# HE USING BIRMINGHAM

Birmingham: A Great Place to Live



Housing Birmingham is a partnership for organisations and individuals who want to work collaboratively to tackle Birmingham's housing challenges. The Partnership Board, chaired by the Cabinet Member for Housing and Homes, brings together key housing stakeholders including registered providers, private landlords, third sector bodies, the Local Authority and the Homes and Communities Agency. In addition there is a wider and very diverse network of partners who support and shape the work of the board. All elements of the partnership have been engaged to develop this first Housing Birmingham Strategy. The Strategy is intended to provide the basis for partnership working to achieve shared goals.

#### **Foreword**

Everybody needs somewhere to call home. A decent and safe home is a basic requirement and a fundamental foundation for a healthy and fulfilling life. That is why the Housing Birmingham Partnership has been formed and why we are committed to our vision that:

#### "Every citizen can find a great place to live"

For many citizens Birmingham is already a great place to live. The city's economy is growing and investment in infrastructure and new homes will continue to benefit residents. We want to ensure that growth is inclusive and that nobody is left behind. For housing, this means:

- A strong supply of new high quality homes;
- Citizens are able to find, access and sustain housing that meets their needs;
- Neighbourhoods are enhanced and the quality of existing housing is improved.

Our approach is based on our strengths as a Partnership and as a city. We have much to be proud of in our city's history of innovation and getting the job done; but we are not complacent and recognise the challenges that we face. The Housing Birmingham Partnership is committed to working together to make the best of our strengths and to take all opportunities that are available to deliver our vision.

This strategy is a statement of our shared commitment. The Housing Birmingham Partnership Board will take the strategy forward and will lead on implementation. Whilst the strategy sets out our priorities and the direction of travel, we know that we will need to be dynamic, flexible and responsive to changes in need and to new situations and opportunities. The Partnership represents a wide spectrum of people and organisations with different interests. But we all share the same determination to work together so that every citizen lives in a home and a neighbourhood that provides a firm foundation for their life.

Councillor Peter Griffiths, Chair of Housing Birmingham/Cabinet Member for Housing and Homes – Birmingham City Council

Jonathan Driffill, Vice-Chair of Housing Birmingham/Chair of Birmingham Social Housing Partnership

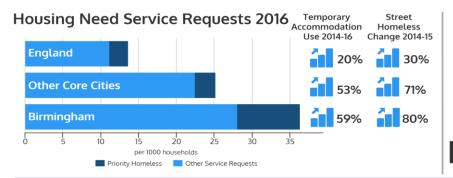
#### Our Vision for Housing is:

"Every citizen can find a great place to live"

Good housing – alongside health, a sense of purpose and strong positive personal relationships - is a cornerstone that enables citizens to lead happy and fulfilled lives.

#### **Our Priorities:**

- A strong supply of new high quality homes
- Citizens are able to find, access and sustain housing that meets their needs
- Neighbourhoods are enhanced and the quality of existing housing is improved



# Key Housing Issues in Birmingham

**Owner Occupation** 

74%

Occupancy

Overcrowding

Optimal Occupation

Under Occupation

Rates



**Private Renting** 

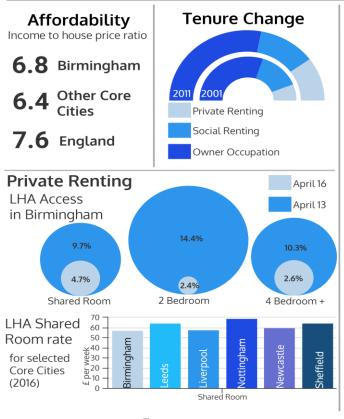
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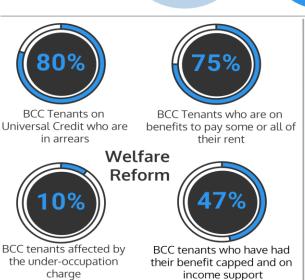
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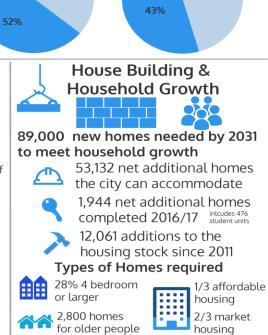
Social Housing

36%

12%







#### A strong supply of new high quality homes

#### The Challenge

Birmingham is a city of growth. New homes are needed to accommodate a growing population and to help drive and support the economic development of the city and the city-region. 89,000 new homes are needed from 2011 to 2031. Whilst it is not possible to deliver all of this new housing within the city boundary, we have ambitious but achievable plans to build at least 51,000 new homes in this period.

Land, investment and planning policy are the crucial factors in delivering housing growth.

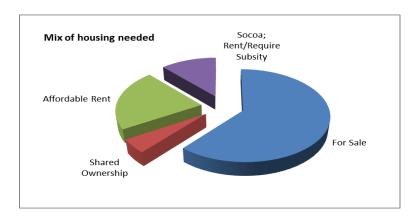
The Adopted <u>Birmingham Development Plan 2031</u> seeks to encourage housing growth. This strategy complements the Birmingham Development Plan, reinforcing the requirements of the plan for the kind of housing that is needed in the city. The Council uses planning powers positively to enable and accelerate delivery.

Including completions to date, we have identified sites with capacity for 46,247 new homes. In addition, we anticipate that, over the life of the Birmingham Development Plan, new "windfall" sites with capacity for a further 6,885 homes will become available; suggesting capacity for a total of 53,132 additional homes.

Birmingham is an attractive location for property investors with strong demand for housing. Overseas investors have already recognised this potential and are taking the opportunities that are present in the city. We have a track record of innovation in securing investment into the city and will need to continue to work creatively to ensure that all sites in the city deliver their potential to contribute towards our housing target. In particular it is recognised that return on housing investment is not equal across the city and that some locations are more challenging for investors.

