225 belonged to housing associations. 69,907 dwellings or 85.8% of the total housing stock are houses or bungalows, with most occupied properties being either 2-bedroom (23,682) or 3-bedroom (34,249) in size. Given that there is an estimated 25,000 single person households in the Borough, under occupancy could soon become an issue as housing costs and the impact of welfare reform increases demand for smaller properties. With only 7,042 (9.0%) 1-bedroom, occupied dwellings identified, of which 3,257 are Council-owned rented dwellings, major pressures on the market are anticipated unless a greater number of smaller units – at affordable cost – become available. At the other end of the spectrum, the demand for larger dwellings from the BME and Jewish communities is likely to put pressure on the 13,140 (16.8%) 4-bedroom plus dwellings; a problem further highlighted by the fact there are only 98 Council-owned dwellings of this size in the Borough.

In addition to under-occupation, under use is an issue. The Census records 3,310 vacant dwellings at the time of the survey and, whilst it is a snapshot, we need to get a better understanding of these properties and the circumstances behind why they are vacant.

As regards stock condition, the local authority and housing association accommodation is of a high quality, with all dwellings meeting the decent homes standard. Conditions in the private sector are more varied as the LAHS (Local Authority Housing Statistics) return 2012/13 indicates that there are 14,526 dwellings with Category 1 hazards as measured by the Housing, Health & Safety Rating System (HHSRS).

Improving the quality of private sector housing – which makes up over 80% of the Borough’s housing stock – is critical to well-being and promoting the Borough as being the place to live.

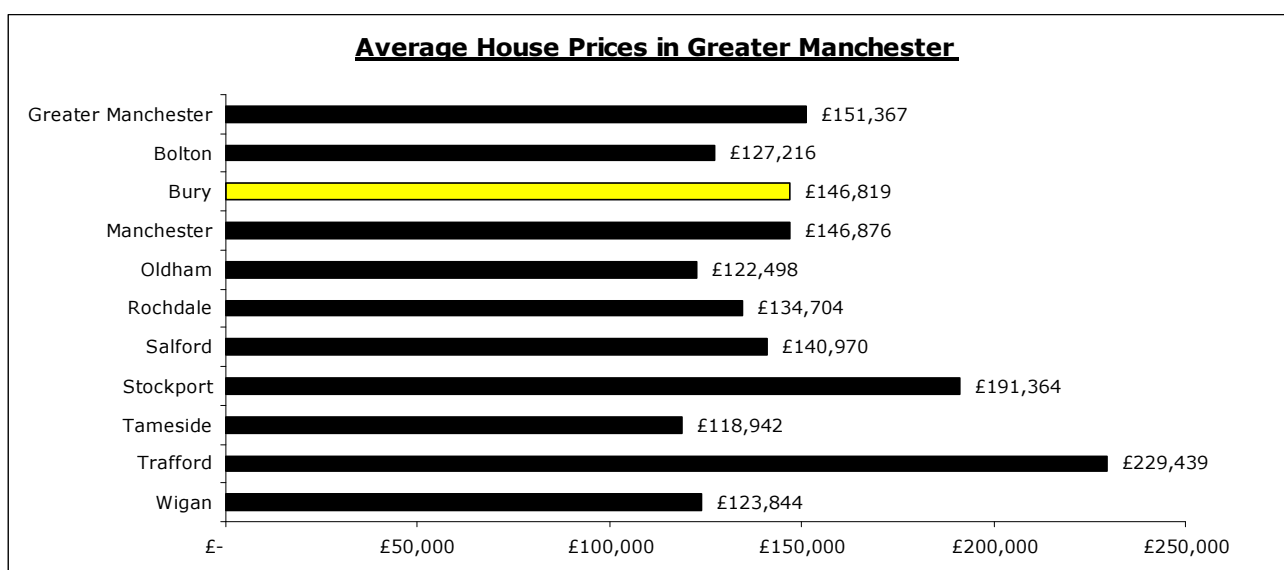
How these issues impact at local level and how we intend to use the evidence to shape the future housing market is considered in more detail in the following sections.

## 4.0 HOUSING NEED AND DEMAND

### 4.1 Sufficiency of Housing

#### Housing market demand

Bury is a popular place to live and this drives house prices in the Borough. Compared to the other ten local authorities in Greater Manchester, Bury has the fourth highest average house price and ranks third highest in terms of the number of properties sold as a proportion of population in 2011/12 (Quarter 3).



Source: Land Registry

In terms of where people want to live, the Housing Need and Demand Assessment 2011/12 indicated a high level of parochialism and self containment in each township. Closeness to family and friends, employment, amenities, quality of area and types of housing available are frequently cited as the reasons for future location preference.

Area of Residence	Location Preference						Total
	Ramsbottom	Tottington	Bury	Radcliffe	Whitefield	Prestwich	
Ramsbottom	413	160	86	32	117	32	840
Tottington	126	247	188	0	104	40	705
Bury	146	606	1,385	223	610	102	3,072
Radcliffe	245	306	285	827	619	264	2,546
Whitefield	51	255	471	72	925	203	1,977
Prestwich	90	66	275	31	607	1,104	2,173
<b>Local moves</b>	49.2%	35.0%	45.1%	32.5%	46.8%	50.8%	11,313

Source: Bury Housing Needs and Demand Assessment 2011/12

The survey also suggested that contrary to conventional wisdom, not everybody aspired to live in the north of the Borough. Whilst feedback showed that Tottington remained popular, the majority of respondents saw the townships of Bury and Whitefield being the key locations. Accessibility, property choice and transport links to the city region appearing to be prime factors in the decision.

Location	Existing Households		Concealed Households	
	Nos. Implied	% households	Nos. Implied	% households
Ramsbottom	732	20.0	227	28.6
Tottington	1,118	30.6	126	15.9
Bury	1,798	49.2	221	27.8
Radcliffe	596	16.3	138	17.4
Whitefield	1,493	40.9	384	48.4
Prestwich	1,083	29.6	311	39.2

