

Economic Growth Scrutiny Panel

Agenda
Item:

A.3

Meeting Date: 1 October 2020
 Portfolio: Economy, Enterprise and Housing
 Key Decision: No
 Within Policy and Budget Framework: Yes
 Public / Private: Public

Title: Housing Need, Delivery and Strategy Update
 Report of: Corporate Director of Economic Development
 Report Number: ED 34/20

Purpose / Summary:

This report provides an update on the delivery of market and affordable housing, in respect of targets and identified need, as well as updated and emerging strategic housing developments over the last year in Carlisle and Cumbria.

Recommendations:

The Panel are requested to note the key findings on housing need and delivery for 2019-20, and scrutinise the effectiveness of existing and emerging strategies, including the Carlisle District Local Plan, as well as highlighting any perceived issues for the development of future Housing and Economic strategy.

Tracking

Executive:	
Scrutiny:	
Council:	

1. BACKGROUND

- 1.1** Report ED 25/19 *Housing Need, Delivery & Strategy Update* was presented to EGSP on 5 September 2019. This report provides an update on strategic housing and delivery in Carlisle over the 12 months since that report was presented.
- 1.2** There is no longer a statutory requirement for local authorities to have an overarching Housing Strategy. Instead, Carlisle have taken on a more targeted approach – for instance strategic housing is included in the emerging Economic Strategy and we have the Interagency Homelessness Strategy. As well as District strategies, we have also worked with partners across Cumbria to support the delivery of countywide strategies and housing statements, where these partnerships clearly add value to our strategic objectives.
- 1.3** This report will provide updates on the following areas of strategic housing:-
2. Strategic Housing Partnerships (for Carlisle and Cumbria)
 3. Emerging Economic Strategy for Carlisle (which includes strategic housing)
 4. Countywide Strategic Housing:-
 - 4.1 Cumbria Housing Statement
 - 4.2 Cumbria LEP's Housing Development Strategy
 5. Housing Delivery 2019-20
 6. Movers' Survey 2019-20.

2. Strategic Housing Partnerships

Council Officers and Members are proactively involved in a number of housing-related strategic partnerships across Carlisle and Cumbria. These groups include:-

- Carlisle Housing Partnership – a Carlisle Partnership sub-group, including attendance from the Economy, Enterprise and Housing Portfolio Holder; Council support officers; and representatives from the private sector development and Housing Association sectors. The Partnership's key three themes are:-
 - Housing Market and Affordable Homes
 - Decent & Healthy Homes
 - Supporting Vulnerable People.

- Cumbria Housing Group – this is a Member-led Group, attended by the Portfolio Holders with responsibility for Housing from the six District Councils; Cumbria County Council; and the Lake District National Park Authority, along with their support officers. The group’s ethos is to work collectively to drive housing and economic growth; regenerate and improve poor quality housing; and support people to live independently. The group’s vision is supported by the Cumbria Housing Statement, last updated in March 2020 (covered in section 4.1 of this report). The Cumbria Housing Group is supported by two main Officer-led subgroups:-
 - Cumbria Housing Supply Group (a public / private sector partnership focussing on new development opportunities, with a strong focus on affordable housing, extra care housing for older people, and innovative design, such as offsite modular construction.)
 - Cumbria Strategic Housing, Homeless and Wellbeing Group (there are also a number of sub-groups and task and finish groups feeding into this Group, including the Extra Care and Homeless Forums).

- Carlisle Liaison Group – established in 2019 as a replacement for the former Divisional Board with Riverside (who took over management of the Council’s housing stock in 2002). The Group includes representation from four Councillors and their support officers, will monitor range of strategic issues, in relation to our largest landlord, Riverside’s, operations in Carlisle including:-
 - Tenant and resident consultation, participation and involvement
 - Customer engagement, including complaints procedures
 - Service standards
 - Anti-social behaviour
 - Neighbourhood plans
 - Environmental issues
 - Neighbourhood patch walks and inspections
 - Maintenance and improvements
 - Promoting successful partnerships and opportunities for collaborative working.

