

Opening Doors

Building Affordable Housing in Stoke-on-Trent





Contents

Section	Page
Forword	3
Introduction	5
What is Affordable Housing?	6
The case for affordable housing in Stoke-on-Trent	8
What have we done so far	13
Next Steps	15
Conclusions	16
Contact	17
Affordable Housing Action Plan 2008 - 2011	19

Foreword

The changing nature of the housing market has rarely been out of the news in recent months. The effect of rapidly increasing house prices has meant that the availability of affordable housing has become a very real issue for communities and local authorities. Recent turbulence in financial markets creates new challenges for housing services nationally and locally.

In this context I am pleased to be able to introduce the city's first guide and action plan for delivering affordable housing. This document sets out our firm commitment to the delivery of more affordable housing for our residents in the future. It forms part of our wider strategy for improving housing quality and choice across the city.

Stoke-on-Trent has seen a dramatic 55% increase in the council housing waiting list since 2001. House prices in the city have risen 118% over the same period. Levels of housing need in the city are at the highest we have seen for over 20 years. With the new challenges we are all facing, combined with instability in financial markets, we are very aware of our responsibility to promote and enhance the availability of affordable homes for local residents.

For the majority of households housing costs, either as rent or through mortgage payments, form the biggest item in our household budget. Decent affordable rented housing is much sought after by many households, while choosing to buy a property remains the single largest financial commitment most of us will ever make. We therefore recognise that the work we do now will have a lasting legacy, increasing the opportunities for future households to access good quality and affordable housing, in a pleasant and safe environment.



Our vision is that all households in the city have access to good quality, affordable accommodation, which meets their needs, in an area in which they want to live. To achieve this we will continue to work closely with local and national agencies and partners to draw in investment for affordable housing across the city.

Together we are determined to make a real difference to the quality of local life.

PHOTO

Alan Slater
Head of Housing Services
Stoke-on-Trent City Council

Introduction

This guide outlines the range of affordable housing options in the city and explains why we need to continue to build on the work we have done so far.

The city is changing. The city council and its partners want to diversify the housing stock and ensure that housing in the city is built to a high and sustainable standard. We are committed to the continued development of affordable housing options to ensure that all residents can have the opportunity to buy or rent a property which meets their needs, in an area they want to live.

House prices locally have risen at rapid rate. The average house price in the city increased by 118% between 2001 and 2006. Incomes locally have not increased at a similar rate and more households than ever are unable to afford to buy a property. The changes in house prices have meant that the current availability of affordable housing in the city is inadequate.

A number of affordable housing products have been developed in the city which we have called our doorways of opportunity into affordable housing. Affordable housing options form an integral and important element of a diverse and stable housing market.

If we do not continue to increase the supply of affordable housing in the city we will not be able to balance the housing market. Availability of good quality, affordable housing is an important part of attracting new businesses to the area, and ensuring that improvements in economic performance can be maintained.

Availability of properties to vulnerable groups within our communities is a particular priority. Young people and older people face problems finding affordable accommodation that meets

their needs. We need to continue to develop options which are suited to the needs and aspirations of vulnerable residents. We also need to ensure that residents in regeneration areas have sufficient housing choices, particularly if their homes are affected by clearance.

This guide provides information on the different options for affordable housing in the city and identifies what work we have done so far to increase the supply. The guide will also set out what else we are planning to do to continue this work.



What is Affordable Housing?

Affordable housing is available to those people who would otherwise be unable to rent or buy on the open market. Such households may include;

- **First time buyers.**
- **Key workers**
- **Council or RSL tenants seeking to move into home ownership.**
- **Low and middle income households.**
- **Households waiting for social rented accommodation.**
- **Households affected by clearance**
- **Tenants in the private sector looking to move into home ownership.**
- **Student households.**
- **Households in priority need due to homelessness or medical conditions.**

Affordable housing is difficult to define. What is affordable will be based on individual household incomes and circumstances. We are aiming to offer a range of routes into affordable housing and products that help to meet the needs and aspirations of residents.

Market Housing for sale/rent refers to housing available locally on the market that households can afford to purchase or rent based on their incomes.

- North Staffordshire Landlord Accreditation Scheme members provide good quality properties for private rent across the city.