Source: Bury Housing Needs and Demand Assessment 2011/12

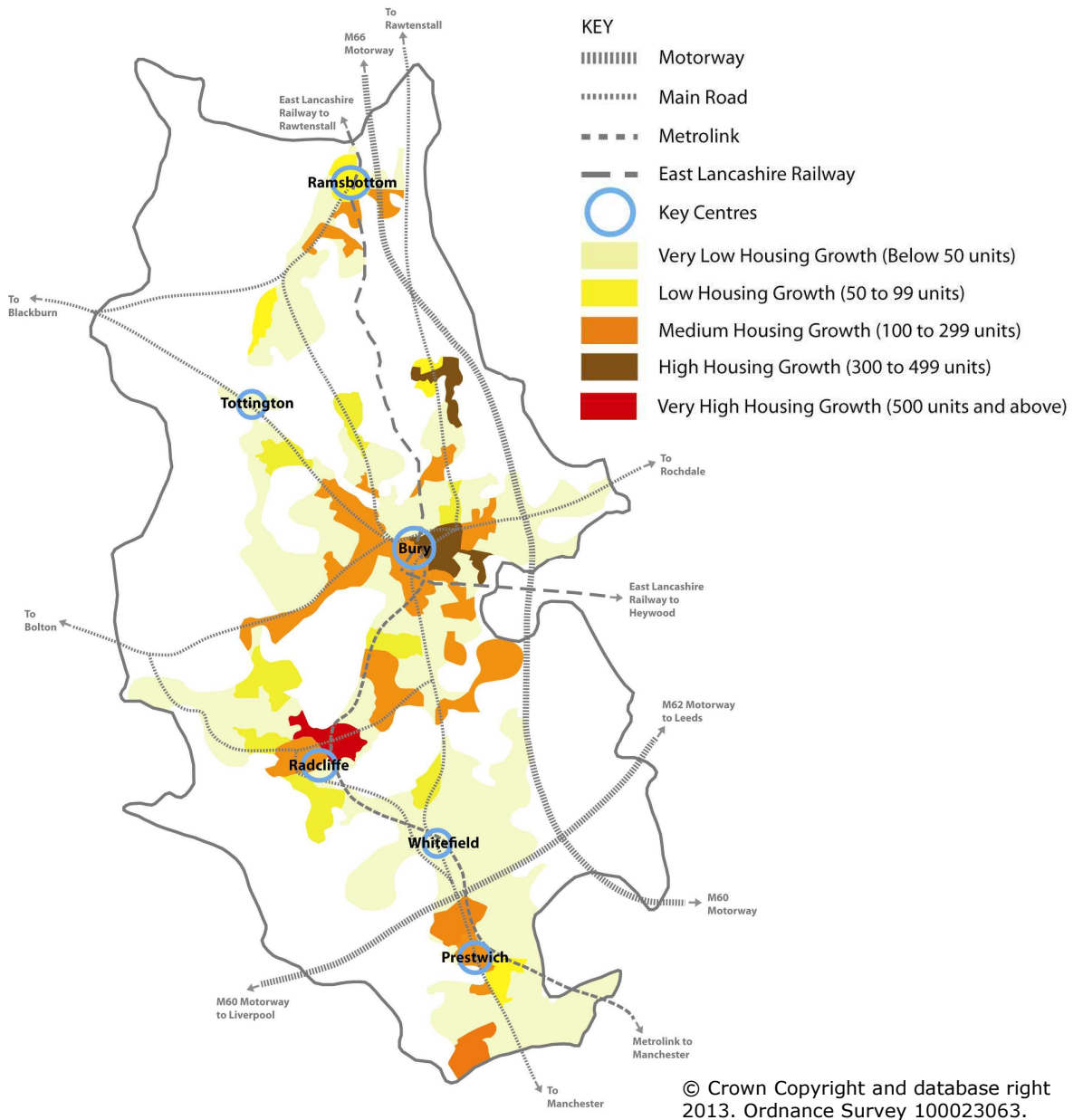
### Housing supply

Bury's emerging Local Plan recognises the need for housing growth and proposes an increase of 6,800 dwellings (net) between 2012/13 to 2028/29 (an average of 400 dwellings per annum). Sufficient land has been identified for this purpose.

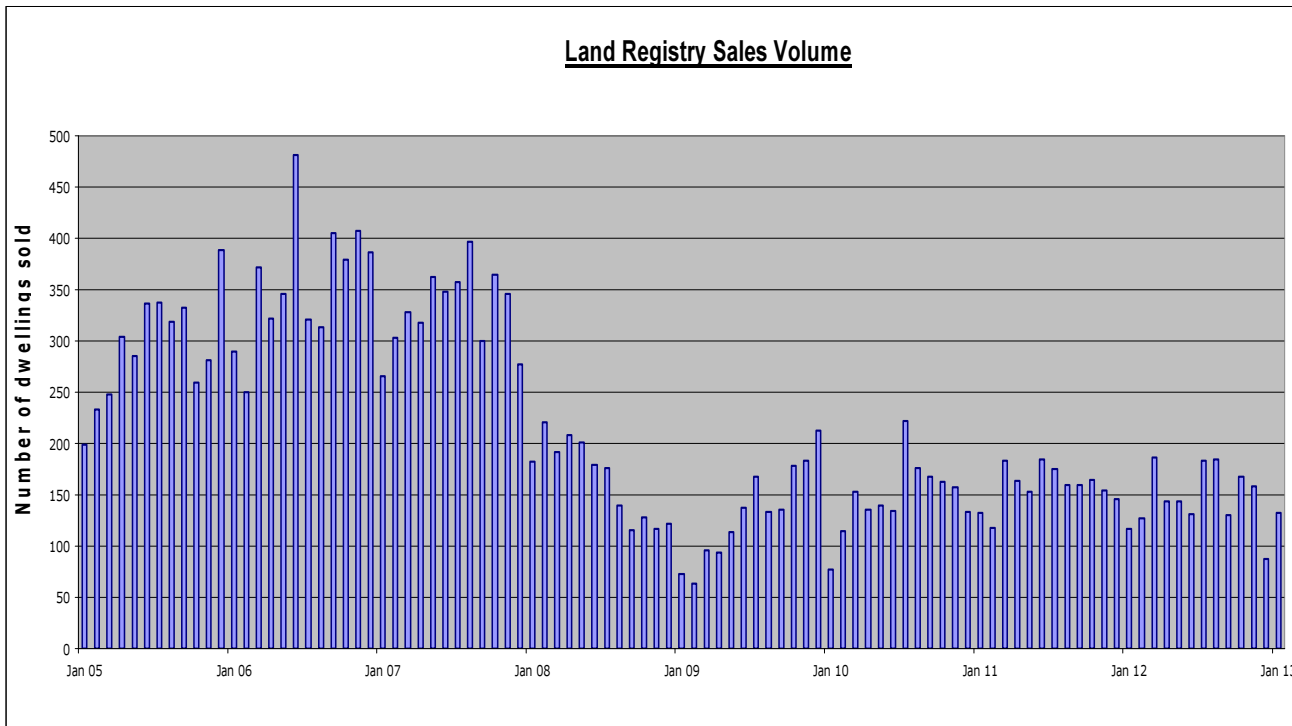
The vast majority of these additional housing units are likely to be delivered by the private sector and the Spatial Strategy allows for housing growth across all the urban areas. The focus on development however is on townships where housing land is already available or where the Council wants regeneration. The distribution of housing development as set out in Figure 1 reflects this ambition with 'very high' housing growth concentrated in the townships of Bury and Radcliffe. Areas of 'medium to high' housing growth are also prominent in the immediate areas around these two centres.

The lowest areas of growth are focused in Tottington in the north and Whitefield in the south of the Borough. Whilst these are preferred areas for people to live, it is important that they are not over developed, and housing growth in these areas is constrained by the Green Belt boundaries. The Council needs to ensure that the features which make the areas popular are protected and issues facing other areas of the Borough such as Radcliffe and Prestwich are addressed in order for the Borough to achieve its goal of becoming a prosperous, sustainable Borough fit for the future.

**Figure 1 – Anticipated Distribution of Housing Growth as at April 2013.©**

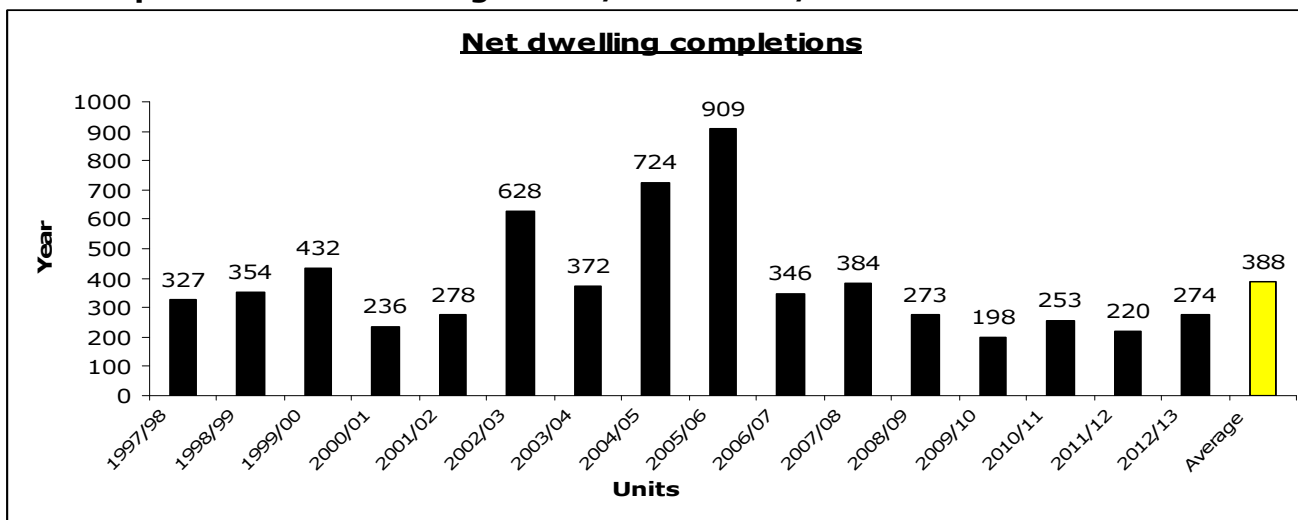


The market however is slow. Fewer buyers, coupled with tighter mortgage conditions, has seen activity fall since 2008, as can be seen in Land Registry sales statistics:



