

Building Sustainable Communities: Affordable Housing IN Salford

Foreword

**Cllr Connor
Cllr Antrobus
Stephen Porter**

Contents

	Page No.
Foreword	2
Chapter 1 Introduction & Context	5
Chapter 2 Defining Affordable Housing	18
Chapter 3 Evidence of Need	23
Chapter 4 Delivering Affordable Housing in Salford	57
Appendix 1 Action Plan	75
Appendix 2 Performance Management Framework	80
Appendix 3 Government's Response to Barker's Review of Housing Supply (December 2005)	81
Appendix 4 Affordable Housing Maps	82
Appendix 5 Needs Assessment Table	83
Appendix 6 Glossary	85

Chapter 1

Introduction & Context

This chapter:

- Introduces the strategy
- Summarises the key issues
- Presents the context
- Outlines the structure
- Explains our consultation process
- Demonstrates our monitoring mechanisms

Building Sustainable Communities: Affordable Housing IN Salford

Introduction

Nationally the need for more affordable housing is well documented and evidenced. Affordable housing is a top priority for Government and local authorities. High prices and a shortage of housing available at a reasonable price have made it increasingly difficult for people to find a home that they can afford. This lack of affordable housing has major consequences: households can be priced out of the market in some parts of the country; and people can find themselves living in unreasonable accommodation. The local picture has historically been that areas like Salford particularly in the North West do not have an affordable housing problem. This is because we have a plentiful supply of low cost housing for rent and for sale due to a high volume of low cost terraced housing and a high volume of council owned homes. However, as a result of detailed research¹ during the production of Salford's 2004-2006 fit for purpose housing strategy it became noticeable that some areas within Salford were beginning to suffer from the problem of affordability. This prompted the need for further research into understanding the need for affordable housing in Salford and the need for this strategy.

An affordable housing steering group and an affordable housing working group were established to provide strategic guidance during the research and to help develop the strategy. The working group was attended by officers from strategic housing and strategic planning services in the City Council, a representative from Manchester City Council Housing Services and a representative of one of Salford Council's five Registered Social Landlord (RSL) partners. The steering group was attended by a councillor from each of the three political parties and three representatives from Salford's Housing Partnership.

This strategy sets out our understanding of the need for affordable housing in Salford. We explain why this strategy is needed from a local perspective, outlining how it fits into the wider objectives of Salford's fit for purpose housing strategy and the Manchester Salford Housing Market Renewal Pathfinder programme. We present it in the context of regional and national drivers. It details the causes of affordability in Salford and examines the level of need. It defines affordable housing in Salford and concludes with how the strategy will be implemented, together with the process by which it will be monitored and reviewed. An action plan draws the strategy together into clear objectives, milestones and outcomes.

¹ Understanding Change: Housing Markets in Salford 2004 available at www.salford.gov.uk/housingstrategy

A glossary is provided in Appendix 6 explaining terms used in the strategy, which may be unfamiliar to some readers.

The strategy is the first step in the production of several key documents by the Council to tackle affordability in the City. It will be underpinned by planning policy in the form of a Supplementary Planning Document (SPD), as well as other key strategies, for example, an empty homes strategy. It is envisaged the strategy will be updated in Spring 2007 following the completion of the supplementary planning document and an updated housing needs and demand study both to be completed by Autumn 2006. The previous study was completed in 2003.

The strategy sets out the principles and approaches to tackling affordability in Salford.

Our three key aims for the strategy are to:

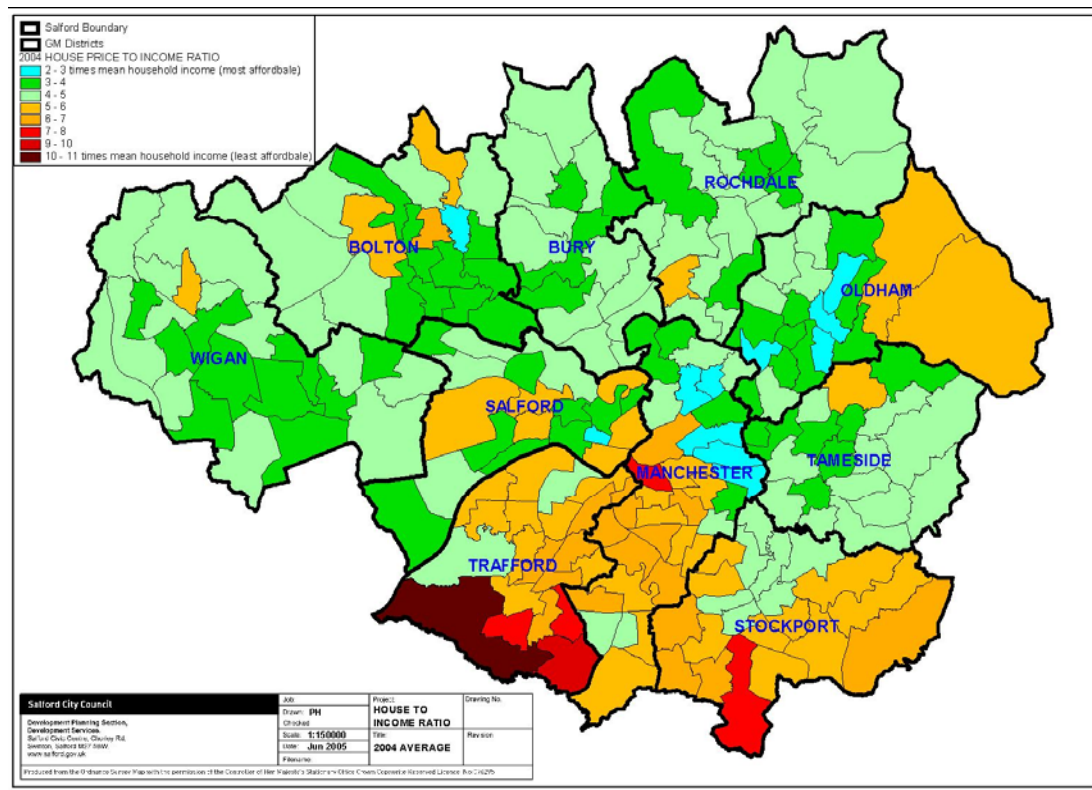
- Maximise investment for the provision of affordable housing in Salford
- To develop the appropriate processes, policies and strategies to tackle the shortage of affordable housing in Salford
- To continue to improve our understanding of affordable housing need in Salford.