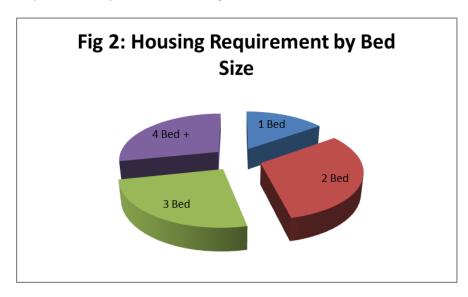
The proud industrial legacy of the city means that many brownfield sites will require remediation work in advance of development.

Additional housing is required across all tenures (Fig 1).



An estimated 1/3 of the requirement for 89,000 dwellings is for affordable homes. Whilst a range of affordable housing types are required, the ability to deliver affordable homes is constrained by the availability of subsidy, whether from the government or from development. Government funding in recent years has been targeted at affordable homes for sale rather than rent. The ability of the affordable housing sector to fund development has been further constrained by the introduction of 1% rent reductions for a four year period that commenced in April 2016. This has an impact on the ability of providers to service debts for development investment.

Household sizes in Birmingham are larger than the national average. This is reflected in the Birmingham Development Plan's assessment of housing requirements by bedroom size (Fig2).



Development provides an opportunity to increase the choice of housing types and options. Whilst Birmingham is a young city, we also have an aging population. The links between suitable housing and health and wellbeing are well established. We have identified that there is an opportunity to develop housing options for older people who wish to move to a more suitable property within the city. Older owner-occupiers have considerable resources in terms of the equity they hold in their homes. Increased housing options for older people would have considerable benefits both in terms of releasing family housing and for the wellbeing and independence of older residents.

Housing completions peaked in 2005-6, but have reduced since 2009-10. In 2015/16, 3,113 net additional homes were completed. Net additions to the housing stock total 12,061 since 2011 against a target of 11,600.

The ability to deliver new homes is also constrained by the capacity of the house-building industry and the availability of skilled workers and materials.

The context of a national, historical undersupply should be recognised. Until the 1980's, Councils were building up to 100,000 homes per year. The consequent fall in supply has led to a national undersupply of 2-3 million homes that has built up over the last 30 years.

#### Our Strengths

The city has a strong focus on delivering housing growth. The Birmingham Development Plan 2031 has been approved by the Secretary of State. The Plan sets out a clear vision for housing delivery and has identified

significant land capacity for new homes. Since 2011 we have kept pace with the housing targets outlined in the Birmingham Plan. At present, 4,589 dwellings are under-construction – reflecting our appetite for growth, the opportunities that are available and the confidence of investors in the strength of demand that is present in the city.

Investment in strategic infrastructure, in particular HS2, will attract further inward investment for housing development. There are a number of key strategic residential sites in the city that will deliver large scale investment opportunities.

Birmingham is part of the West Midlands Combined Authority (WMCA). One of the objectives of the WMCA is to increase the provision of new homes across the West Midlands region. As part of the agreement with Government, a number of powers have been devolved to the WMCA. These include:

- Devolved compulsory purchase powers, to help drive housing delivery;
- A potential devolved £500 million loan fund derived from existing Homes and Community Agency programmes;
- A West Midlands Land Commission looking at best practice;
- £200m to bring contaminated land back into use for housing and employment – grant and loan.

The Council is now the biggest single housing developer in the city. In 2015-16 the Council delivered almost 20% of new housing supply in the city. Through the Birmingham Housing Municipal Trust (BMHT) the Council is the only provider of new homes at social rent levels in the city.

Additionally, the Council works with the private sector to provide new homes for sale. High design quality sets aspirational standards to drive up the overall quality of the city's housing stock. Most BMHT homes built for sale are sold to first time buyers. Through InReach, the Council's Wholly Owned Company (WOC), the Council is providing new homes for private market rent which also generates income for the Council.

Community-led housing is a growing movement in the UK. Although there are different models, the fundamental principle is that ultimately ownership or stewardship of the asset is in the hands of residents. Community-led housing models offer an alternative vehicle for housing development, bringing together people from local areas or communities of interest who want to collaborate on meeting their housing needs.

Housing choices for older citizens have been greatly enhanced through the development of a number of extra-care villages in the city. These provide an attractive offer that encourages people to down-size from their current home. As well as providing a good housing option, the ability to access care and the ethos of keeping mentally and physically active deliver wider health and well-being outcomes. The Housing in Later Life Market Position Statement outlines the demand and opportunities to expand housing choices for older residents.

Nationally, rental surpluses generated by housing associations reached a record level of £3 billion in 2014/2015.

Empty homes represent an opportunity to increase housing supply. There is an effective <u>Private</u> Sector Empty Property Strategy in place that makes a valuable contribution to annual supply.

New Homes Bonus, the grant paid by central government to local councils to reflect and incentivise housing growth in their areas, is currently paid for every new home for 6 years — although this is being reduced to 4 years. It is based on the amount of extra Council Tax revenue raised for new build homes, conversions and long-term empty homes brought back into use. In previous years the overall allocation has been used to meet corporate priorities rather than targeted at initiatives that could increase the supply of housing in the city. Birmingham's allocation was £17.75 million in 2015/16.

#### Our Approach

There are three main delivery vehicles for the development of new homes – the private sector, housing associations and the Council. We intend to maximise the potential of each of these sectors to deliver housing growth. In addition, we will continue to target empty homes and will work with neighbouring authorities to meet housing need across the region.

#### **Private Sector**

There is strong interest from private developers when good quality sites become available in the city – as shown by our housing completions. However, some sites within our identified land capacity are more challenging to develop. In addition, private developers are risk adverse following their experiences in the wake of the 2008 financial crisis and have adopted business models based on profit margin rather than

volume. Major developers are national organisations and seek opportunities in locations where they can maximise return.