- City Council Officers have also worked proactively with Cumbria Local Enterprise Partnership (CLEP) to support the delivery of the *Cumbria LEP Housing Delivery Strategy*. CLEP is one of 38 business-led partnerships across England between local authorities and private sector businesses. It plays a vital role driving local economic growth and job creation, alongside improving infrastructure and raising the skills of the local workforce. CLEP recognises the importance of housing to Cumbria’s economy and has

commissioned *Lichfields* (an eminent planning and development consultancy) to develop the Cumbria LEP Housing Delivery Strategy. A summary of the emerging Strategy is detailed in section 4.2 of this report.

3. Emerging Economic Strategy for Carlisle

- 3.1** Strategic Housing is included as a key element in the emerging Economic Strategy for Carlisle – specifically, section 4. *Increasing Housing Diversity*. This reflects the major economic impact of housing – not only as the development industry is one of our largest employers (effectively a mobile factory) but also through providing the homes we need to attract a new workforce - Carlisle needs more working age people just to maintain existing employment levels, due to the impact of the ageing population. POPPI (Projecting Older People Population Information Systems) figures, based on ONS (Office of National Statistics) data, projects a 37% increase in the population aged 65 or over in Carlisle between 2017 and 2035 (including a 94% increase in people aged 85 and over). The ageing population will clearly have a significant economic impact if we are not able to increase the working age population.

The emerging Economic Strategy recognises that Carlisle and its surrounding regional economy has been developing its housing offer at an impressive rate, averaging annual housing delivery in the region of 550 homes over the last few years. However, for a City with Carlisle's scale of ambition, this figure must be both increased and diversified – reflecting both housing type and tenure – taking advantage of what has become its great locational advantage.

Carlisle already has a strong and growing local housing market with evidence of homebuyer demand. This is supported by the growing number of housebuilders active in the area, with evidence to support that more can be attracted to invest in the District – providing confidence that the wider conditions to support an acceleration of delivery are present within Carlisle. The Strategy focusses strongly on the two-pronged opportunities provided by St Cuthbert's Garden Village and regeneration through increasing City Centre living.

The Masterplanning of St. Cuthbert's Garden Village, to the South of the City (the UK's largest such development) will facilitate the development of over 10,000 new homes, together with new businesses, community facilities, and infrastructure (including the Southern Link Road). St Cuthbert's represents a unique opportunity to increase housing supply and also re-profile Carlisle's housing offer to better suit the needs of both the existing population and new residents - including people attracted to move here to take up new employment opportunities. St Cuthbert's will further the sense of place in and around the City of Carlisle, while simultaneously

recognising the legitimate development and regeneration needs of existing settlements.

The scale and nature of St Cuthbert's is such that it affords a unique opportunity to deliver key housing ambitions including:-

- Providing a strategic supply of housing land to meet immediate and longer-term needs, acting to ensure continuity in the long-term housing supply;
- Opportunities to accelerate delivery beyond existing projected levels, aided by public sector interventions including land acquisitions;
- Adding to Carlisle's overall offer and attractiveness as a place to live through enhancing and diversifying lifestyle choices;
- Enhancing opportunities for increased affordable housing delivery; self and custom build; purpose built elderly accommodation and more innovative forms of development - including modular and other modern methods of construction;
- Providing greater opportunities - a critical mass and the vision needed to transform the perception and supply of housing in North Cumbria, including attracting more developers.

Carlisle's draft Economic Strategy recommends the opportunities afforded by St. Cuthbert's should be supported by an active push towards increased levels of City Centre living. Key strategic vacant sites, such as Caldew Riverside, alongside a number of attractive redundant buildings in the City Centre, could provide stylish accommodation, particularly for young professionals - with a range of bars, restaurants, shops, the historic quarter, and attractive green spaces on their doorstep. This would enable Carlisle to develop a more cosmopolitan housing mix – encompassing a range of property types and tenures. This reconnection of people to place will help to ensure the continued vitality of the City Centre, supporting both the daytime and evening economy.

4. Countywide Strategic Housing

As discussed in section 2 of this report, the Council has played a key role in strategic housing partnerships with neighbouring local authorities and a range of other partners in Cumbria towards delivering strategic documents aimed at meeting our collective objectives. Two recent examples are the Cumbria Housing Statement and Cumbria LEP's emerging Housing Development Strategy.