Although there is demand for housing, the lack of affordable finance for both developers and potential purchasers has resulted in a marked reduction in the number of new homes being built in the Borough (which is reflective of the housing market across much of the country). Only 274 units were completed in 2012/13 compared to 384 in 2007/08 before the banking crisis and the emerging target of 400. The difference is even greater when compared to the peak of 909 in 2005/06.

**Net Completions in the Borough 1997/98 to 2012/13**





At the 1<sup>st</sup> April 2013, there were extant planning permissions on 148 sites within the Borough that could accommodate 3,166 housing units. Some of these sites are currently under construction and others are showing signs that they are coming forward imminently. It is likely that the other sites, together with new sites, will be brought forward as the housing and financial markets improve. It is considered that the recent fall in house completions has been a result of economic reasons rather than land availability.

<b>Availability</b>	<b>No. of Sites</b>	<b>No of Units</b>
Site Under Construction	51	801
Sites with Planning Permission	97	2,365
<b>Total</b>	<b>148</b>	<b>3,166</b>

Government initiatives have provided finance to developers to complete stalled sites ('Kick-start') and prospective purchasers ('Homebuy') but these have yet to significantly stimulate growth in the sector. The 2013 Budget has also put forward a further range of options aimed at supporting house buyers, the details and impact of these initiatives will be seen in the future. It is thought that these new measures will help to stimulate the housing market as finance will become more affordable to a greater number of potential purchasers, thus enticing developers to build their sites. However, there are some concerns that these measures could increase house prices resulting in a growing disparity between prices and household incomes. Guaranteeing lending and/or subsidising borrowing costs is not sustainable and risks a return to sub-prime lending – which created the banking crisis in the first place.

**Key Issues**

- Finding ways to unlock stalled sites
- Improving the ability to access housing in a way that is affordable and sustainable for residents
- Maintaining a supply of land availability for housing for when the market improves

### Empty Properties

It is anticipated that over 95% of the housing that will exist in 30 years time has already been built. Satisfying demand is therefore not just an issue of building more; we also have to make best use of what already exists.

According to the 2011 Census, 3,300 homes in the Borough were vacant. There are many reasons for this from properties in the process of being sold or let to those that have been vacant for many years because of legal issues or the high cost of repair. Whatever the cause, properties that are vacant for any length of time have to be tackled to remove the negative impact they have on individuals and communities. Some schemes, including the Council-led pilot project in Radcliffe, are in place to bring more houses back into occupation and further schemes are needed to maintain this momentum. Empty properties will represent a high risk issue for many years until the economic situation improves and confidence returns.

#### ***Key Issues***

- Reducing the number of properties that are empty, or are at risk of becoming empty to maintain vibrant and attractive townships
- Encouragement for owners to maintain properties
- Exploring innovative solutions and external funding sources to reduce the number of empty properties and regenerate parts of the Borough

### Affordability

Finding affordable housing – to rent or buy – is a challenge for many households. House prices are high compared to local wage rates as earnings have remained static (or fallen) for many people in recent years.

Average cost for property purchases in the six townships (as at August 2011) is set out in the following table of entry level sales.

Property Type	Ramsbottom	Tottington	Bury	Radcliffe	Whitefield	Prestwich	Borough wide
1 bed flat	79,950*	105,000*	79,950	64,950	72,950	69,950	74,950
2 bed flat	80,000	130,000*	80,000	84,950	94,950	89,950	89,950
2 bed terrace	109,950	115,000	94,950	82,500	110,000	102,000	99,750
3 bed terrace	130,000	129,950	100,000	96,999	114,950	122,500	109,995
2 bed semi	124,950	109,950*	95,000	109,950	100,000	107,500	105,000
3 bed semi	144,950	139,950	134,000	132,000	134,950	137,500	134,950

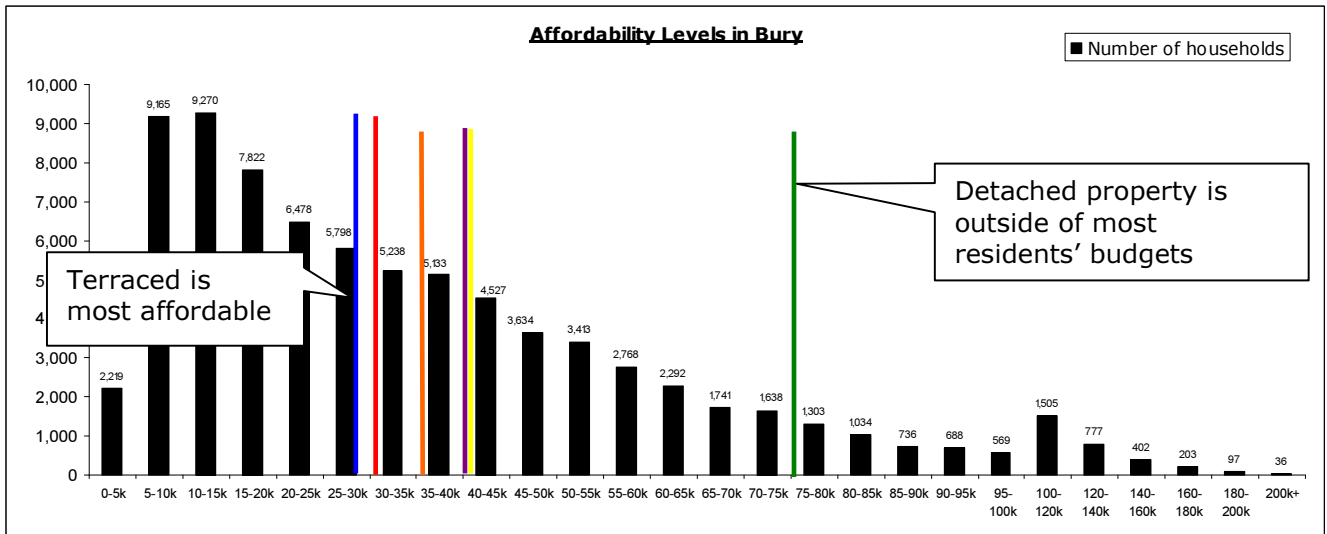
\* Low sample

Source: DCA House Price Survey August 2011

Based on CACI 2012 data, average gross income in the Borough is £28,045 although there are dramatic local variations from £20,678 in Moorside Ward to £33,764 in North Manor. In addition it is estimated that over 60% of households have less than £5,000 in savings.