We recognise the issues facing private developers but we believe that there is considerable scope for partnership models that will achieve both the objectives of Housing Birmingham and of developers. Our offer to the private sector is:

- An upfront agreement with private sector developers to buy a proportion of the new homes that they build for inclusion within the Housing Revenue Account (HRA) or InReach portfolio, thus reducing the sales risk and providing more certainty;
- Promote and support the release of good quality public and private sector sites for housing delivery;
- Provide opportunities for small and medium sized house builders to build BMHT homes through the establishment of a regional Dynamic Purchase System. Small and medium sized house builders located in and around Birmingham will also be available to other local authorities in the West Midlands Combined Authority area and adjacent authorities wishing to use the system;
- Support for Build to Rent High quality purpose-built accommodation for rent, where multiple units are developed and held in single ownership for long term rental, is supported as making an important contribution to the supply of housing in the city. The Council recognises the different characteristics of such developments and will have regard to this in the planning process

- when assessing the acceptability and viability of schemes. There are currently 1,500 build to rent units under construction in the city.
- Self and Custom-Build can provide a route into home ownership for individuals and groups who want to play an active part in developing their own homes. A register for people interested in self and custom build has been established. We will continue to develop our approach to support people build their own homes. Specifically, the Council will offer plots to sell on the open market for self-build and will provide web-based advice and information for those interested in self and custom build. In addition we are keen to support community-led housing initiatives and will explore opportunities to release land for this purpose.

#### **Housing Associations**

The number of new affordable homes delivered by housing associations in the city has declined since the most recent peak of 933 in 2009-10. Drivers for this decline include a much less generous grant regime (with no grant available for rented schemes except sheltered housing), relative high cost of land in the city and the 1% rental income cut. Like private developers, some housing associations are increasingly national organisations and pursue opportunities where the conditions are most favourable.

Measures to increase delivery by housing associations include:

- Use of Housing Association Recycled Capital Grant Fund (RCGF) to build new homes;
- More use of accrued rental surpluses to build new homes;
- Development of shared ownership homes using Government grant. Government has recently increased grant rates for shared ownership as part of its drive to encourage owner-occupation, and this represents an opportunity for Associations to develop more homes in this tenure;
- Partnerships with the Council to redevelop adjacent housing sites
  where there is low density and scope for growth. Where such
  sites occur, comprehensive redevelopment on a joint venture
  basis would provide economies of scale and could mean that
  higher levels of density could be achieved across the whole site.

#### The Council

In a relatively short space of time the Council has become the biggest single developer of new homes in the city; delivering homes for rent and sale in a wide range of locations. The continued success of the model is threatened by both the availability of Council- owned land and the impact of the national 1% rental reduction — effectively reducing resources by £42m over the 4 year period. We will seek to continue The direct delivery of new homes at scale and pace by:

 Use of Compulsory Purchase Order (CPO) powers to acquire landbanked residential development sites.

- Prioritising suitable, surplus Council land for delivery of new homes. This will generate a long-term revenue stream, rather than a one-off capital receipt.
- Development of under-utilised and poor quality public open space in Council ownership where appropriate. 8 acres of under-used space have already been released to build 600 homes.
- Extending the scope of InReach the Council's Wholly Owned
  Development Company by selling more sites to the WOC for
  market rented development, and by selling a proportion of voids
  from the Council stock for refurbishment and use as market
  rented homes. The proceeds of the sale will be used to fund the
  construction of new social rented Council homes.
- Use of New Homes Bonus (NHB) to increase housing supply. We intend to make use of NHB as:
  - A substitute for Homes and Communities Agency (HCA) grant to directly support the provision of social and affordable housing through the Council's house building arm, the BMHT, or through housing associations;
  - A fund for strategic infrastructure to unlock sites for development. The NHB could be repaid once the development is completed;
  - A revolving loan fund for developers targeted at small and medium sized local companies.

#### **Empty Homes & Changes of Use**

We will continue to target bringing private sector empty homes back into use through the delivery of an Empty Homes Strategy that makes full use of the powers available to us including compulsory purchase. In addition the Council will charge 150% of Council Tax on empty homes to incentivise owners to bring this valuable resource back into occupation.

There is a track record of facilitating property conversion to residential use, with 415 units added to housing supply in this way in 2015/16. The Council will continue to approve such proposals subject to the design and density being appropriate to the character of the area.

#### Sustainable Development

The Birmingham Development Plan sets out the city's policies for sustainable development – placing sustainable neighbourhoods at the heart of the process. All new housing must demonstrate compliance with policy to ensure that new homes are delivered in the most sustainable way, contribute to creating a strong sense of place, meet high standards of design and environmental sustainability and are climate proof. We must ensure that the necessary infrastructure is in place to support housing growth in the context of creating sustainable neighbourhoods including schools, health facilities, transport, leisure and quality recreational space. This also supports the strategy objective of enhancing existing neighbourhoods. In addition, schemes must be in locations that are appropriate for housing.

Members of the Housing Birmingham Partnership - who directly deliver new homes - will aim to ensure that all new housing meets Code for Sustainability Level 4.

#### **Duty to Co-operate**

We recognise that there is insufficient land capacity within the city to meet all of the housing need that will be generated by forecast growth. Through the duty to co-operate we will work with neighbouring authorities to determine a collective approach to accommodate housing growth to best support regional economic development.

#### **Balancing Supply**

Whilst the number of additions to the housing stock from new housing development are relatively small compared to the total number of homes, development does provide an opportunity to diversify supply, respond to changes in need and to replace obsolete housing. The type, size and density of residential developments are as important as the overall numbers that are delivered. New housing provision in Birmingham should meet the requirements of the Birmingham Development Plan, which promotes the creation of sustainable communities containing a mix of dwelling types, sizes and tenures.

About 38% of the city's overall future housing requirement is for affordable housing. As a partnership we will continue to seek to deliver housing that is affordable to citizens. New affordable homes from developer contributions on privately owned sites will continue to play an important role in meeting the City's affordable housing needs.