4.1 Cumbria Housing Statement

This Statement, delivered through the Cumbria Housing Group partnership, was most recently updated in March 2020, and represents a shared vision for the

Cumbrian Housing Authorities to work together to drive housing and economic growth; regenerating and improving poor quality housing; and supporting people to live independently. The Cumbria Housing Statement supports three key strategic priorities:-

- Housing growth, affordability and community sustainability
- Improving living conditions and creating thriving communities
- Supporting independent living and helping people achieve healthier, happier lives.

Regarding the first priority, working together with neighbouring local authorities has provided significant benefits in respect of developing positive relationships with a range of other sectors, including private developers; housing associations; and Government departments, such as Homes England. Many of the same developers and housing associations operate across a number of Cumbrian Districts, so engaging with them through combined meetings has proved beneficial – the Cumbria Housing Supply Group has regularly attracted attendance of around 50 delegates from the public, private, and third sectors, and enabled a high standard of guest speakers on a range of innovative topics, including modern methods of construction, and has also acted as a useful networking vehicle, helping to break down barriers between different sectors.

The Cumbria Housing Statement includes a list of priority sites, agreed by senior Officers across the seven Local Planning Authorities. This includes two in Carlisle – St Cuthbert's Garden Village (by far the largest) and Carlisle Station Gateway/ Caldew Riverside. Jointly identifying these priority sites has acted as a catalyst for high level engagement with Homes England, regarding funding opportunities – an initial meeting was held between all the partners and Homes England in June, with a follow-up being arranged in the autumn.

4.2 Cumbria LEP's Emerging Housing Development Strategy

CLEP's draft Housing Delivery Strategy has been prepared by planning and development consultant *Lichfields*. Lichfields have taken the priorities identified in the Cumbria Housing Statement (summarised in the previous section) as a starting point, and CLEP and their consultant have engaged regularly with Officers from the Cumbrian local authorities, as well as a range of other stakeholders from the development industry to consider both enablers and barriers to development and how these can best be addressed to respond to the priorities identified in the Cumbria Housing Statement.

The emerging Strategy focusses on areas where collaborative working can develop a Cumbria-wide housing delivery strategy/ plan, providing specific interventions to help deliver the ambitions of Cumbria's local authorities housing ambitions – particularly in respect of facilitating the delivery of new homes: the right houses in the right places at affordable prices.

Lichfields will be presenting their key findings to the Member-led Cumbria Housing Group on the morning of 1st October. Alongside actions the LEP will be leading on, recommended key priorities for the Cumbrian local authorities to deliver are detailed below, which will be considered at the meeting.

- All seven Local Planning Authorities (LPAs) to have up-to-date Local Plans in place by Spring 2024, providing a robust economic evidence base.
- Ensure that delivery of the sixteen priority sites, identified in the Cumbria Housing Statement, is not delayed due to poorly co-ordinated road and utility infrastructure investment (continued delivery of Strategic Infrastructure, funded through CLEP's Local Growth Fund projects on key priority sites).
- All LPAs to implement an Infrastructure Delivery Plan, utilising an agreed standardised approach – identifying gaps across Cumbria.
- Explore opportunities for direct Local Authority interventions to increase housing delivery (including direct delivery; joint ventures; making Local Authority land available).
- Housing-led regeneration of Cumbria's High Streets – establishing new Town and City Centre Masterplans and Development Briefs; radically re-purposing town centres. Supported by funding bids to central government.

Other recommendations for Local Authorities to consider include the possibility of a countywide Movers' Survey, and development of a countywide SHMA (Strategic Housing Market Assessment).