Intermediate Home Ownership

- Shared Ownership is available to households who would like to buy a property but may not be able to secure a mortgage for the full amount. Shared Ownership allows the buyer to purchase a proportion of the property and pay rent on the remaining portion to a Housing Association. There are also a number of other initiatives to help people on low incomes into home ownership. Collectively they are described as 'Homebuy' and are administered in our area by Mercian Housing Association.
- The Kickstart initiative is available to home owners as a way of sharing the equity of the home to pay for renovations and improvements.
- Local developers offer a range of affordable housing options.

Right to Buy and Right to Acquire is available to social tenants who may want to purchase the property they live in. The schemes allow tenants to buy the property at a discounted price. Eligibility is based on how long the tenants have lived in the property. The discount rate is area based and a set limit is established by the Secretary of State (£9,000 maximum discount in Stoke-on-Trent).

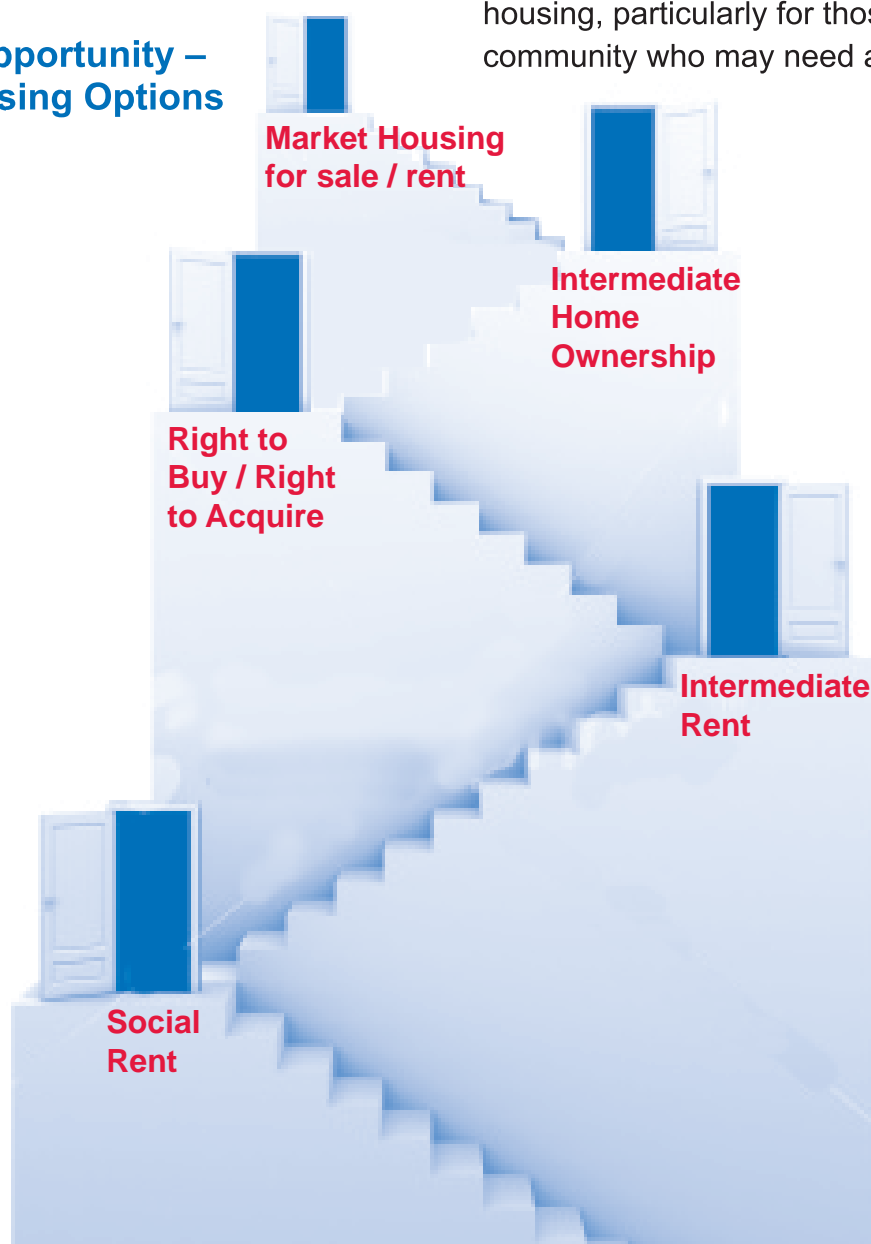
Intermediate rent

- Sub-market Rents are usually properties provided by local housing associations that are below the average rent available in the private sector. Rents are slightly higher than social rents so properties are aimed at households in lower to middle income bands.