Given the particular housing needs of the city we would particularly encourage the development of 4 bedroom and larger homes in the city across all tenures and an increase in housing options – such as the dormer bungalows targeted at under-occupying older tenants developed by BMHT - and housing with care options for older people.

#### **Housing Delivery Plan**

We will bring forward a Housing Delivery Plan to provide further details on the proposals outlined above to unlock the potential for housing development in the city, speed up delivery and enable housing growth. In addition it will reflect opportunities identified through development of the ideas outlined in "Stretching Delivery" below.

#### **Stretching Delivery**

The proposals outlined in "A strong supply of new high quality homes - Our Approach" represent current, agreed actions and priorities for delivery. In addition to these, the partnership will explore the following, more challenging, themes and opportunities to further stretch delivery and deliver more transformative solutions:

- Review all options to increase housing association development in the city;
- Better align new homes with housing need release pressure on the most challenged housing markets in the city
- Unlock the potential of modular construction;

- Greater promotion of community-led housing and regeneration;
- WMCA Strategic Growth and Development Plan;
- Explore use of sovereign wealth funds to invest in new homes;
- Agree a WM housing deal with government to include a WM housing company supported by a single investment pot.

### Citizens are able to find, access and sustain housing that meets their needs

#### The Challenge

A growing population is placing high demand on the existing housing stock. This pressure results in homelessness and overcrowding as households are unable to access suitable housing that meets their needs. At the same time many dwellings across the city are under-occupied.

With a growing economy and the development of the HS2 link to London, it is anticipated that we will continue to attract new residents into the city.

Birmingham has high levels of statutory homelessness with over 1,700 households living in temporary accommodation. At present we seek to permanently accommodate homeless households within the social housing stock – but it is clear that there is an insufficient supply of social housing to meet the needs of both homeless households and other residents with a housing need.

In line with national trends, street homelessness has increased in recent years; rising from 20 individuals identified by the 2014 annual count to 55 in 2016. Street homelessness is the visible tip of a deeper homelessness problem within the city.

Homelessness is not just about access to housing. Loss of employment, domestic abuse and ill health are just some of the factors that can both trigger homelessness or be exacerbated by homelessness. Homelessness cuts across the city's vision; with impacts in terms of childhood development, health and accessing employment as well as the more obvious housing issue.

The Homelessness Reduction Act 2017, which is likely to be enacted in 2018, will require fundamental changes to the approach taken to prevent and to respond to homelessness at an earlier stage.

The Health and Well-Being Board have identified housing, and homelessness in particular, as a crucial issue for well-being in Birmingham – recognising that homelessness affects social bonding, school performance as well as being linked to disadvantage in future generations. The Board have decided that an ambition to abolish the use of temporary accommodation for families with children is appropriate.

In addition, the Health and Well-Being Board want to improve the well-being of the most disadvantaged and have identified housing as a fundamental issue for those with mental health problems and learning disabilities. Housing is vital to generating stability. The WMCA Mental Health Commission advocates the "Housing First" model for people with mental health problems and the Board supports this ambition. Outcomes

for citizens with learning disability in the city are too low; people are not being enabled to live independently and develop their potential. We need to reduce the number of people living in institutions and increase the number living in accommodation of their choice in order to provide the platform to improve their outcomes.

There are pockets of high overcrowding in the city. There are 5 wards in the city where more than one in five households are short of at least one bedroom. In a further 6 wards, one in ten households suffer the same problem.

However, many homes, across all tenures, are under-occupied. In 32 of the 40 wards, half of all households have at least one spare bedroom.

Across all tenures the need and demand for 4 bedroom and larger properties exceeds the available supply. This is a particular issue for the affordable rented sector where an acute shortage of this property type is apparent. This poses real difficulties in terms of finding suitable settled accommodation for homeless households as well as resulting in overcrowded tenants having little realistic prospect of securing a transfer to a larger home. There is a significant risk that the introduction of right-to-buy for the registered provider sector will further reduce the availability of larger social rented homes. Once lost, it will be virtually impossible to replace these assets on a like-for-like basis.

Some sheltered housing schemes in the city are obsolete and experience issues of low demand. This provides an opportunity for change of use or redevelopment.

Affordability is a key factor both in terms of accessing market rented and market sale properties. It is estimated that only 5% of advertised private rented dwellings have rents that are fully covered by the local housing allowance. As well as the increasing cost of market renting, households can face exclusion from the sector as a result of needing to make rental payments in advance or to provide a cash deposit. Some landlords are unwilling to take tenants in receipt of benefits. Those seeking to own a home typically face prices that are 6.8 times the average income for the city and also need to provide large deposits to secure a mortgage.

Within the affordable housing sector, there is an increasing issue of households being unable to afford affordable rented tenure homes where the rent is set at up to 80% of the market value.

Average incomes in the city are relatively low. The median household income is £26k. In 6 out of 10 districts, people on lower quartile incomes would be unable to afford the cost of buying or renting lower quartile market accommodation (based on using a relatively high threshold of 1/3 of gross income for rent or mortgage payments).

In Birmingham there are many people who require support in accessing and sustaining accommodation. At present 11,744 vulnerable individuals are supported through Council commissioned housing-related support. Vulnerabilities may include learning difficulties, mental health issues, recent periods in prison or other institutions, recent arrival in the country and domestic abuse.

Vulnerable people are more likely to find barriers to accessing accommodation and navigating their way around the housing system.

This can result in the person becoming street homeless or living in precarious housing, placing them at further risk of harm.

Changes to welfare benefits will increase the number of households with extremely restricted housing options. The roll-out of Universal Credit (UC) is likely to result in households facing 6 week waits for payment – putting many at risk of financial hardship.

Birmingham is a young city with 38% of the population aged less than 25. Affordability presents a particular barrier for young people seeking to access housing. Changes to UC from April 2017 mean that those aged 18-21 will have no entitlement to the housing element of UC unless they fall into a exempt group (including those who are unable to return home to live with their parents; certain claimants who have been in work for 6 months prior to making a claim; and young people who are parents). Other young people under the age of 35 are only able to claim local housing allowance at the shared room rate.

