



## FUTURE AFFORDABLE HOUSING DELIVERY IN DURHAM 2011-15

A statement setting out how the County will maximise investment in affordable housing

### INTRODUCTION

This statement sets out how the County plans to promote the delivery of new affordable housing; where to locate that housing; and how it will balance the needs for both affordable and market housing to deliver sustainable housing solutions. These strategic priorities for housing growth will be set within the context of securing economic growth and the development of sustainable places to live and work.

### CONTEXT

The new unitary County Council was established in 2009 when the housing market was weak. Despite additional public sector stimuli from the Homes and Communities Agency and other bodies, housing growth has yet to return to previous levels.

The consequences of the downturn have been compounded by the budgetary constraints put in place by the new Government in order to reduce public debt. This means that new challenges to deliver affordable housing and new ways of working are emerging which will influence our investment decisions and will alter the way in which the authority develops its strategic housing role.

The County has been able to set out its ambitions for growth; for economic prosperity and for meeting the needs of its diverse places and the people who live there through its **Regeneration Statement** and through the **Local Investment Plan**. The **2010 Housing Strategy** has built on these ambitions to set out the three key objectives of 'Better Housing Markets'; 'Better Housing Standards' and 'Better at Housing People'. Furthermore the **County Durham Plan** will be developed this year to provide a complete statement of our development aspirations. Housing and economic development will be a key component of this Plan.

### TARGETS FOR 2011-15

The Council is seeking to significantly increase its supply of market housing and maintain the flow of affordable housing despite increased pressures on public funding.

**Our provisional target (based on our performance over the past 10 years) is to deliver on average a minimum of 1429 new housing units per annum up to 2030.** We regard this as a realistic proposition.

The updated Strategic Housing Market Assessment (SHMA) (2011) has identified that net affordable housing requirements remain high and that in order for housing needs to be met, we need to provide affordable housing (as a percentage of total housing supply) as follows:

- ◆ **20% (in South Durham); 25% (in West Durham) and 30% (in North, East and Central Durham)**

If these percentage targets were aggregated across the County, then affordable homes delivery would represent around 27% of the overall housing supply.

- ◆ This target would mean that registered providers need to deliver around 386 affordable units per annum (based on an average overall supply of 1429 units – see above)
- ◆ Should we deliver at our current rate of around 220 units per annum then this would represent around 15% of overall housing supply

**Overall the County needs to deliver affordable housing between upper and lower limits of 200 to 400 units per annum.**

**SPATIAL PRIORITIES AND THE COUNTY DURHAM PLAN**

The County’s priorities for growth are as follows:

- ◆ **Durham City** and its immediate hinterland. This area of economic opportunity is considered the County’s greatest asset and will need housing growth of all types to complement economic growth and development.
- ◆ **Durham’s other main service centres** ( identified in the Durham Plan settlement study as Peterlee, Seaham, Bishop Auckland, Shildon, Barnard Castle, Newton Aycliffe, Spennymoor, Stanley, Consett and Chester-le-Street)
- ◆ **Rural locations** where there is an under-provision of affordable housing; especially the Durham Dales in the rural west
- ◆ **Renewal areas** where growth is complemented by selective clearance; reducing empty homes and other regeneration activity
- ◆ **Special housing needs** schemes to address the housing requirement of specific disadvantaged groups

	<b>North &amp; East Durham</b>	<b>Central Durham</b>	<b>South Durham</b>	<b>West Durham</b>
<b>% split of affordable housing</b>	50% -55%	20% - 30%	15%- 25%	5%-10%

The County expects that the distribution of affordable housing investment will seek to follow these indicative percentage splits; although consideration will also be given to prioritising key strategic sites (regardless of locality); to the delivery of economies of scale; leverage from the private sector and other economic growth imperatives.

## RANGE OF HOUSING NEEDS TO BE ADDRESSED

An assessment of the overall distribution of housing according to needs groups and localities has been completed. We need to offer a balance in terms of the delivery of general needs, older person's and special needs accommodation across the four delivery areas of North & East; Central; South and West Durham. This is described below and is based on data we hold on the housing register and through completed research on housing needs and demographic trends. There will continue to be a need to address rural housing issues in conjunction with housing these main needs groups. The requirements of renewal areas (in both the public and private sectors) will be supported where there is a coordinated programme of clearance and refurbishment.

Type of affordable housing to be delivered per locality						
% of affordable housing	General Needs	Older persons	Special Needs	Total	% in rural settlements	% in renewal areas
N&E Durham	50-60%	30-40%	10%	100%	10%	10%
Central Durham	50-60%	30-40%	10%	100%	10%	10%
South Durham	50-60%	30-40%	10%	100%	10%	10%
West Durham	50-60%	30-40%	10%	100%	80%	0%

**Older persons accommodation** will include a mix of bungalows and apartments and will provide for varying needs from low dependency schemes through to special needs accommodation (where revenue funding is available)

The authority will also seek to address **specialist needs of the homeless** (especially through the Places of Change programme); the specific **needs of the traveller communities** through site refurbishment and new site provision; and seek a continuation of funding for **Mortgage Rescue**.

The authority, through its partners will aim to provide a wide range of house types and sizes; built to a high environmental and design standard. This range will incorporate high density schemes in central urban locations through to lower density family housing in suburban and rural locations.

Mixed tenure schemes will be encouraged and larger developments that concentrate on affordable dwellings alone should be avoided.

**Overall tenure mix will be based on 80% affordable rent and 20% low cost housing for sale**

## **ROLE OF LOCAL AUTHORITY**

The authority will seek to support housing investment through bringing land to the market that can be readily developed for either market or affordable housing. Where appropriate the land value may be discounted to facilitate additional affordable units.

The authority will seek to support the establishment of Special Purpose Vehicles especially where they can bring together housing, economic and infrastructure development.

As part of the County Durham Plan there will be an affordable housing planning policy that will include a rural exception site policy.

The authority will seek to maximise opportunities for renewal through selective clearance; addressing issues around long term empty homes and interacting with the private rented sector through partnerships; selective licensing and through enforcement.

## **NEW APPROACHES TO PARTNERSHIP**

The authority will work closely with the Homes and Communities Agency in seeking and enabling housing and regeneration investment across the County.

The authority will place great emphasis on the development of its existing partnerships with housing associations, other social housing providers and with the private sector. It will encourage new investment through utilising the existing resources of housing associations (including the conversion of relets to affordable rent levels); through maximising HCA grant and through securing maximum value from development land.

The potential for private sector growth will be harnessed through the Local Enterprise Partnership and other vehicles. We are committed to seeking locally based solutions with established community groups and responding imaginatively to the diverse needs of the County.



*Altogether better*

### **Contact Details:**

Glyn Hall, Head of Housing, Housing Service, Durham County Council, County Hall, Durham, DH1 5UL

[Glyn.hall@durham.gov.uk](mailto:Glyn.hall@durham.gov.uk)

Tel. 0191 3833760

David Siddle, Acting Strategic Housing Manager, Housing Service, County Hall, Durham, DH1 5UL

[David.siddle@durham.gov.uk](mailto:David.siddle@durham.gov.uk)

Tel 0191 3835627