- Rent to Purchase - there is also interest in developing rent to purchase initiatives. This is usually where households rent at market rents for a fixed period with an option to buy at the end of the period based on the original value of the property.

Social Rented Housing is provided by the city council and Registered Social Landlords (RSL's). Rents are below the usual market rents and properties are allocated based on needs. Demand for social housing means that some households may wait a long time before being offered a property. The city council runs a Choice Based Lettings system so that households on the Housing Register can make a bid for a property they like in an area they want to live in.

We work with a range of partners to ensure that the affordable housing options are available. Partners include developers, local housing associations and private landlords. We work closely with the Housing Corporation to support bids for additional funding develop affordable housing, particularly for those groups in the community who may need additional support.

Doorways of Opportunity – Affordable Housing Options



The case for affordable housing in Stoke-on-Trent

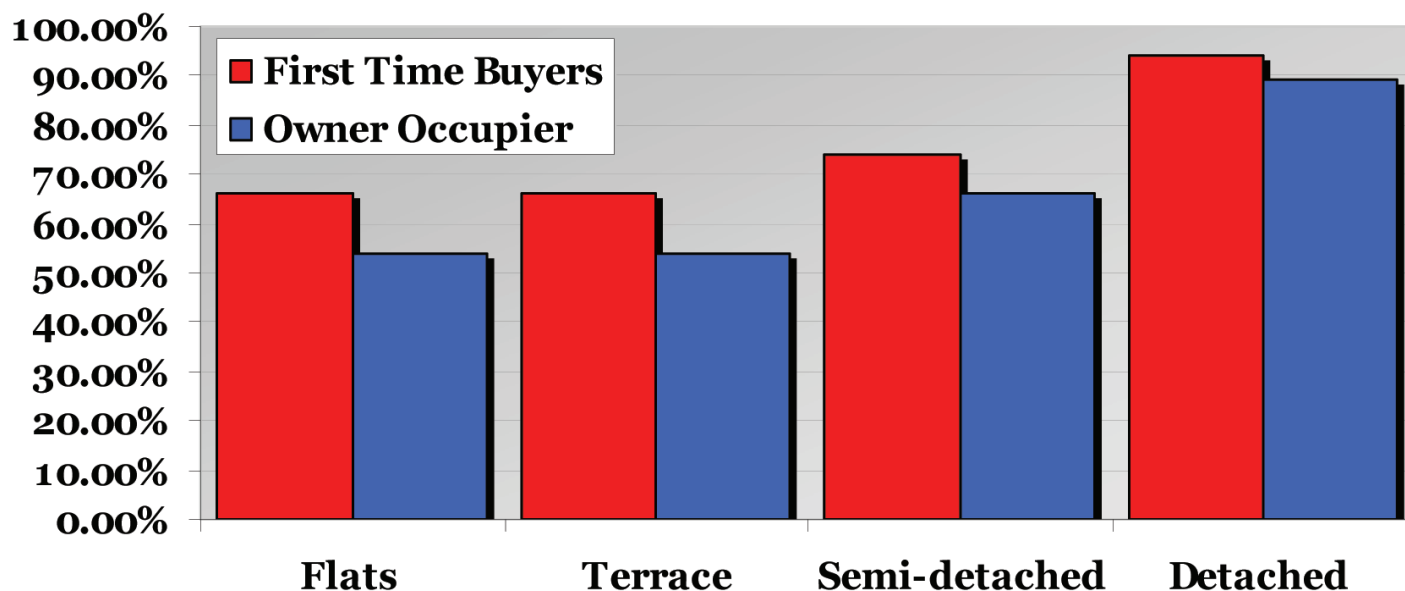
Home Ownership has become less affordable

House prices in the city have risen by 118% between 2001 and 2006. In 2007 the average price for a property in the city was £98,167, compared to £42,888 in 2001. This has impacted especially on the lower end of the property market.