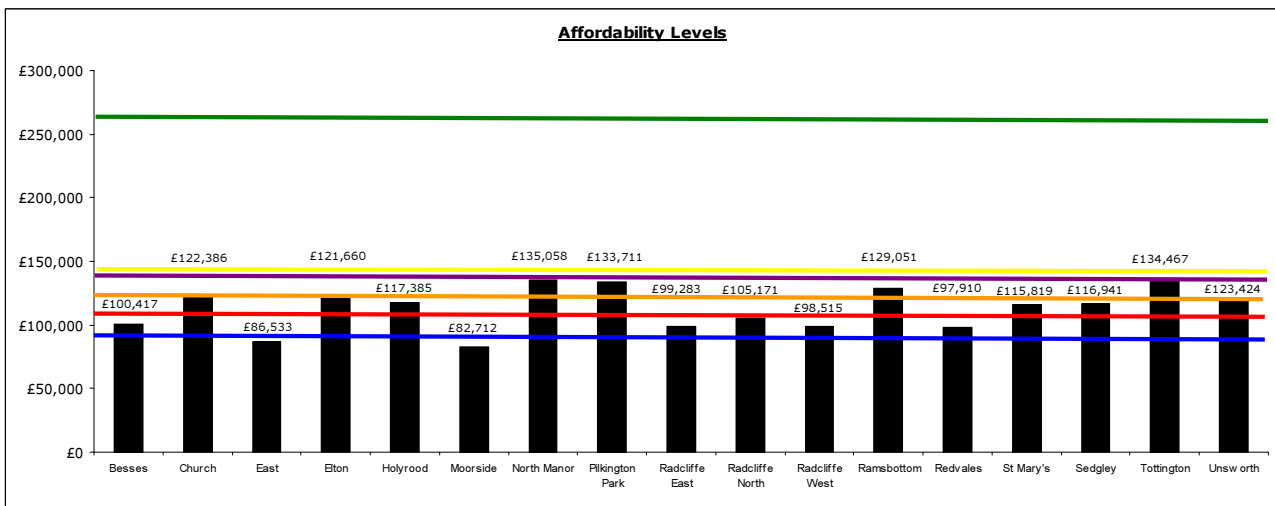
Low earnings coupled with mortgage lenders requiring deposits of up to 25% of the value of the property are pricing many residents out of the market. The data suggests that up to 52% of residents cannot afford to get on the property ladder and that most purchasers will be restricted to terraced property, flats or new build accommodation in that order.

Type of property	Average Price (Bury)	Household income needed to obtain a mortgage at 3.5 times wages	Deposit Required (15%)
Overall	£ 146,819	£ 41,948	£ 22,022
Terraced	£ 95,867	£ 27,391	£ 14,380
Flat	£ 106,806	£ 30,516	£ 16,020
New Build	£ 129,985	£ 37,139	£ 19,497
Semi-detached	£ 143,463	£ 40,989	£ 21,519
Detached	£ 264,661	£ 75,617	£ 39,699



Source: CACI 2012 and Land Registry

The pattern is replicated across the Borough indicating that most housing types in nearly all wards are unaffordable.



To help address this situation, the Council introduced a planning policy in 2004 where 25% of units on larger developments have to be made available at affordable levels. In most cases this means at a discounted sale price. Since 2004, 215 affordable units have been built although in recent years, the slow down in the market has resulted in fewer large schemes being built (and therefore fewer affordable housing units are becoming available).

Demand for these properties is high with 946 live applications as at December 2012. Around two thirds of applicants would prefer to buy although 50% would settle for rent / shared ownership properties. On balance most people are looking for smaller properties as demonstrated in the following table:

<b>Size of property required</b>	<b>Numbers on the Affordable Housing waiting list (December 2012)</b>
1 bed property	123
2 bed property	465
3 bed property	300
4 bed property	57
5 bed property	1

*Source: Bury Council Affordable Housing Database*

In terms of property type, houses remain the first choice for many. Some applicants will however consider more than one type which is reflected in the figures below:

<b>Property Type Applied for</b>	<b>Numbers on the waiting list (December 2012)</b>
House	854
Flat	382
Bungalow	239
Maisonnette	98

*Source: Bury Council Affordable Housing Database*

But it is not just those starting out on the property ladder that can have affordability issues. Repossessions are running at 271 per year. Where the lender is in agreement, the Council can intervene under the Mortgage Rescue Scheme – a process that has supported 33 eligible households to remain in their home since 2009.

Neither is affordability restricted to owner occupation. Private sector rent levels are also out of reach for many households in Bury and changes in Government policy to require 'affordable' rents (up to 80% of market rent) in all new public sector schemes as opposed to the more traditional 'social' rent (at around 60% of market rent) is pushing up the cost of social rented housing to households. With market rents being generally higher than the Local Housing Allowance, many low earners are effectively being priced out of the rental market (because the benefit levels are less than the cost of housing). For this reason, private rented property cannot be seen as a substitute for a reducing social housing stock.

This shift towards rented property comes at a time when welfare reform is seeking to cap housing costs and introduce measures which have the effect of penalising under-occupancy. As 87% of public rented stock (including Council housing) consists of one or

two bedroom houses, the impact of welfare reform in the Borough compared to other districts is to some extent mitigated – although this is no comfort to over 900 people affected by the introduction of the new rules. Efforts will be made to support those households, prioritising those that need to find more affordable accommodation as a result of changes in benefits. The Council will also support households in the future whose benefit position becomes altered as a result of a change in circumstances.

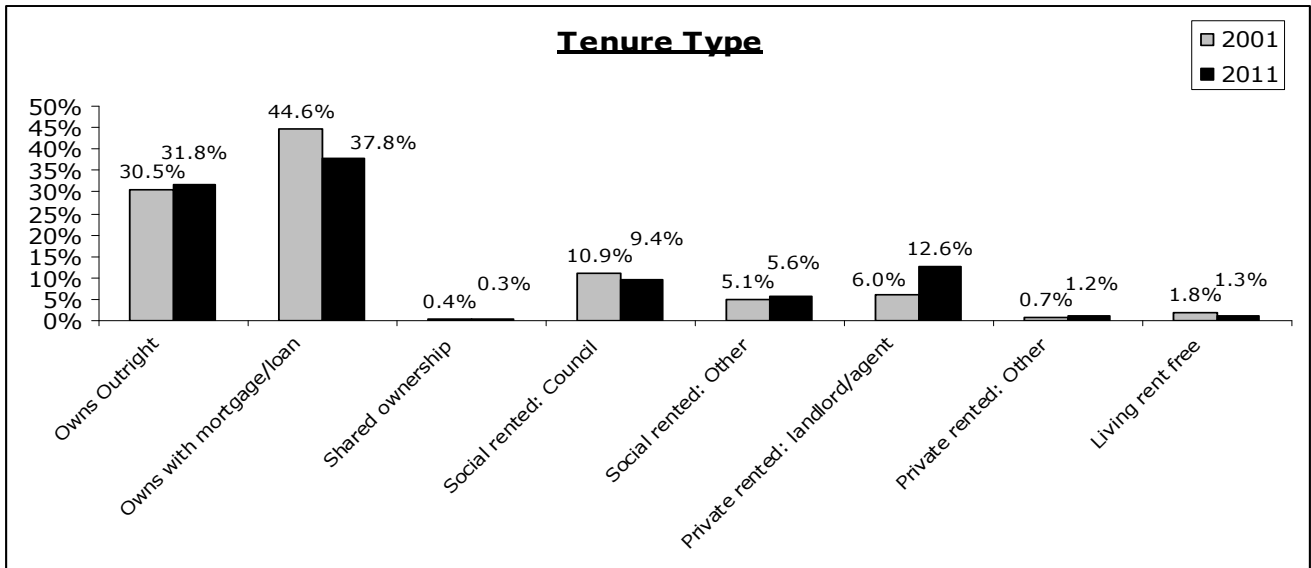
The inability of people to afford housing in the Borough risks creating a more transient population and an increase in the number of ‘concealed’ households – people that would otherwise live as separate households but because of mainly financial reasons are forced to live with family or friends. There is some evidence that it has become a reality for some young, single people who cannot afford to leave home but the scale of the problem, and the impact it will have on future housing needs (and property size), is unknown. The Housing Need and Demand Assessment 2011/12 recommended a 40/60 split between larger and smaller properties respectively on future developments but it is an area for further research.