Tenancy failure is costly for both landlords and tenants across all rented tenures. In 2016, 733 local authority tenants were evicted as a result of breaching tenancy conditions. The majority of these cases were due to serious rent arrears. 572 social housing tenants were accepted as being statutorily homeless, most commonly as a result of domestic abuse. The ending of a private tenancy is now the single largest reason for homelessness in Birmingham with 864 households accepted as homeless in 2015/16 – almost a quarter of all homeless acceptances.

#### Our Strengths

The affordable housing stock comprises 24% of total homes. Although the proportion of affordable housing has reduced from the historic peak levels of the past, this is still a relatively high proportion compared to national averages. Turnover releases c.6,800 council and housing association dwellings for letting each year.

The Supporting People Programme in Birmingham is still in place, albeit on a reduced scale, and helps vulnerable people improve their quality of life through the provision of stable accommodation and quality, costeffective support.

In addition the exempt supported housing market provides accommodation with enhanced management and support. However, the standard and quality of this provision varies greatly.

From 2019/20 a new funding model for supported housing will be introduced. Government proposes that core housing costs up to 1 bedroom at the local housing allowance level will be funded through the housing element of Universal Credit, with additional housing costs being met through the introduction of a ring fenced top-up funding administered by Local Authorities. Whilst this may represent an opportunity for local commissioning it is also recognised that this model is unlikely to work for short-term transitional supported housing.

We have a history of innovation in tackling homelessness and have examples of national good practice within the city. There is a strong network of community and third sector organisations committed to working to reduce homelessness and to support those who are homeless or who are living in insecure accommodation.

The Youth Hub in Birmingham provides an excellent, nationally-recognised, model of best practice for responding to the multiple needs of young people who are at risk of being homeless.

The impact of existing homelessness prevention work should not be under-estimated. Every year, housing partners across the city ensure that thousands of households who are homeless, or at high risk of homelessness, are provided with shelter and a pathway into settled accommodation. For 2015/16 this included 5,578 households assisted through the statutory homeless system as well an additional 7,824 households whose homelessness was prevented or relieved by Council delivered services or commissioned services delivered by partners. In addition, there are many other agencies active in the city who provide advice and assistance to people in housing crisis.

#### Our Approach

#### Homelessness

The Council has a statutory duty to have a strategy to prevent homelessness. The Council will bring a new Homelessness Prevention Strategy forward for approval in 2017. This will set out the direction for meeting the city's vision; "In Birmingham we will work together to eradicate homelessness."

Our fundamental aim is to prevent homelessness by ensuring that people who are at risk of homelessness have access to accommodation and do not end up living on the street. The strategy will detail how partners will seek to deliver on this objective through a positive pathway model that incorporates:

- Universal prevention information, advice and assistance that is available to all at the earliest possible opportunity for those at risk of becoming homeless;
- ➤ Targeted prevention risk-based interventions to prevent the threat of homelessness becoming a reality;
- Crisis prevention providing relief and shelter at the point of crisis;
- ➤ Housing Recovery preventing a further escalation of need and promoting recovery.
- Range of housing options a platform to move into something long term stable and secure

A Homeless Positive Pathway Partnership Board has been established to develop and deliver the strategy. Membership of the board will reflect the need for holistic responses to homelessness that address the impact on children, health and the ability to access employment as well as securing access to accommodation. This is essential in order that citizens have the resilience to sustain a home.

In addition to the Partnership strategy and in the context of the Homeless Reduction Act, the Council will publish a Homeless Policy setting out the detail of how statutory duties will be delivered. This will incorporate good practice from the Trailblazer project and the use of the private rented sector to discharge homelessness duties.

We recognise the benefits of working together across the region to prevent homelessness. Cross-authority work includes joint programmes with Solihull MBC to improve access to the private rented sector and to provide a holistic response to entrenched street homelessness.

#### **Allocating Social Housing**

A new Housing Allocation Scheme was implemented by the Council in April 2017. This has simplified the process for assessing those who are in greatest need of social housing. A <u>summary of the scheme</u> provides further detail.

The scheme will be formally reviewed every 12 months to ensure that the strategic aims are being met and to review the equality impact assessment.

#### **Nominations**

Housing associations in the city have an agreement with the Council to provide a proportion of lettings to the Council for letting to households on the local authority's housing register. In summary, Housing associations have committed to make available:

- 50% of 0-3 bedroom properties that become vacant;
- 75% of 4 bedroom and larger properties that become vacant; and
- 100% of new homes built on Council land or delivered via a planning agreement.

Delivery against this agreement is monitored on a quarterly basis.

#### **Sustaining Tenancies**

To address tenancy failure affordable housing providers will work collectively and individually to:

- Assist and encourage tenants into work and training pathways;
- Budget and manage finances to prioritise the payment of rent;
- Resolve benefit issues and promote financial inclusion;
- Work with households on their waiting lists to be "tenant-ready" when they are successful in bidding for, or being made an offer of accommodation;
- Prevent tenants from becoming homeless via anti-social behaviour, domestic violence and family mediation work.

The Council operates a weekly eviction panel with representatives from key business areas including Benefits, Housing Options and Think Family to review every case that is due for eviction. Discussing each case enables identification of gaps in benefit entitlements, provides access to the Homeless Prevention fund and to support from Think Family to enable tenancy sustainment. We would like to extend this approach to include registered provider and private landlords.

Birmingham's multi-agency- Financial Inclusion Partnership has developed a strategy and action plan and will work collaboratively to deliver the key objectives. Delivery of this strategy is an integral part of the Housing Birmingham approach.