5. Housing Delivery 2019-20

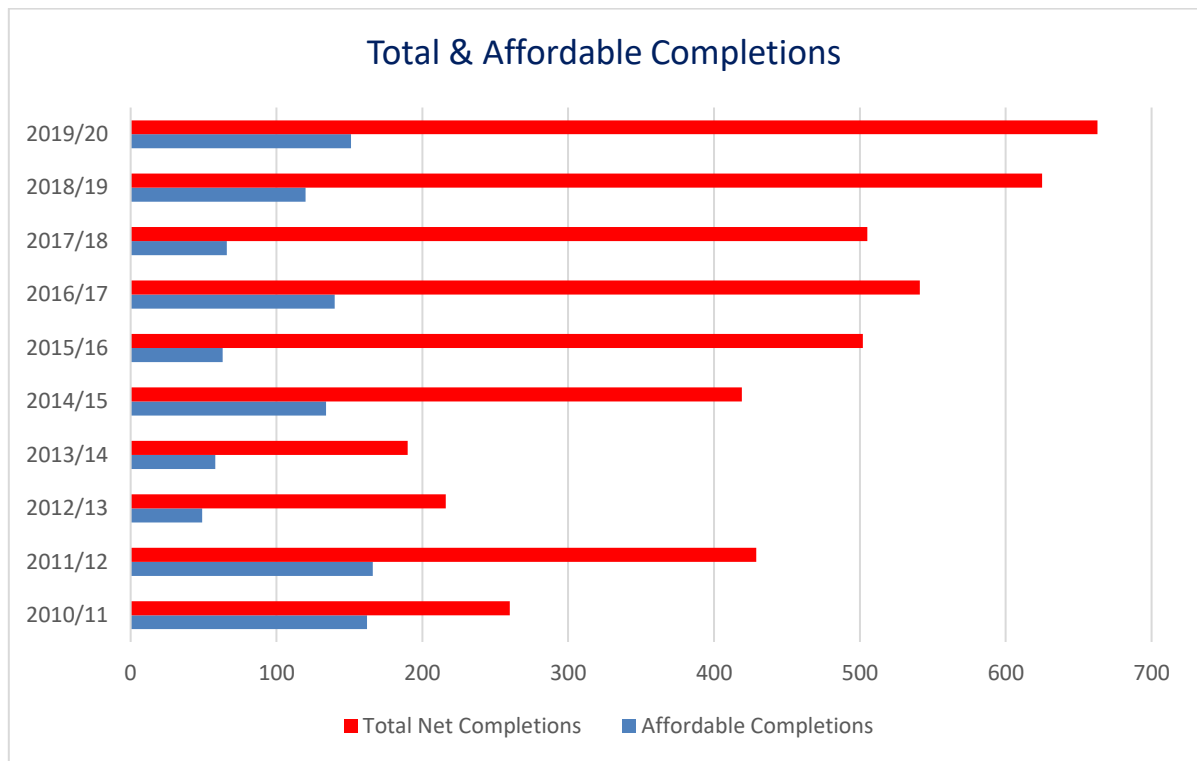
- 5.1** The highest recent level of housing delivery was achieved over the last year, with 663 net housing completions recorded in 2019/20 (an increase on the previous year's then record 625 net completions). The net completions for 2019-20 comprised 485 units (73%) in the City and 178 (27%) rural dwellings. Currently, approximately 68% of Carlisle's residents live in the urban area, so this is broadly in keeping with the current population profile, and Local Plan allocations.

The annual housing requirements set out within the adopted Carlisle District Local Plan 2015 – 2030 are based on an average figure over the plan period of 565 dwellings, based on the stepped approach to delivery of 478 net new homes between 2013 and 2020 and 626 net new homes between 2020 and 2030 (adjusted to have regard to delivery in the 2013 – 2020 period) so recent delivery is slightly ahead of target.

The total net completions include the delivery of 151 affordable homes (almost 23% of overall delivery) of which 74 were for social/ affordable rent and 77 intermediate low-cost home ownership. This figure is very close to the annual target of 158 affordable homes (60% rented and 40% low cost home ownership) set out in Carlisle's most recent SHMA (Strategic Housing Market Assessment) over the period 2019-24. (A detailed summary of the SHMA's key findings was included in EGSP report ED 25/19 *Housing Need, Delivery & Strategy Update*, presented to EGSP on 5 September 2019).

These affordable homes were delivered through a combination of Section 106 planning obligations; Homes England affordable housing grants to local Housing Associations; shared ownership properties acquired through the 'Heylo' scheme; Housing Association *Recycled Capital Grant Funding* (from sales of other assets) and the use of commuted sum funding held by the City Council.