***Key Issues***

- Working with developers to increase the number of affordable houses built
- Matching housing provision with household needs to avoid over crowding and under occupancy
- Research into the longer term implications of affordability on housing needs, house sizes and well being

Tenure mix

Compared to other metropolitan areas, the Borough has a higher than average share of private sector ownership. Owner occupation remains the single most popular tenure type and whilst actual numbers are down on 2001, 91% of the estimated 4,500 households looking to move still aspire to purchase a property. The significant movement in tenure since 2001 has been in rented property with a 14% fall in Council housing over shadowed by a 100% increase in private rented accommodation. This growth reflects the mortgage situation although there are also indications that it is supporting younger households whose personal circumstances or employment patterns are more flexible.

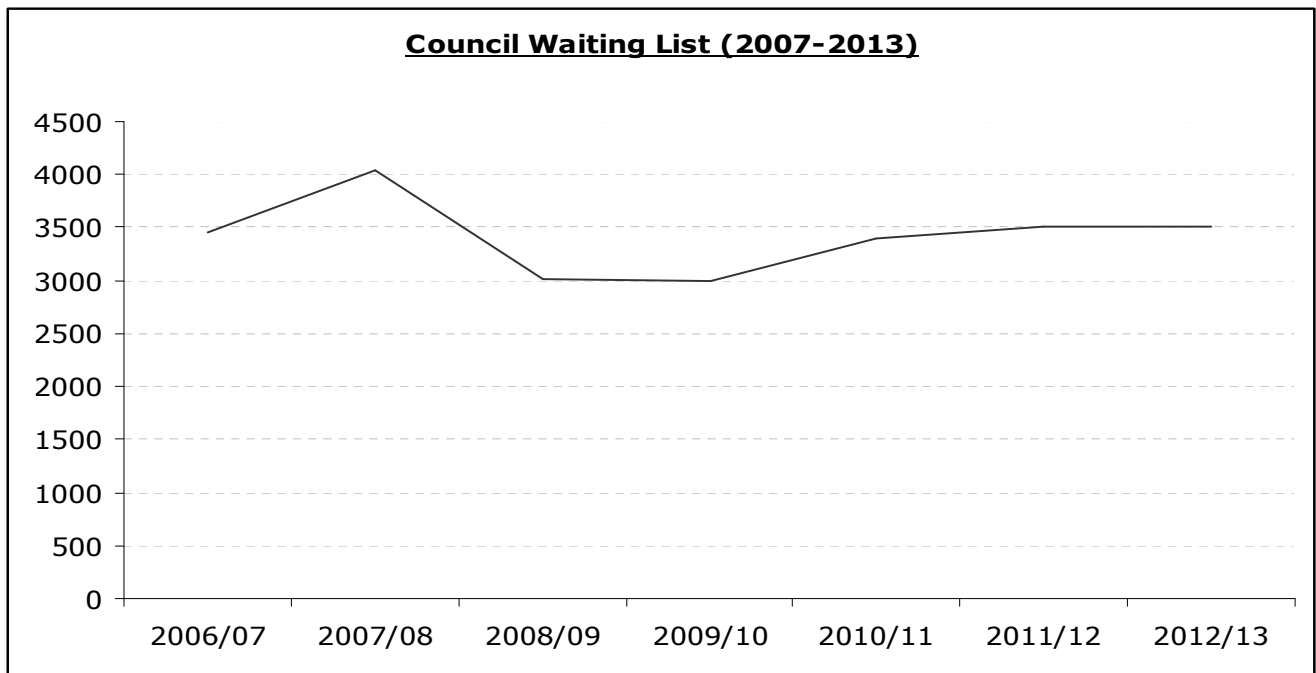


Source: ONS Census 2011

Overall, an increase in private rented property is a positive addition to the range of housing options although it also carries some risks. In addition to the affordability issue referred to earlier, tenancies in the private sector are less secure than social housing and this can result in a higher turnover of tenants. This lack of continuity coupled with downward pressure on rental income can tempt some landlords to scale back on repairs and other obligations. The Council will not tolerate breaches in housing regulations. We will work with landlords by providing advice and promoting good practice including accreditation but enforcement powers will be used as required to ensure tenants are treated correctly and that houses are maintained to the proper standards. We will also work with private sector landlords and bring forward initiatives which help ease the pressure on social housing and provide viable alternatives through the private rented sector. Additionally, we will seek to influence development of the sector where possible to help meet housing need and the Council’s wider economic objectives.

To create a better balance between affordability, flexibility and security, a wider range of products (e.g. shared ownership, low cost housing, self build opportunities, rent to buy, etc) needs to be developed. This segment of the market is under represented in the Borough at 0.3%, whereas a figure of between 1-2% (approximately 1,000 properties) would be more in keeping with the scale of affordable housing opportunities needed to reflect the different circumstances and needs of the population.

At just under 10% of tenure type, Council housing remains a popular choice and demand continues for this type of housing as evidenced in Council house waiting list figures:



These figures show a slight rise in recent years although overall numbers have remained fairly constant around 3,000 - 3,500. With only 800 properties let each year, people in the lower bands can expect to spend some time until obtaining an offer of a property although those in greatest need (Band 1) are housed relatively quickly spending an average 9 weeks on the waiting list.

The Allocation Policy approved by the Council in March 2013 recognised the need to focus scarce resources on those that need – rather than would like – the Council to help them with housing. As a result, the waiting list is expected to reduce in future years as most enquiries will be met with information and advice rather than offers to join the Council waiting list. Also to be determined is the amount of stock that the Council wants to hold. With increased Government efforts to promote a tenant’s Right to Buy, Council housing numbers are reducing and, unless replaced by new stock, there will come a point when it is no longer viable to operate as a separate entity. In the interests of tenants and the Council, the future holding has to be determined before the housing management contract is renewed in 2017.



### ***Key Issues***

- Maintaining the balance between ownership and renting
- Working with private landlords on meeting housing needs, rent levels and property standards
- Future size and organisation of the Council's housing stock

## **4.2 Suitability of Housing**

### Quality

Quantity of housing is not enough; residents also want quality. It is known that the condition of Council housing is generally good. All Council housing has met the 'Decency Standard' since December 2010 and an asset management strategy is in place to maintain that level and work towards a higher 'Bury Standard' as and when resources permit.

The picture in respect of the private sector and stock held by other registered social housing providers is less comprehensive. The last house condition survey indicated that about half the stock required some form of remedial action to address issues of disrepair, energy efficiency shortcomings or potential hazards (such as steep stairs, trip hazards, etc). As building regulations and modern expectations continue to change, the survey needs to be updated on a regular basis to ensure that efforts are targeted effectively.

### ***Key Issues***

- Maintaining decent standards of social housing
- Improving our intelligence of private sector housing
- Working with communities, housing providers and landlords to promote decent neighbourhoods
- Investigate opportunities to improve the quality of private sector housing through regeneration and partnership working

### Affordable Warmth

All authorities within Greater Manchester are committed to reducing carbon emissions. As housing is a major contributor to carbon levels through developing land, production of construction materials and heating methods, a number of projects have been initiated to

cut emissions and reduce costs. At national level, the major focus has been renewable energy and reducing dependence on fossil fuels. Locally, and across Greater Manchester, the approach has been to improve the energy efficiency of property. This has led to projects to raise awareness of measures (Toasty, AWARM), subsidised insulation for hard to treat properties through ECO (the Energy Companies Obligation) and 'Green Deal', whereby residents in suitable properties can access a loan to pay for energy efficiency measures which is then paid back through a levy on electricity bills.

Efficient heating improves the well-being of all residents. Apart from added comfort in cold weather, warm homes reduce the health risks associated with limiting long term conditions and safeguard other vulnerable people, especially the elderly, from the severe cold. Well insulated homes are also more cost effective by saving money on fuel bills.