#### Making Best Use of the Housing Stock

We will pursue opportunities to make better use of the existing housing stock. As a partnership, our ability to influence the way in which housing in the city is utilised is greatest for the affordable housing sector. Within this sector we will:

- Promote the use of mutual exchanges as a way for tenants to move to a home that is of an appropriate size for their needs. This could include only allowing transfer applications if tenants have been unable to secure a suitable mutual exchange;
- Explore the most effective use of fixed term tenancies to align accommodation with an individual households need;
- Review the provision of sheltered housing accommodation.
   Retaining the best quality stock and releasing obsolete accommodation for re-purposing or redevelopment;
- Minimise the time that properties are left empty between tenancies;
- Give priority within allocation schemes for tenants who are under-occupying larger homes, particularly houses, and explore all options – including schemes to incentivise and assist down-

- sizers to enable the release of under-occupied homes; especially 4 bed and larger properties;
- Explore ways of protecting the stock of 4 bed and larger homes so they remain available as an asset to meet a pressing housing need.

#### **Reducing Child Poverty**

The Birmingham Child Poverty Commission published its findings in July 2016. Housing providers have a role to play in delivering the recommendations of the Commission. In particular, the Housing Birmingham Partnership will commit to:

- Introducing a minimum of 3-year tenancies for families with children in the affordable housing sector, allowing for greater stability for tenants and landlords;
- Undertake a formal review of the Council's housing standards enforcement, with a view to introducing a landlord accreditation scheme.

#### **Housing Options for Young People**

Young people often require assistance to find and secure accommodation and support to build up their capacity to maintain the accommodation. Building upon the strengths of the Youth Hub, we will develop a Young People's Housing Plan centred around delivery of the St Basil's and Barnardo's Positive Pathway model.

The key elements will focus on preparing young people to understand their housing options, how to access these options, employment and training and their housing and benefits rights alongside the responsibilities of being a tenant.

The plan will also consider alternative housing models for young people such as shared housing and live and work schemes.

The provision of housing linked to employment will be a key feature with the aim of providing young people with the financial capability to maintain their housing whilst progressing through a career path.

Access to rented housing for single people under-35 remains an area of concern. Initiatives such as shared housing models need to be explored for this cohort.

#### Access to Market Rented Housing

We need to improve access to market rented housing to assist in meeting housing need. We will explore the following options to assist citizens to overcome the barriers to renting privately:

- •Continuation of the Social Lettings Agency;
- A Birmingham Rent Deposit/Bond scheme;
- •Feasibility study into how to develop effective schemes to access the Private Rented Sector.

#### **Supported Housing Policy**

In spite of challenging financial circumstances, the Council has maintained funding – albeit at a reduced level – for supported housing; recognising the importance of investing in a preventative model.

We will provide housing support initially worth £25m annually but with a planned reduction to £20m in the period 2017-20. This will be prioritised to prevent vulnerable people from becoming homeless and preventing repeat homelessness. In particular the resource will be targeted towards homeless households, people who have experienced domestic abuse, people who have disabilities or mental health issues that make them more vulnerable, ex-offenders and young people.

In response to the challenge posed by the changes to funding of short-term supported housing, the Housing Birmingham Partnership have offered to pilot a locally co-designed model which would reduce transactional costs, improve standards and facilitate joint commissioning of support.

In addition we will develop a Supported Housing Policy and model. This policy will be informed by evidence of need and a market position statement in relation to the provision of supported housing. The policy will set out an outcomes based approach for the use of the total resource that is available for housing with support.

The Council's vision is that adults with a social care need are enabled to live as independently as possible. Boosting the number of citizen's benefiting from "Shared Lives" is a key aspiration. This model seeks to

place people into private homes where the householder and their family provide care and support.

#### **Stretching Delivery**

The proposals outlined in "Citizens are able to find, access and sustain housing that meets their needs - Our Approach" represent current, agreed actions and priorities for delivery. In addition to these, the partnership will explore the following, more challenging themes, and opportunities to further stretch delivery and deliver more transformative solutions:

- De-conversion of social and affordable rented Houses in Multiple Occupation (HMOs) and converted flats into family housing;
- Work with partners to explore options to maximise the value of local housing allowance so that there is better access to private rented housing across the city;
- Develop options to make better use of the housing assets of people receiving residential/nursing care to help meet their care costs, better maintain the value of their asset and to meet housing needs;
- Focus on affordability particular for those impacted by welfare reform;
- Greater integration of activity across the whole system of housing, employment, education, social care and health;

 Better outcomes for citizens with mental health and learning disabilities by enabling greater housing choices and opportunities to live more independently.

## Neighbourhoods are Enhanced and the Quality of Existing Housing is Improved

#### The Challenge

Every citizen should have the opportunity to live in a safe and warm home within a neighbourhood they are proud of. Rented homes should be well-managed by a competent landlord.

The physical condition of homes in the city is dependent on 2 key factors — their age and the ability of owners to maintain their properties.

Birmingham has a relatively old housing stock with many residential areas being built in the Victorian, Edwardian and inter-war periods.

Consequently many homes are 70 or more years old and have inherent issues such as single-skin walls and poor quality original construction.

Older homes tend to be more expensive to maintain and to heat. A substantial minority of more recent properties were built using non-traditional construction methods. Some of these require costly structural work. In particular, the Council owns a large number of these properties, with over 200 tower blocks, many low rise flats and some houses. In many cases the cost of remedial works can be prohibitive.

The most recent Birmingham Private Sector Stock Condition Survey (2010) found that 37% of all private sector homes failed the decent

homes standard. Within the private rented sector the proportion rose to 42%. Of the 117,500 failing homes, 69,000 had a Category 1 hazard. This is a hazard that presents a health risk such as the property being excessively cold or containing fall hazards. 46,000 failed on the thermal comfort criteria whilst 43,000 had severe disrepair issues.

In the context of a city with high levels of income deprivation many homeowners struggle to find the funds to properly maintain their homes. Government austerity measures have effectively ended state assistance for marginal home-owners to carry out essential maintenance.