The table below provides a breakdown of total and affordable completions over the last ten years. The figures clearly demonstrate the significant increase in overall completions since the low point of the recession ("*Credit Crunch*"), with higher delivery rates also reflecting the success of the Carlisle District Local Plan. Affordable completions show more of a fluctuation, linked to variations in the annualised level of grant funded completions; however, a strong level of affordable completions has been achieved in three of the last four years.



Unfortunately, it would seem inevitable that there is likely to be a reduction in completions during 2020-21, due to the impact of Covid-19. Lockdown led to many sites being stalled and there were initially restrictions on people moving to another home. Other market difficulties include mortgage lenders requiring larger deposits since the pandemic (this has caused problems for some people on the Council’s low-cost housing register) as well as other issues around the end of the Government’s ‘furlough’ scheme and increased levels of unemployment.

The Council will shortly be launching a refreshed version of the *Help us Build our Growing City* developer prospectus, aimed at attracting more builders, including those not currently active in the District, to come to Carlisle, to help maintain strong levels of development moving forward. St Cuthbert’s has acted as a major catalyst in generating significant interest within the development industry.

6. Movers’ Survey 2019-20

6.1 The Movers’ Survey was initiated from the beginning of the financial year 2018-19 in an attempt to gain a better understanding of people’s reasons for moving to new homes in Carlisle District to help inform wider strategies. The survey was continued into 2019-20; although the survey had to be curtailed a couple of weeks before the end of the financial year, due to Covid-19, so the results in section 6.2 below are not for quite the full year. As the forms are sent out by the Council Tax section, unfortunately it has not been possible to continue the survey during the current

year, due to staff working from home, but it is hoped the Movers' Survey can be re-launched from April 2021.

6.2 A total of 93 forms were returned (a significant increase on the 55 forms returned during 2018-19) representing a response rate of approximately 37%.

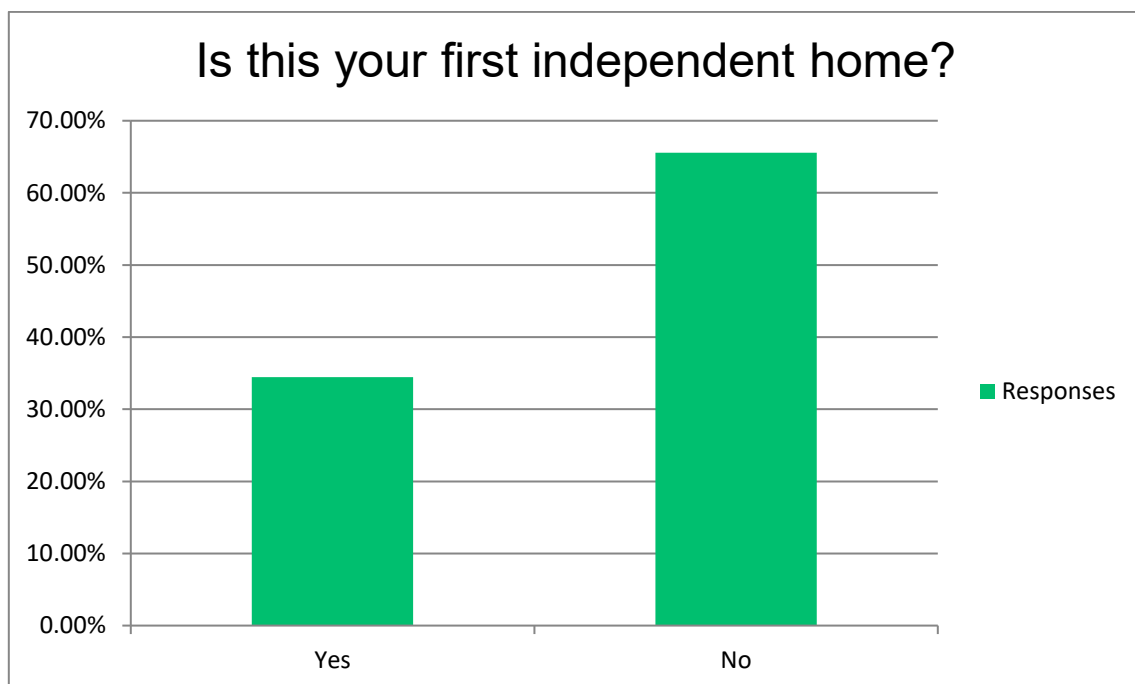
A summary of the key findings from the 2019-20 Movers' Survey is provided below:-

Where have you moved from?