In 2006/07 only 6 out of the 20 wards in city were considered affordable for households on an average income (£27,416) to buy a property. No areas in the city were affordable for households on the lowest 25% of household incomes (£14,636).

Incomes in the city are low with average incomes 30% lower than national averages . Incomes have not risen at similar rates to house prices. Affordability has therefore become a real issue for many households, and this is likely to get worse if house prices continue to increase.

Percentage of Households Unable to Afford to Buy
(Hometrack - June 2008)



¹ CACI - 2007

² CACI - 2007

³ City of Stoke-on-Trent Economic Profile 2008 – Knowledge Management Unit

Increasing demand for social rented properties

The numbers of households waiting for council properties has increased dramatically in the past five years. There are currently over 10,000 households on the waiting list .

The numbers of properties becoming available each year continues to fall as tenants are choosing to stay in social rented properties for longer. In addition the numbers of properties available has also fallen due to the sale of properties under Right to Buy and Right to Acquire.

Improving quality and choice

The city has a large number of terrace properties, many of which were built before 1944. The quality of this stock is poor and requires significant investment to bring them up to modern standards. In addition the terrace properties are increasingly unpopular as they provide limited living and outdoor space and are also on streets where parking is difficult.

The social housing stock consists of large numbers of two and three bedroom semi-detached properties. The council stock is concentrated on a few very large estates on the suburbs of the city, which makes travel to essential services in the city centre difficult for local residents.

CASE STUDY 1

Changing Affordability for Key Workers

Year	Salary for Band 5 Registered Nurse (or Equivalent)	Price of an average terrace property in Tunstall	Affordability
2000/01	£14,890	£19,919	1.3
2001/02	£15,445	£23,363	1.5
2002/03	£16,005	£29,623	1.9
2003/04	£15,941	£36,574	2.3
2004/05	£15,877	£57,745	3.6
2005/06	£16,389	£67,997	4.1
2006/07	£17,475	£70,805	4.1
2007/08	£19,683	£74,040	3.8

⁴ This includes households on the transfer list and households awaiting final checks.

CASE STUDY 2

Affordability and First Time Buyers



Miss L is a newly qualified teacher currently living in private rented accommodation with her partner Mr P who is a recently trained police officer. Following graduation from university Miss L had a year out to have a baby. She has recently been employed by a school in the Hartshill area of the city.

Miss L will earn £20,627 per year. Her partner has recently completed his training with the police force and is earning £24,039 per year. Their combined income is £44,666.

The couple wish to purchase a property in the Hartshill area so that Miss L can walk to school where she works and to be close to Mr P's mother who will look after their baby a couple of days a week. They wish to buy a new build property in order to reduce maintenance costs. The couple want a three bed-room house with a garden for their growing family.

Both Miss L and Mr P went to university and have student loans which they are required to pay back at the current rate (9% of any earnings above £15,000). These repayments equate to around £2,262 per year, effectively reducing their annual income to £42,404.

The couple have found a property they like on a new development. It has three bedrooms and a small garden. The property is on the market for £162,950 – with no deposit this is equal to 3.8 times the couple's income if student loans are considered. The couple have only been offered a mortgage 3.5 times their combined incomes.

Private Renting has become less affordable

Private landlords play an important role providing accommodation across the city. The private rented sector is often the first step for new households moving to independence.

The private rented sector across the city is very varied offering a wide range of properties in all areas of the city.

Recent research has shown that private rents across the city are increasing. Private rented properties which were once affordable to the majority of households are now less affordable, particularly for young people and those on low incomes.

Economic growth and regeneration

Stoke-on-Trent is undergoing a period of change and regeneration, led by the North Staffordshire Regeneration Partnership.

Provision of good quality, affordable homes in sustainable neighbourhoods is vital to attract workers into the city. Affordable family accommodation, close to good transport links and local amenities, is a key priority for the city in order to reduce the numbers of families leaving the area and stabilise the workforce and the housing market.