Whilst the social housing stock in the city is overall of a better physical standard than the private sector, revenue reductions as the result of the 1% annual rent cut will impact upon planned maintenance programmes and is prompting some landlords to review stock viability and long-term investment plans.

The tragic events at Grenfell Tower have focussed attention on the safety of residents living in high-rise accommodation. There are a large number of high-rise residential blocks within the city including over 230 that are owned by social landlords. We must ensure that all high-rise

accommodation is as safe as it is possible to be and that residents are satisfied that their homes are safe places to live.

Birmingham is ranked as the 18<sup>th</sup> worst local authority in terms of fuel poverty with 14.1% of households unable to adequately heat their home. This is due to a combination of poor property conditions, low household incomes, rising fuel prices and behavioural factors such as incorrect use of heating systems and not choosing the best tariff. This has a negative impact on the health and well-being of citizens, especially the young and the old.

Medical treatment as a result of cold homes was estimated, in 2011, to cost the health service in Birmingham £17m per year. By contrast, the cost of eliminating the problem from the homes of those affected was estimated at £5m.

In addition to policy drivers around health and well-being for greater energy efficiency there is also a requirement to reduce carbon emissions from the housing stock as part of Birmingham Green Committee's vision to reduce CO2 emissions by 60% by 2027 against 1990 levels. This can create competing pressures with a potential tension between targeting resources to achieve the biggest carbon reductions versus helping the fuel poor to afford to heat their homes and remain healthy.

A growing older population is increasing the demand for adaptations to enable people to remain living independently in their own homes. Commonly required adaptations include hand-rails, stair lifts and accessible bathrooms.

Private renting has grown rapidly in Birmingham in recent years; from 12% of the total housing stock in 2001 to 20% in 2011. Private landlords are a large and diverse group. Whilst some are well-established with large portfolios, many are individuals with small portfolios and limited experience of property management. Within the sector there is great variation in the knowledge of law and legal responsibilities and economies of scale go unrealised. Local authority resources to maintain legal standards in the sector have not kept pace with the scale of growth.

The majority of landlords in the city are responsible and seek to provide a good management service; but there are a minority that oversee poor practices and quality. At the extreme end of the spectrum some landlords knowingly engage in criminal activity – posing a particular risk to tenants with vulnerabilities such as a learning disability or benefit dependency.

Management standards are generally more consistent within the affordable housing sector with tenants enjoying greater protections and stronger routes to redress issues. Nevertheless, the often concentrated nature of affordable housing does generate management issues such as anti-social behaviour and other breaches of tenancy conditions that cause nuisance for neighbours.

Birmingham is a city of sanctuary and has provided a place of refuge for many asylum seekers. However, the procurement of accommodation for asylum seekers through the national framework does place additional stress on to the local housing market. In addition there are some concerns regarding the suitability of some accommodation that has been procured.

#### **Our Strengths**

Affordable housing providers within the city all operate planned and reactive maintenance programmes to keep properties in a decent condition.

We have a well-established "Stay Warm Stay Well" (SWSW) programme that delivers practical solutions to vulnerable people affected by fuel poverty. The programme is delivered through a network of third sector partners.

Utility companies are required to contribute to the Energy Company Obligations (ECO) fund. This is available for investment in affordable warmth measures – targeted at low income households and those in fuel poverty. The Council also has the ability to define a "flexible eligibility" for households outside of the target households.

The Council has a range of licensing and enforcement powers designed to maintain legal standards in the market rented sector in terms of both physical condition and management. The use of powers is a last resort and should be seen within the context of partnership working which spans government bodies (Police, Fire Brigade, Home Office, other Councils), private landlords, business and higher education establishments. By working collectively the outcomes we seek are far more likely to be achieved and sustained; to the benefit of tenants and the city as a whole.

The growth of the private rented sector in the city also provides an opportunity in terms of new investment and new players including social

investors in the sector who have the specific aim of improving practices and standards. However, the key asset for the sector remains the existing core of decent landlords. The National Landlord's Association are well represented and very active locally, working in partnership with their members and providers across tenures.

The proposed creation of a new, stand-alone regulator for the registered provider sector following the review of the Homes and Communities Agency offers the potential for a refreshed approach to the regulation of the sector.

£4m is currently available on an annual basis to undertake adaptations to privately owned homes occupied by residents with a physical disability. In addition, social housing providers make funding available to adapt homes within their own stock – although it is recognised that increasing demand is placing additional pressure on providers.

#### Our Approach

#### Affordable Housing Stock Condition

The Council has a £169m, three year capital investment programme (2016-19) for planned improvements and maintenance to its housing stock. This is part of a broader approach to asset management that includes a programme of clearing obsolete, costly dwellings and replacing them with high quality, new build homes through BMHT. The long-term sustainability of all units will be reviewed annually. Dwellings that are assessed as being non-viable will undergo an options appraisal to

determine the best course of action. Options include redevelopment, conversion or disposal.

Non-traditional high-rise blocks will be subject to an options appraisal in advance of the expiry of their planned lifespan. This will evaluate the feasibility of extending the lifespan of each block for a further 30 years.

Registered providers of affordable housing have a similar commitment to maintaining their stock.

#### Fire Safety in High-Rise Accommodation

For all landlords within the Housing Birmingham partnership the health and safety of residents is of paramount importance. In the wake of the Grenfell Tower fire we will comprehensively review our fire safety procedures and work with government and the fire service to test materials that have been used for external cladding. Birmingham City Council is the landlord with the largest number of high-rise dwellings and has made a commitment to retro-fit sprinkler systems to all blocks.

#### **Privately-owned Housing Stock Condition**

Apart from assistance for adaptations and affordable warmth, the Council is unable to offer any financial support for private owners to maintain or improve the condition of their homes.

See section on the Private Rented Sector for details of approach to stock condition for market rented homes.