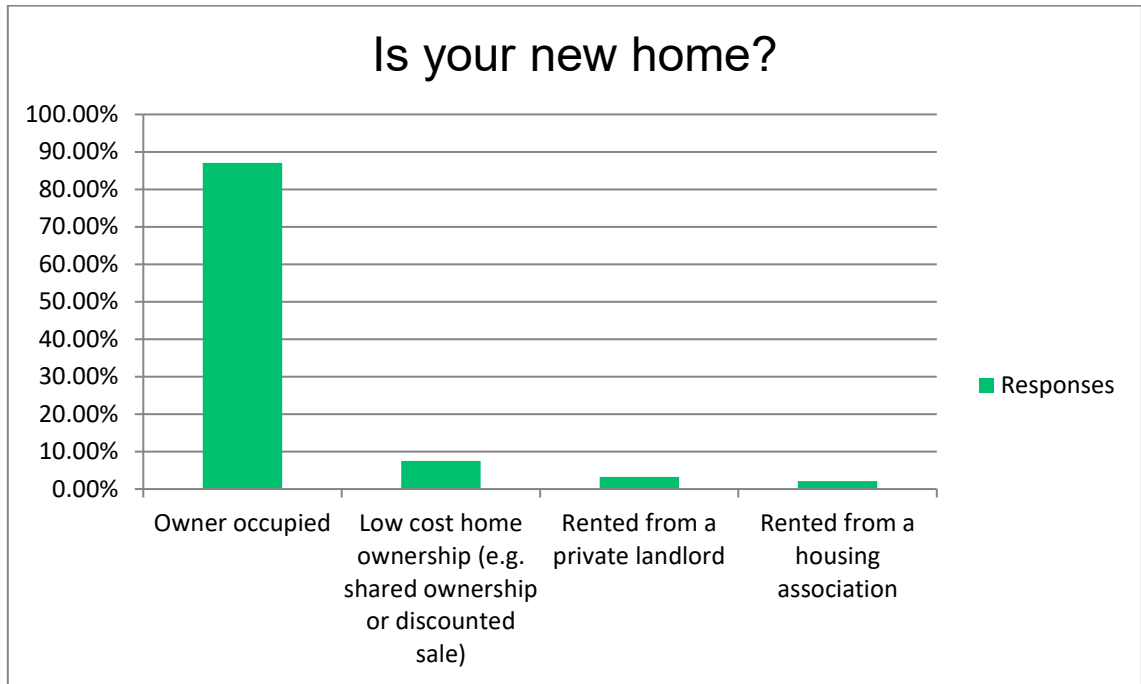
The 93 responses to this question are summarised below:-

- 71 – Carlisle District – existing residents
- 7 – Cumbria (other Districts)
- 14 – Elsewhere in UK
- 1 – Outside UK