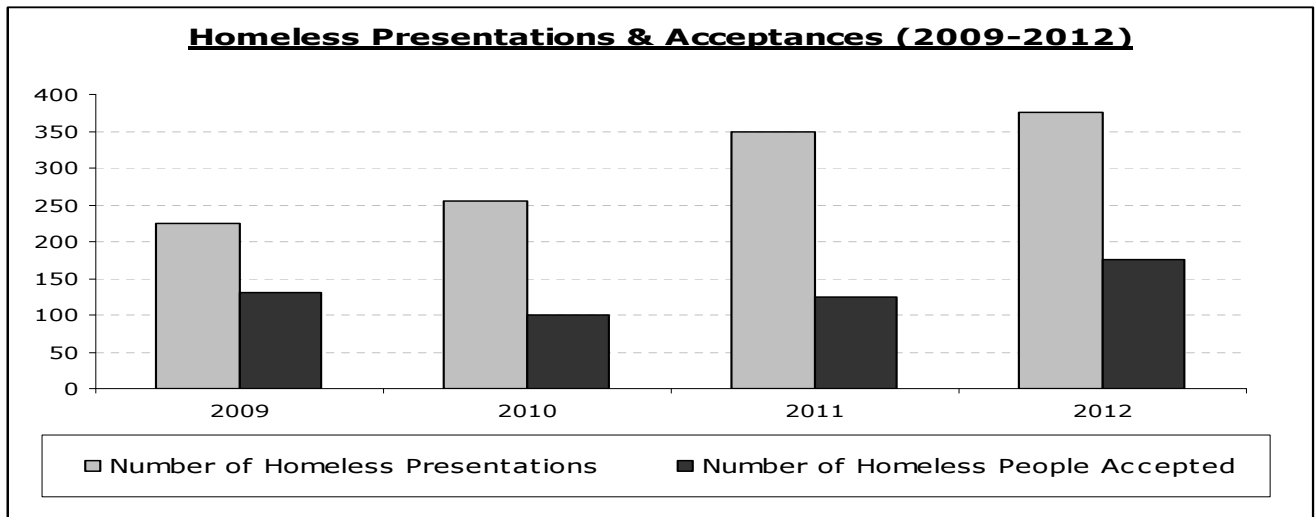
With energy prices rising, more people are at risk of falling into fuel poverty (whereby the cost of heating is in excess of 10% of household income). In addition to driving initiatives to improve the energy efficiency of the housing stock, the Council has become involved in energy switching schemes which help residents to access lower energy costs. Early indications have been positive with participating residents saving around £250 per annum on average retail prices but more needs to be done to focus efforts on lower income neighbourhoods and houses that are less energy efficient. This requires better knowledge, particularly around private sector house conditions, to enable such targeting to take place.

#### ***Key Issues***

- Supporting measures that make homes more energy efficient
- Working with public health and other agencies to reduce the health effects of poor housing

### **4.3 Homelessness**

Homeless presentations have increased significantly in recent years. The number of cases being accepted is also showing signs of growth, reflecting the economic situation but also improvements in data recording.



People find themselves without accommodation for many reasons. Affordability, health problems and changes in personal circumstances all have a part to play although the single biggest cause of homelessness in the Borough is relationship breakdown with a number of these cases being accompanied by domestic violence.

The aspiration for the Borough is to end homelessness – primarily through prevention but, where it does occur, to provide a prompt, quality pathway back into housing. To this end, nobody is placed in bed and breakfast accommodation, hostel living has been replaced by community resettlement and cold weather provision offers rough sleepers a temporary, warm place to stay whilst establishing contact with a traditionally hard to reach group so that their health and housing needs can be assessed.

Priority at national and Greater Manchester level has been to tackle rough sleeping. The Council supports this approach although locally the issue is less about people on the streets (regular rough sleeper counts put this in low single figures) rather than people with no fixed abode. ‘Sofa surfing’ and staying with friends is perceived to be a bigger problem although the hidden nature of this activity makes it difficult to get an accurate picture.

With welfare reform and a growing housing shortage, different patterns of living are expected to develop as children stay at home with parents for longer and house sharing becomes more prevalent. Affordability remaining an issue for many years to come, the risk of overcrowding, falling property standards and increases in the number of relationship breakdowns, all add pressure to existing typical causes of homelessness.

The Homelessness Strategy will include further analysis of these issues and detail the actions to be taken around:

- § Preventing homelessness
- § Accommodating people who are homeless or who are at risk of homelessness
- § Providing a range of support for people to help them through homelessness
- § Avoiding rough sleeping
- § People with no priority need such as the young, single homeless
- § Developing relationships with partner agencies to provide this support
- § Expanding the range of housing options available to homeless applicants

#### ***Key Issues***

- Supporting homeless people across the Borough in line with the Council's statutory duty
- Temporary accommodation to be of a good standard; no bed and breakfast
- Create options for all homeless people including those with no priority need
- Improving intelligence around homelessness and living patterns in Bury

#### **4.4 Specialist housing**

A common theme running through this strategy is that no 'one size fits all'. Location, cost and size are primary considerations but individual needs can also play a major part in determining suitability. Demographic data highlights four specific client groups that will require some form of specialist housing:

##### Older people

The resident population is ageing; as well as there being more people over the age of 65, these individuals are also living longer with significant growth anticipated in those aged over 80 in future years. In addition, the Housing Need and Demand Assessment 2011/12 predicts that more older people will be moving into the Borough to be closer to family, particularly as their care needs increase.

Age seldom comes alone and older people can face other factors such as frailty, long term health conditions and under occupation caused by children leaving the family home. Addressing these issues will take time, although some good work has already taken place. Between 2010 and 2013, more affordable housing units for older people have been built, sheltered accommodation has been upgraded and new schemes such as the Red Bank extra care facility have opened. These are helping to cater for older people's needs but more needs to be done to meet current and future demand particularly as dementia is expected to rise by 50% over the next 10-15 years.

The demographic challenges from this customer base and the actions required are set out in the Housing Strategy for Older People.

#### People with disabilities/health issues

As medical science develops, more people with limiting long term conditions are looking to live independently. With nearly one in five people falling into this category, demand for accessible housing can be expected to increase. Traditionally the solution has been to adapt properties if possible but with many older properties lacking the space needed, alternative solutions will be required to meet growing demand. Areas to be explored include assisting people to relocate to more suitable properties, encouraging lifetime homes which are designed to be more flexible and commissioning affordable homes for people with disabilities.

Difficulty in accessing housing is not always about physical layout. Mental health issues, learning disabilities or substance misuse can give rise to problems around managing a tenancy, controlling finances or looking after the home. Settled accommodation for such individuals can only occur with support otherwise the risk of these individuals becoming homeless or institutionalised increases. Efforts are needed to improve co-ordination across health, housing and social care to deliver a more holistic service and reduce the human and financial cost of failure.

#### Travelling communities

The Council has a specific responsibility to meet the accommodation needs of travelling communities and show people. Council provision is through a travellers' site (currently at Fernhill). Although the travelling community is small, the Council will continue to maintain a site and monitor future needs by participating in Greater Manchester-wide research.

### BME/faith groups

The Borough is becoming more diverse with sizeable Asian and Jewish communities in the east and south of the Borough respectively. Geographical and cultural preferences feature strongly within these communities and the Council needs to continue meeting with representative groups to understand these needs so that appropriate provision can be made in future housing plans.

#### ***Key Issues***

- Increasing the housing stock suitable for older people
- Meeting the needs of people with disabilities
- Better co-ordination of health, housing and social care services
- Recognising the needs of all sectors of society

### **4.5 Decent Neighbourhoods**

The emphasis of this strategy is on housing needs and supply but property does not exist in a vacuum. Quality housing is inter-dependent on the quality of the neighbourhood and surrounding environment.