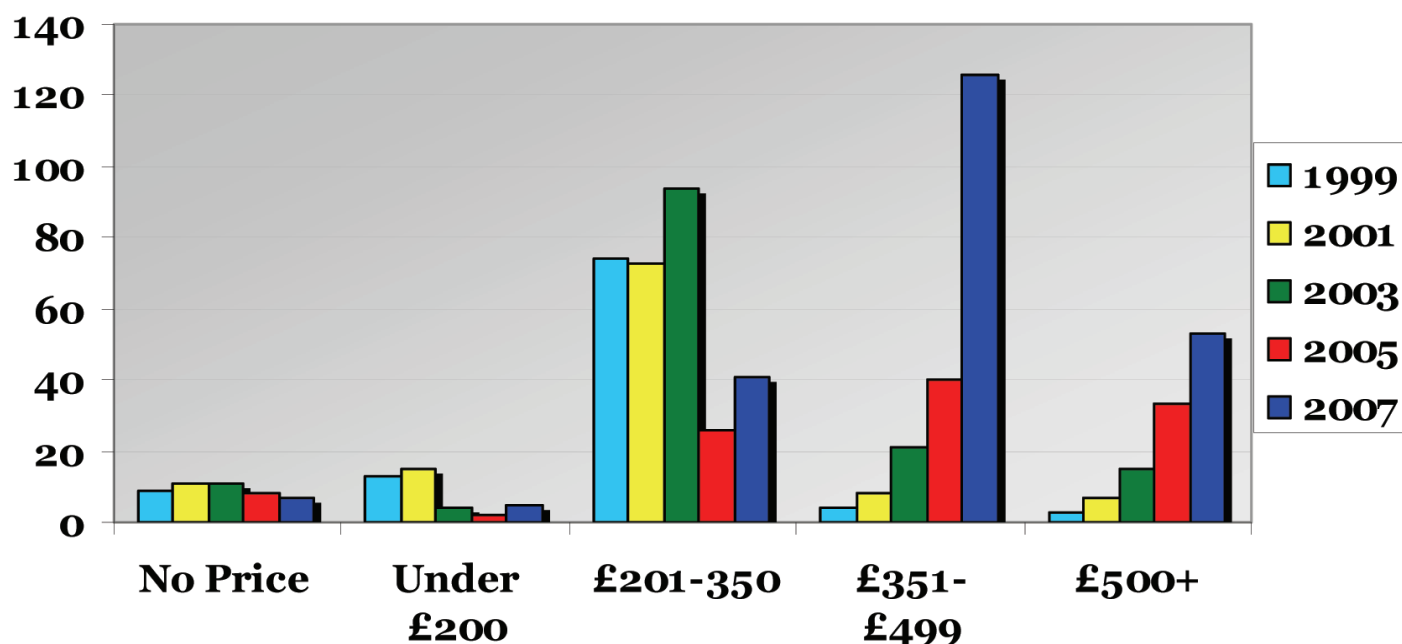
Sustainable and mixed communities

In some areas of the city housing options for residents are very limited. There are areas of the city dominated by social rented properties, while other areas have nothing but private homeownership or rent.

High numbers of social rented properties can lead to concentrations of deprivation and vulnerability. Similarly in areas where there is limited availability of affordable housing new households, such as young families and first time buyers, cannot move into the area. Both scenarios have a significant impact on the local community and the viability of local amenities, including shops, leisure facilities and schools.

In order to ensure communities are stable, and households can remain in the area of their choice, we need to diversify the tenures in these areas.

Numbers of Properties Advertised by Price



CASE STUDY 3

Affordability and Older People



Mr and Mrs M have lived in their 3-bed semi in Longton for over 25 years. They purchased the property from the city council under the Right to Buy scheme and have paid off their mortgage.

Mr M has arthritis and is beginning to have difficulty managing the stairs. They want to move to a bungalow and would like a two-bedroom bungalow in the Longton or Blurton area so that they are close to their friends and family and they have space for the grandchildren to come and stay.

Their property has been well maintained and is worth £94,950. Two bed-room bungalows in the area cost in excess of £130,000. They are unable to get a mortgage for the outstanding amount as they are both retired.