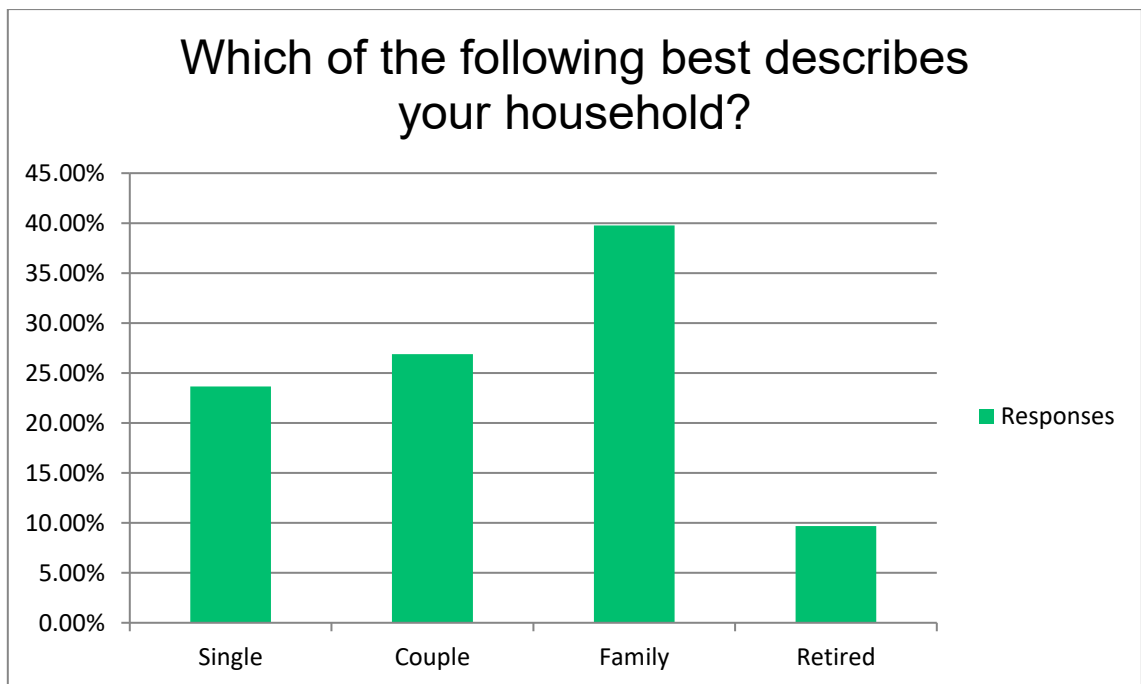
This equates to 76% of movers already resident in Carlisle and 24% moving into the District, which is exactly the same percentage at the figures for the previous year.



Just over a third of respondents (34.4%) were setting up their first home.

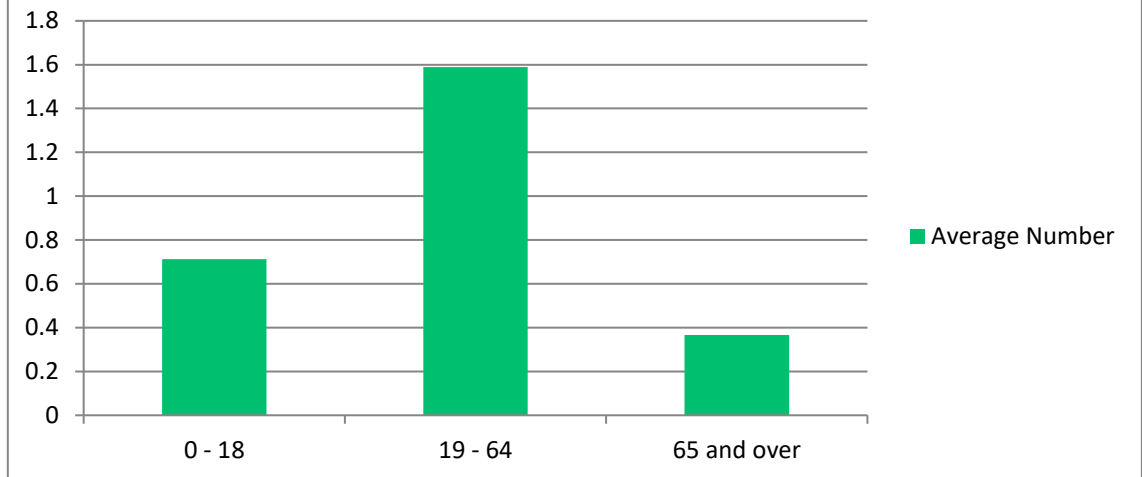


The majority of respondents (87%) owned their own home.