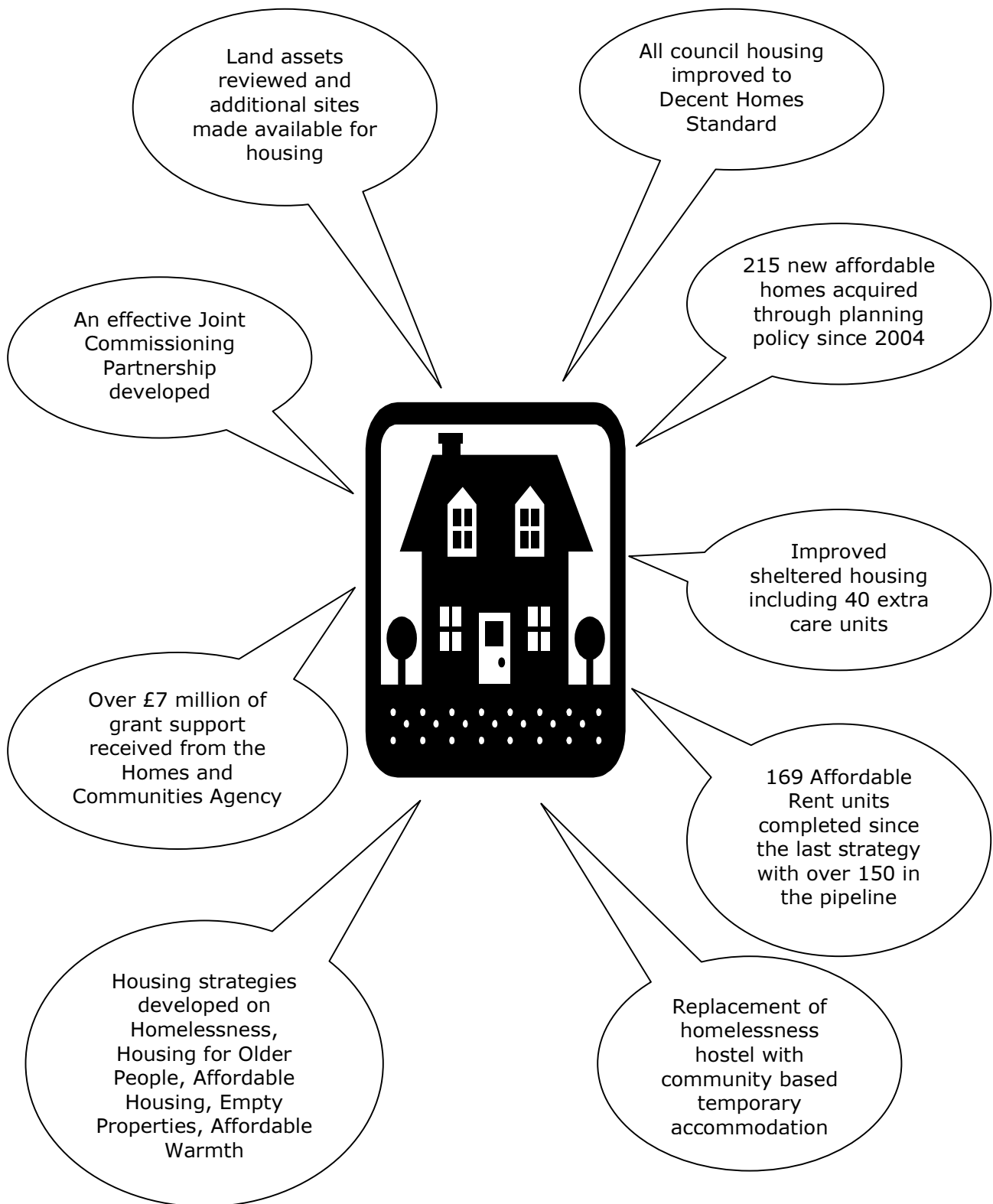
The Council will seek to protect the environment by using regulatory powers provided by planning and public health legislation as appropriate. It will also tackle contraventions and illegal/undesirable activity across the Borough within available resources.

More direct action will be taken in respect of Council housing. The asset management plan for Six Town Housing will contain environmental improvements so that all Council estates become desirable places to live. Better use will be made of local lettings policies to promote community cohesion. Action will also be taken to reduce the impact of problem tenants with the tenancy agreement in particular addressing issues around anti social behaviour. 'Troubled families' and 'Family Intervention Tenancy' initiatives will also be considered as a means of maintaining tenancy standards, promoting well being and obtaining a better use of resources.

***Key Issues***

- Paying attention to the environment
- Improving the quality of council estates
- Addressing anti social behaviour and other activities that are detrimental to a decent neighbourhood

## 4.6 Achievements





## 5.0 HOUSING CHALLENGES AND PRIORITIES

The last few years have been particularly successful in terms of our strategic response to the development and provision of housing in response to local needs. This has seen the delivery of the previous Housing Strategy and the introduction of a number of new and exciting initiatives.

The current strategy must build on these achievements whilst recognising the trends identified in previous sections, the financial situation and demographic challenges ahead. The key issues that have emerged have been evaluated and translated into 5 priority objectives that will place Bury in a strong position to respond to the housing needs of the Borough:

### **Objective 1: Delivering a sufficient and suitable supply of housing in the Borough**

The Housing Need & Demand Assessment 2011/12 demonstrated the need for additional housing in the Borough across all tenure types. Implicit within the aim to deliver 400 new homes (net) per annum, is a requirement to ensure the right type of housing is built in the right locations. There is a gap in the market for properties with fewer bedrooms but there is still demand for traditional family accommodation and larger properties in specific areas to meet the needs of ethnic and faith communities. Anticipating future demographic needs, household formations and preferred living styles will go a long way to improving the quality of the housing offer in the Borough.

The policy framework is already aligned with Planning Policy and the Housing Strategy has shared priorities and targets. Work is now required, in partnership with housing providers, to translate these plans into actions. How we use resources is a key factor to making this happen. Capacity and funding will be at a premium and we need to ensure that efforts are applied to projects that deliver the required outcomes at best value. This means engaging in projects that produce a return on investment, take the form of 'invest to save' or generate a pre-defined level of social value to the Borough.

Maintaining a balanced market will be a prime consideration. Whilst owner occupation should remain the predominant form of tenure, we will support initiatives that offer residents a choice of accommodation (including properties for rent) providing such schemes meet the Government's suitability criteria and create decent homes that are affordable to

local residents. It is only through enabling different forms of provision and tenure types that we are likely to close the gaps that are emerging in terms of house size and affordability.

### **Objective 2: Affordability**

Providing sufficient housing that people can afford – and keep – represents a major challenge. It is essential that the Council continues in its role as ‘enabler’ to respond to future demand particularly as the Housing Need & Demand Assessment 2011/12 highlighted the need for 2,414 affordable housing units over the next 3 years.

This increasing demand also needs to be set in the context of the current economic and housing climate. The potential for a reduced social housing stock due to increased incentives to tenants to exercise their Right to Buy; increased numbers of applicants for social housing due to reducing accessibility of home ownership and increasingly volatile job markets; and stalling of many housing developments offering affordable home ownership have increased pressure on social housing waiting lists.

As a Borough, Bury has been successful in attracting external funding to develop sites for affordable rent. However, with tightening Government budgets, grants available to support these schemes are uncertain. The Council therefore needs to work up a range of initiatives with housing providers to extend the range of products on offer to residents and be able to take advantage of opportunities that may be presented. How this may be achieved – and how the Council could better use existing assets and regulatory powers will be explored through other strategies and initiatives including, an updated Affordable Housing Strategy.

### **Objective 3: Fewer empty properties**

Empty properties blight neighbourhoods. The actual costs of the environmental damage, anti-social behaviour and security are high whilst the emotional cost and negative impact on the appearance of those communities is even higher.