The couple apply for a council bungalow and they are given a band 2B priority due to Mr M's medical condition. However the couple are told that they are only eligible for a one bedroom bungalow and they may wait for over 12 months for a property in the area they want.

What have we done so far?

We have been aware of the changing affordability of properties in the city for some time and have been developing a range of housing options to support residents.

We have been working closely with the Housing Corporation and local partners to deliver affordable housing through the National Affordable Housing Programme. In 2007/08 our strategic partners delivered 209 units of affordable housing through this programme.

We have adopted planning policy in relation to affordable housing provision. This means that all new developments in the city will include affordable housing provision or support for provision elsewhere. Through Section 106 we were able to deliver a further 47 units of affordable housing in 2007/08. We expect this number to increase in the future.

We intend to increase the levels of affordable housing available in the city in coming years and to support this we are seeking large scale funding to achieve the change we that the city needs. We have been given approval by Government to submit an Outline Business Case for PFI funding to provide up to 570 units of Extra Care housing across the city. In addition we have submitted a further Expression of Interest for PFI funding to develop a significant number of properties on our suburban estates. These properties will include large family houses, bungalows and Extra Care available for social rent, shared ownership and full sale. We hope to receive a decision on this expression of interest early in 2009.

The development of the affordable housing policy is firmly built on a robust evidence base. This evidence is reviewed and updated regularly. From the evidence we have produced an affordable housing Local Needs Index which sets out the priorities for affordable housing provision in the different areas of the city. We have also produced a Housing Market Assessment to

review the estimated annual need for additional affordable housing.

To support our local residents we have developed a one-stop Housing Solutions Service to help any resident in the city who needs housing advice. The service provides support to households wanting to apply for social housing and also to households wanting to rent privately or buy a property in the city.



We are continuing to build our relationship with private landlords across the city. We manage a successful Landlord Accreditation scheme with over 500 members, covering 2,300 properties in the city. We have set up a rent deposit scheme to help residents who may not be able to afford a deposit on a private rented property.

For residents affected by the clearance programme in the city we have made relocation loans available through the Kickstart initiative. These loans are for residents who want to stay in the city but cannot afford to buy a new property with their clearance compensation packages. Relocation loans are equity loans and as such require no additional monthly payments, instead the loan is repaid in full when residents sell their new property.

In order to support homeowners who are unable to afford renovation and maintenance costs we have developed a Kickstart loan. This loan enables owners to release some of the equity without making additional monthly payments. The loan is repaid in full when the property is sold.

To support home owners and tenants to reduce their fuel bills and improve the quality of their housing we have established a local Warmzone with our partners. Warmzone provide loft and cavity wall insulation to households across the city either at no charge or at a reduced rate. In addition staff from Warmzone will provide advice of benefits, fire safety and energy efficiency. This programme has currently reached over 33,000 households across the city.




Next Steps

We are planning to continue supporting a range of affordable housing options for residents across the city. We are working with partners and developers across the city to develop innovative forms of affordable housing. We have made a commitment through the Local Area Agreement to deliver 177 affordable housing units in 2008/09. We plan to increase this number to 190 in 2009/10 and 203 in 2010/11.

We have produced an action plan to inform our continuing work in relation to the development of affordable housing. The action plan has been attached to this document for reference. In order to ensure our targets in relation to new affordable housing provision are achieved we have identified five key priorities;

- Keep the evidence of the need for affordable housing up-to-date and use it to inform and prioritise future development activity.
- Agree priorities for new supported affordable housing (including housing for older and younger people) in liaison with Adult Social Care and Health and the Supporting People team.
- Improve the delivery of affordable homes through planning (S106) agreements.
- Support RSL strategic partners to deliver affordable housing through the Housing Corporation's National Affordable Housing Programme (NAHP).
- Monitor, evaluate and report on progress on the delivery of affordable homes targets.

A robust evidence base is essential to support negotiations with developers to provide new affordable housing in the city. We have spent a number of years developing our evidence base and this will continue to be updated. We plan to move towards a geographic analysis of areas to



allow us to look more specifically at each site and the immediate area to determine what affordable housing options should be developed.

We will continue to build on our relationship with local partners and the Housing Corporation to support the funding of more affordable housing in the city, especially for those households who may have additional support needs.