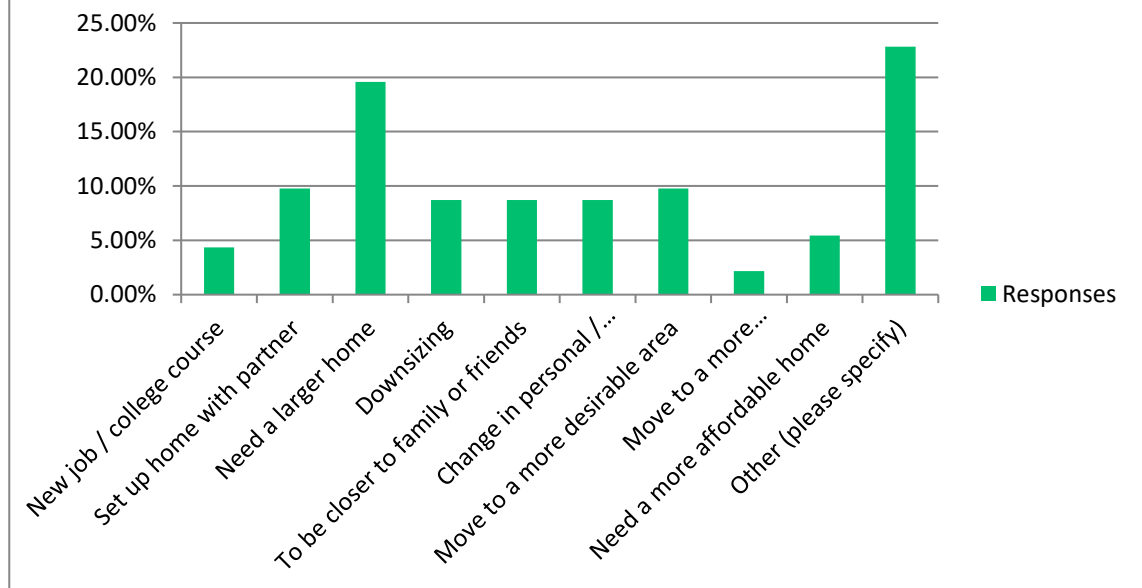
Families represented the largest individual household group at almost 40%.

How many people are there in your household from each of the following age bands?



The largest number of people (on average just under 1.6 people per household) were in the 19-64 (working age) band.

What is your main reason for moving?



A summary of the “Other” responses is listed below:-

- First home / first-time buyer / Moving out of parents housing into first home – 9
- Sold previous property - 1
- Children and work - 1

- Ill health, property with stairs – 1
- Build our own home – 1
- Retirement - 1
- Relocation from overseas – 1
- To escape the overcrowded and congested South – 1
- To be near work - 1
- Move to a more desirable area/ more environmentally home/ out of flood zone – 1
- Buying own home / buying own home, left private sector – 2
- Moved from a flat to a house – 1.

The most common reason for respondents moving home was people needing a larger home (almost 20%) followed by people setting up their first home.

7. RISKS

- 7.1** The key findings from all of the strategic documents and evidence bases summarised in this report: Carlisle’s emerging Economic Strategy; The Cumbria Housing Statement; CLEP’s emerging Housing Delivery Strategy for Cumbria; market and affordable completions data (2019-20); and Carlisle’s Movers’ Survey, provide important and valuable evidence, which will help to inform the Council’s decision-making in respect of strategic housing and economic matters. Updating this research provides the Council with a fit for purpose evidence base, which will mitigate against the risk of working with outdated information and data, ensuring that future strategies are relevant and clear in their intended objectives.

8. CONSULTATION

- 8.1** All of the strategic housing documents detailed in this report have been consulted upon with a wide range of stakeholders or will be in the case of emerging strategies.

9. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 9.1** This report provides Members of the Panel with the most recent evidence on housing need and delivery to enable them to scrutinise the effectiveness of existing and emerging strategies and initiatives, and to enable them to help inform the development of future housing and economic strategies.

10. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 10.1** “Address current and future housing needs to protect and improve

residents' quality of life.”

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Appendices **None**
attached to report:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL – There are no direct legal implications arising from the Report.

PROPERTY SERVICES – No Property implications.

FINANCE – The Council provides budgetary provision within the Housing function to undertake the reviews and analysis included in this report.

EQUALITY – The report includes positive references to the impact housing strategies can make upon issues such as affordable housing, vulnerable people, improving the quality of housing and increasing housing diversity. Consideration should be given to undertaking an equality impact assessment on the Economic Strategy, which recognises the need to grow and diversify the population of Carlisle.

INFORMATION GOVERNANCE – No information Governance implications.