Creating decent neighbourhoods and regenerating areas is essential to underpinning the Borough’s future and economic prospects. It is therefore essential to build on previous successes in obtaining funding to address the problem. It is equally important to work with owners and landlords to reinforce their personal responsibility to maintain property

(education) and focus state intervention (enabling or enforcement) where there is no other option. Non-occupation will be monitored across the townships and the intelligence used to target interventions where there is the greatest economic or social return. Further details will be set out in an updated Empty Property Strategy.

**Objective 4: Good quality accommodation**

A prosperous, sustainable Borough is one where people want to live and decent housing is one of the main criteria. It is essential that the Council maximises the available Housing Revenue Account (HRA) Headroom in order to pump prime the development and improvement of housing to meet these needs. The majority of houses in the Borough fall into the category of meeting decency but there is a large minority which have issues because of their design and/or age. The biggest concern is energy efficiency where the level of heat loss in those properties puts many of our residents into fuel poverty and places the health of our population at risk.

To address this issue – and contribute to Greater Manchester’s commitment to becoming a low carbon economy – we will support energy efficiency and cost reduction initiatives such as Green Deal and energy switching which benefit our residents. Further details will be laid out in our Affordable Warmth Strategy.

We will also improve our intelligence on property, particularly within the private sector, to understand where the greater problems lie so that we can improve the targeting of effort and resources. This includes the private rented sector where we will encourage Landlord Accreditation to promote better standards and work to promote such properties to our residents. We will also take action against those landlords that wilfully fall below what is acceptable and seek to exploit their tenants.

Council housing met the Decent Homes Standard on time by 31 December 2010 and Six Town Housing (the Council’s Arms Length Management Organisation) is charged with maintaining that standard. Through Six Town Housing’s Business Plan / Annual Delivery Plan, the Council will look to extend the standard to the wider environment so that tenants are able to live in decent neighbourhoods as well as decent homes.

The demographic patterns are increasing demand for specialised properties whether due to age, health or family circumstances and these trends are set to continue. Responding to these changes will take time although the issues are already here. Accordingly, the Council will have to adopt a range of solutions which will include some new build, some conversion of existing properties and better matching of properties to need. Identifying adapted properties across the Borough is essential so that customers can be redirected where appropriate rather than committing scarce resources to adaptation works that could be avoided.

### **Objective 5: Partnership development**

This strategy can not be delivered by the Council alone. Experience shows that success depends on organisations in the public and private sector coming together to pool expertise, commitment and resources. With national and local budgets under increasing pressure, it is essential that like-minded partners continue to work together to provide the collective benefits.

In 2013, the Council has refreshed its Housing Joint Commissioning Partnership, providing the opportunity for organisations to demonstrate their support for the Borough. It is important that the successes of previous years are built on, but also that new ideas are identified and supported by members of the new partnership.

In 2017, the Council's Housing Management Contract is due for renewal. This provides an opportunity to review operating and structural arrangements for the management and maintenance of around 8000 social houses. There will a number of options available:

- Inviting bids for a single Arms Length Organisation operating to the same or similar contract conditions
- Bring the function back into the Council
- Voluntary transfer of the function to a Housing Association out of Council control
- Fragmentation – breaking the stock into segments to allow bids from communities to self manage their estates or neighbourhoods as Housing Associations or Tenant Management Organisations

For affordability reasons, there is a need for social housing. The issue is whether the stock should be retained under the direct control of the Council. There are advantages. By

retaining a housing stock the Council influences key aspects of housing management including rent levels, allocation policy and repairs strategy. With that comes day to day responsibility for tenant liaison, scheduling repairs and operating within a finite budget which may be inadequate to achieve everything that is needed or expected by tenants.

Retaining the housing stock also carries with it the risk of Right to Buy. Whilst the Council is committed to owner occupation and a vibrant private sector market, reducing the social housing stock is not in the long term interests of the Borough. Sizeable discounts coupled with the costs of new build are insufficient to replace properties sold on a one for one basis. A key consideration for the next contract therefore will be the numbers of properties needed to sustain an independent Council housing stock, the likelihood of maintaining that level of stock and options/ability/resources available to add more properties to the stock should it be required.

## **6.0 MAKING IT HAPPEN – MAXIMISING OUR RESOURCES**

Delivering the strategy cannot be achieved by any one single agency; a partnership approach is required involving all sectors of the community if the Borough is to get the housing it needs.

The local authority has an important role in enabling and driving delivery. Excellent relations have been maintained with private developers, registered housing providers and lending institutions to build confidence in the housing market. To date, interest in the Borough has remained comparatively high with housing associations investing in projects to deliver over 180 affordable housing units by 2017, few private developments stalling and finance being available for people wishing to access affordable housing options. Having planning permission for over 3,000 housing units already approved and in the system, the Borough is well placed to benefit when market conditions improve. Maintaining and developing these partnerships are critical to future success. The Council needs to continue its work with this range of partners to actively seek development and related funding opportunities. Working flexibly and strategically will place the Council and these organisations in strong positions to respond more effectively and flexibly to any opportunities that arise, rather than being in a continually reactive situation.

The Council will also review the use of land and property to support the development of housing and employment within the Borough. Under-utilised assets, and land that is surplus to requirements, will be released and opportunities sought to put the resources to a more productive use.

New build alone however is not the answer. A balance has to be struck between the new and the old. Some funding for existing homes maybe available through the Homes and Communities Agency and bids will be made where there is a business case to secure this investment. Occasionally, Council priorities will not reflect national funding criteria and, in these cases, alternative approaches will be required. Some outcomes can be achieved through the use of legislative powers (such as section 106 arrangements) or by using the Council's influence to enable projects to go ahead. Others may be facilitated at an opportunity cost (through use of land or in kind support from staff) whilst others such as bringing empty properties back into use, improving the quality of accommodation or mitigating the impact of welfare reform will require the application of money.

The Council continues to make a significant financial commitment to the provision of housing services in the Borough with around £12 million per annum being channelled into Six Town Housing to manage the Council's housing stock. Through the Management Agreement and delivery mechanisms post 2017, the Council will seek to maximise its return on this investment to improve the suitability and sufficiency of social housing to develop better neighbourhoods where people want to live.

There are a range of resources available to support delivery of the Housing Strategy as follows:

- The existing Council Capital Programme, e.g. Disabled Facilities Grants (DFGs)
- Existing Housing Public Sector Capital Programme - currently based upon historic "Major Repairs Allowance" (MRA) levels and Disabled Facilities Adaptations (DFAs).
- Identification of any available resources / headroom within the HRA business plan
- Prudential Borrowing – by the Council
- Borrowing by Six Town Housing Limited
- External Funding Opportunities – e.g. Homes & Communities Agency (HCA)
- Partnership Working – e.g. engaging with other housing providers in the Borough

For all options it is essential that a full and robust business case is developed, taking full account of the following:

- Revenue and Capital costs of any proposal (including any loan charges)
- Financial benefits to the Council, the Housing Revenue Account and Six Town Housing Limited e.g. rental income
- Secondary benefits to the Council, e.g. management of demand for Adult Care packages, additional Council Tax etc.
- Contribution to achieving the goals of the Housing Strategy
- Benefits derived for tenants and residents of the Borough
- Local political priorities
- Contribution to the Council's Corporate Plan

Funding arrangements for individual proposals will be tailored in light of the above.

It is also essential that any proposals are developed within existing governance arrangements, notably the Council's Treasury Management Strategy and the Prudential Indicators that underpin it.

A similar strategy is to be developed for Six Town Housing Limited outlining operational limits for external debt and other key treasury indicators.

Likewise all proposals must be approved in line with the Council Constitution; e.g. Cabinet, Council etc as appropriate.



**7.10 ACTION PLAN**