We are planning to establish a more positive marketing campaign in relation to the different affordable housing options to ensure residents can choose the option which best suits their needs. We will ensure that this information is available to residents visiting our Housing Advice Centre.

Changes to the planning system under the Housing and Regeneration Act 2008, and increasing use of our powers under Section 106 offers the opportunity for local communities to become more involved in the planning of infrastructure and services associated with the development of additional housing. We are committed to ensuring that local communities are empowered to become involved in this process and provide further opportunities for them to prioritise local spending and investment.

Conclusions



This guide sets out our commitment to continuing the development of affordable housing options for the city. We have set out how this will be achieved and our next steps.

Provision of affordable housing is vital in order to support the continuing economic growth of the area and the regeneration of our communities. New affordable housing will play a key role in creating mixed and sustainable communities.

We have made a commitment to meeting the needs and aspirations of our local residents and we will achieve this through the development of a range of housing options across the city.

The building blocks we have in place form the foundation for further development of affordable housing in the city and the sustainability of a well-balanced housing market.

We will continue to build on the options we have developed to enable the housing needs and aspirations of local households to be met.

Contacts

For more information on the development of affordable housing or the planning process please contact the appropriate team.

• Housing Enabling Team

The Housing Enabling Team has responsibility for providing the strategic framework for the delivery of affordable housing in the city. They will review national policy guidance and local needs to produce local policies.

Housing Enabling Team
Civic Centre – Floor 1
Glebe Street
Stoke-on-Trent
ST4 1RJ

housing.strategy@stoke.gov.uk
01782 233330/235520

• Development Control

Development Control (DC) is involved in all parts of the development process (pre, determination and post planning application). The key role is to ensure that decisions on development accord with national, regional and local policy guidance.

The role of DC is to highlight the need for affordable housing provision and liaise between the applicant and housing staff to ensure that sites bring forward the appropriate level and mix of new housing to supplement existing stock levels.

Development Control
Floor 3, Civic Centre
Glebe Street
Stoke-on-Trent
ST4 1RJ

planning.apps@stoke.gov.uk
01782 234234

• Planning Policy

Planning Policy has responsibility for producing a modern development plan and facilitating the delivery of sustainable regeneration of our City, all in accordance with the statutory planning system. This includes responsibility for all aspects of statutory planning except development control and transportation planning.

Planning Policy Team
Directorate of Regeneration
PO Box 630
Civic Centre
Glebe Street
Stoke-on-Trent
ST4 1RF

stoke.ldf@stoke.gov.uk
01782 232302



Contacts

• RENEW North Staffordshire

RENEW North Staffordshire manage the local Housing Market Renewal Pathfinder. They provide the strategic direction for investment and regeneration across key areas in the city, focussing largely on the city centre.

RENEW North Staffordshire
Floor 3, Civic Centre
Glebe Street
Stoke-on-Trent
ST4 1RJ

renew@stoke.gov.uk
01782 232024

• Neighbourhood Renewal Team

The Neighbourhood Renewal Team support the delivery of the Housing Market Renewal Pathfinder Programme at a local level. They work with local communities to identify priorities for investment based on local needs and aspirations.

Neighbourhood Renewal Team
Floor 1, Civic Centre
Glebe Street
Stoke-on-Trent
ST4 1RJ

• Housing Advice Centre

The Housing Advice Centre provides support and guidance to households in housing need. They manage applications for council housing and can provide advice to households on the availability of affordable housing options in the city.

Housing Advice Centre
South Wolfe Street
Stoke-on-Trent

housingadvice@stoke.gov.uk
01782 233696



Affordable Housing Action Plan 2008-2011

Key objective 1: Keep the evidence of the need for affordable housing up-to-date and use it to inform and prioritise future development activity

	Action	Performance Indicator/Milestone	Timescale	Lead	Status
1.1	Commission research and/or needs assessments where required	Assessment of research requirements for the following year	March 2009 and annually	Housing Enabling Team	Future research needs under consideration
1.2	Keep the Housing Market Assessment (HMA) updated	Housing Market Assessment model refreshed through the input of new data	January 2009 and annually	Housing Enabling Team	Data collection processes in place
1.3	Produce the Affordable Housing Local Area Needs Index and keep it updated	Local Area Index available on the city's website	October 2008 and annual update	Housing Enabling Team	August 2008 update on the city's website