#### Adaptations for Disabled Citizens

The Council has committed to using all of the DFG funding it receives from the government to assist those living in the private sector. Applications for a DFG are assessed by an occupational therapist. Those with low levels of need are offered information, advice and support on how to pursue adaptions independently, while those with medium and high levels of need are able to access a grant to fund the cost of works. The Council will procure new delivery arrangements to drive efficiency and maximise the benefits of grant funding for citizens.

Within the affordable housing stock, the Council currently makes £3m available to assist council tenants to live independently. Housing associations also fund the cost of adapting homes to meet the needs of their tenants.

#### Affordable Warmth

The importance of tackling fuel poverty to improve health, well-being and financial inclusion is well recognised and is highlighted as a cross-cutting issue within the Council's Vision and Priorities statement. As a partnership we need to further develop our approach to this issue to address both fuel poverty and the environmental impact of housing.

The Council has an ambition to extend an offer of affordable warmth works to private sector households within the areas where ECO-funded improvement works are being carried out on Council-owned homes.

The Council is also developing a business case for a local energy company. This is intended to deliver benefits to residents – both in terms of more affordable tariffs and opportunities to locally target surpluses on energy efficiency measures.

#### **Private Rented Sector**

We will focus the resources we have to tackle issues in the worst parts of the market; to ensure that private tenants can live in good homes and neighbourhoods. We will make use of licensing and other powers to target rogue landlords across the city. In particular we will:

- Promote greater self-regulation of the sector to secure a professionally managed rental market, by:
  - Developing a more strategic, professional Landlord/Agent partnership;
  - Developing with partners a Rental Charter/Code for Birmingham or across the West Midlands;
  - Increasing the capacity of Landlord Accreditation in the
     City to act as a positive force within the market.
- Use enforcement powers to target the worst landlords, agents, properties and neighbourhoods:
  - Introduce selective licensing in target areas;
  - Enforce standards in HMOs where licensing applies;
  - Joint working/delegations with West Midlands Police and West Midlands Fire Service (WMFS) on enforcing standards in the Private Rented Sector.

- Enhance our partnership working to deliver good neighbourhoods:
  - Encourage institutional development for market rent in the city - seek to target landlords seeking to exit the sector who have quality properties;
  - Develop a student housing strategy in partnership with Universities, Colleges, landlords, agents and industry to include housing approaches to retain graduates.

In addition we will review the policies that comprise our Private Sector Regulatory Framework.

#### **HCA Regulation**

In response to the growth in the number of new registered providers working in the support exempt accommodation sector, the Council will seek to work with the HCA and the proposed new, successor organisation to explore options for more effective regulation.

#### **Asylum Seeker Accommodation**

Birmingham is the host authority for the West Midlands Strategic Migration Partnership. This is a regional team funded by the Home Office to co-ordinate the asylum seeker dispersal programme. The Council will continue to work with the partnership to ensure that the needs and concerns of both asylum seekers and resident communities are addressed. In particular, our approach is to:

- Minimise the impact on local communities by seeking the dispersal of accommodation across all parts of the city and avoiding concentrations in particular locations;
- Ensure that the accommodation being used to accommodate asylum seekers meets required standards;
- Oppose the use of hotels for asylum seeker accommodation; especially where there is mixed use of the hotel for both asylum seekers and other guests. Instead, we will encourage the provision of bespoke accommodation that better meets the needs of these households.

#### Affordable Housing Management

Affordable housing providers manage almost a quarter of the city's housing stock. As such they are key stakeholders in neighbourhoods and the quality of their management services impacts upon a large minority of citizens. Providers in the city have long established links with each other through the Birmingham Social Housing Partnership and with the Council through operational and strategic partnership arrangements; including the Housing Birmingham Partnership. In respect of tenancy and neighbourhood management we aim to:

 Uphold tenancy conditions – respond effectively to breaches in tenancy conditions, such as rent arrears and anti-social behaviour;

- Empower tenants enable people living in the properties we hold, across a range of tenures, to take greater control of managing their homes and neighbourhoods;
- Manage neighbourhoods recognise our unique stake and role in particular neighbourhoods in the city and work in partnership with local communities and agencies for the benefit of citizens.

As the largest single landlord in the city, the Council will:

- Develop an initial triage response to tenant contacts;
- Enable tenants to access appropriate accommodation as they age so that they are able to remain active and independent for longer;
- Undertake a review of tenancy conditions with the aim of clearer tenant rights and responsibilities;
- Expand the tenancy visit programme –embed annual visits as a key part of an early intervention approach and expand the range of services that can be dealt with during a visit;
- Protect the housing stock ensuring that properties are maintained to a high standard; establish a proactive working group to reduce complaints about repairs;
- Develop improved policies and procedures to achieve a consistent approach across the city whilst retaining the ability to tailor responses to specific local community needs;

- Work together with Housing Birmingham Partnership members to better co-ordinate services in local wards and neighbourhoods and to ensure that resident ideas and input form part of the solutions;
- Explore the co-regulation of neighbourhoods with tenants and residents.

#### **Stretching Delivery**

The proposals outlined in "Neighbourhoods are Enhanced and the Quality of Existing Housing is improved - Our Approach" represent current, agreed actions and priorities for delivery. In addition to these, the partnership will explore the following more challenging themes and opportunities to further stretch delivery and deliver more transformative solutions:

- Increase the social value that landlords contribute to neighbourhoods;
- Co-produce and implement a new vision for social housing with a focus on giving tenants more control over their homes.

#### **Delivering Our Vision**

#### Housing Birmingham Partnership Board

This strategy is owned by the Housing Birmingham Partnership. This is a high level strategy that sets a direction of travel rather than seeking to plan activity in detail. This recognises that our plan-making needs to be flexible and responsive to changes in circumstances whilst maintaining a focus on our ambitions.

The Housing Birmingham Partnership Board is tasked with turning our shared vision into action. The Board meets on a quarterly basis to review progress and individual Board members are charged with leading on specific objectives.