Key objective 2: Agree priorities for new supported affordable housing (including housing for older and younger people) in liaison with Adult Social Care and Health and the Supporting People team

	Action	Performance Indicator/Milestone	Timescale	Lead	Status
2.1	Carry out/commission research into evidence of need if required	Assessment of research requirements for the following year	March 2009 and annually	Housing Enabling Team	Future research needs under consideration
2.2	Identify priorities for new supported affordable housing in the city	Learning disabilities research Complex needs research	Autumn 2008 Summer 2009	Housing Enabling Team	Learning Disabilities report due by Dec 08 Complex needs study has commenced
2.3	Work with partners to deliver priority schemes	Schemes in the National Affordable Housing Programme; - YMCA move on - Stoke Extra care - Blue Bell hostel Inclusion of new schemes in the National Affordable Housing Programme	2010 2011 2011 Ongoing	Supporting People Team	Process of identifying needs, prioritising and commissioning has been agreed

Key objective 3: Improve the delivery of affordable homes through planning (S106) agreements

	Action	Performance Indicator/Milestone	Timescale	Lead	Status
3.1	Update the model s106 agreement in liaison with planning and legal services	Updated model S106 agreement published on the city website	October 2008	Legal Services/ Development Control/ Housing Enabling Team	Final comments made and awaiting publication version
3.2	Update the S106 operational framework and guidance to developers	Revised documents published on the city website	December 2008	Housing Enabling Team /Development Control	Work ongoing to revise the documents
3.3	Play an active role in the sub-regional S106 best practice group	Support the objectives of the group as they relate to the city	Ongoing	Housing Enabling Team	Active attendance and information sharing with partners

Key objective 4: Support RSL strategic partners to deliver affordable housing through the Housing Corporation's National Affordable Housing Programme (NAHP)

	Action	Performance Indicator/Milestone	Timescale	Lead	Status
4.1	Support bids for funding that have good strategic fit, address needs and are deliverable	Local Authority supporting proforma completed for each bid submitted	Ongoing	Housing Enabling Team	All required proformas completed within the given timeframes
4.2	Help to address issues which may impact on delivery	Progress meetings with RSL's	Quarterly	Neighbourhood Renewal Team	Quarterly meetings are diaried and taking place
4.3	Regular liaison with Housing Corporation Investment Manager	'Projects in Stoke' meeting	Quarterly	Housing Services	Quarterly meetings are diaried and taking place
4.4	Establish robust monitoring arrangements for National Affordable Housing Programme projects in the city	Monthly monitoring and quarterly internal meetings	Quarterly	Housing Enabling Team	Monthly monitoring reports are circulated internally

Key objective 5: Monitor, evaluate and report on progress on the delivery of affordable homes targets

	Action	Performance Indicator/Milestone	Timescale	Lead	Status
5.1	Establish and maintain a database to record pipeline and completed affordable housing schemes	Database established and procedures in place for keeping updated	April 2008 and ongoing	Housing Enabling Team	Database established and is being updated on a regular basis
5.2	Monitor first sales and lets to ensure that strategic priorities are met (e.g. equality of access for minority ethnic households)	Check published information (CORE) on sales and lettings	Annually	Housing Enabling Team	Next published information will be summer 2009
5.3	Report on delivery to Government Office West Midlands	Information provided through the HSSA report	Annually	Housing Enabling Team	Next reporting will be summer 2009
5.4	Report on delivery of affordable housing units to the Local Strategic Partnership	<ul style="list-style-type: none"> • Sept 2008 – 113 • Mar 2009 – 64 (total 177) • Sept 2009 – 40 • Mar 2010 – 150 (total 190) • Sept 10 - 63 • Mar 2011 – 140 (total 203) 	Six-monthly and annually	Housing Enabling Team	September 2008 report submitted (113)
5.5	Report on delivery of affordable housing units to strategic partners	Reported through the strategic partners meeting	Annually	Housing Enabling Team	Next reporting will be summer 2009