Summary of key issues

The issue of a shortage of affordable housing in Salford is new. This has mainly been driven by:

- Increase in house prices
- Decrease in the vacancy rate of council housing
- Increase in number of right to buy applications
- Increase in the number of homeless households

Using three times household income, our analysis demonstrates that few areas in Salford are affordable for the average household in Salford, as shown in the map below. This indicates a growing need for the provision of new homes at an affordable price and new financial products to help households to access existing or new housing.



Our housing needs calculations demonstrate a need for an additional 320 rented homes a year to be provided by the local authority or a registered social landlord.

Our research has not been targeted at the housing needs of young people, older people or black and minority ethnic communities (BME) since we are producing specific housing strategies for young people, older people and BME communities as committed in Salford's fit for purpose housing strategy 2004-2006.

Structure

The structure of the strategy is as follows:

- Context
- Defining affordable housing
- Evidence of need
- Delivering affordable housing in Salford
- Action Plan

The consultation process

The Strategy was circulated to a number of groups for their consideration and comments. The consultation process was through a range of meetings and focus groups.

Staff and elected members

Staff and elected members were consulted through the following groups:

- Affordable Housing Working Group
- Affordable Housing All Party Steering Group
- Seminar with Councillors
- Environmental, Housing & Planning Scrutiny Committee
- Housing Partnership Strategy Development Group
- Housing Market Renewal Technical Group
- Seedley & Langworthy Partnership
- New Deal for Communities Board
- Central Salford Urban Regeneration Company Board
- Link to the Internet via the Housing Strategy page (www.salford.gov.uk/housingstrategy)
- Staff within the Housing and Planning Directorate were informed that the draft Affordable Housing Strategy was available to read on the Council's Internet and were asked to provide comments.

Salford Strategic Housing Partnership

A special meeting of the Salford Strategic Housing Partnership was held to discuss the content of the Strategy and to incorporate members' views. The Salford Strategic Housing Partnership was launched in September 2004 to bring together key stakeholders to provide strategic direction for the development of the housing system in Salford, and to ensure that strategies and priorities for housing have the full support and commitment of all partners, stakeholders and customers. The partnership is made up of public and private agencies, each with their part to play to improve housing and housing services in Salford.

The partnership is made up of representatives from the following groups or agencies:

- Salford City Council
- Registered Social Landlords
- New Prospect Housing Limited
- Accredited Private Landlords
- Salford Primary Care Trust
- Supporting People
- Financial industry
- Community and voluntary sector housing providers
- Developer and contractor partners
- Customers

External stakeholders

The following external customers were consulted:

- ***Private Developers***

A focus group was held with our private developer partners to provide comments on the Affordable Housing Strategy and to incorporate their views.

- ***Registered Social Landlords***

Salford's Registered Social Landlord (RSL) Strategic Issues Forum brings together the lead and support RSL partners in Salford, along with officers from the council and partner organisations to raise, discuss and take forward strategic issues of

relevance to RSL activity across the city. The strategy was presented to the forum and their comments incorporated into the document.

- ***Equality groups***

Consultation with equality groups took place through the Diversity Living Strategy consultation process. The groups were not provided with a copy of the draft Affordable Housing Strategy, however they were asked about their views of affordability.

The consulted groups include:

- Young BME school children
- Asylum seekers and refugees
- Congolese community
- Jewish community
- Islamic community
- Older Asian women
- Yemeni community
- Black community
- Gypsies and travellers

Community events targeted at the BME community took place, where leaflets were circulated explaining the nature of the consultation exercise and the opportunities for future engagement. Events were held at local community venues and interpretation services were made available.

Implementing and monitoring the strategy

Our action plan (found in Appendix 1) sets out the milestones for achieving the strategy. To avoid duplication and maximise performance management the milestones within the strategy will be adopted within the monitoring of Salford's 2007-2010 Housing Strategy, which will maximise the existing comprehensive performance management system, we have established. Appendix 2 displays our Performance Management Framework.

The Affordable Housing Steering Group and Working Group will continue to meet to take forward the aims and objectives of the

strategy and monitor progress.

As part of monitoring the strategy it is imperative that we not only monitor our actions but also changes in the housing market. To this end we have several processes in place and being developed:

- Tracking Neighbourhood Change - a Geographical Information System based monitoring system that tracks changes in key indicators, for example house prices. Currently the system only tracks change in the Housing Market Renewal area of Salford. However, work is underway to extend the system to the whole of the City. It is our intention to be able to produce quarterly reports from the system.
- Early Warning System (EWS) – the EWS monitors seven different indicators relating to ‘household turnover; household vacancy; housing benefit; house prices; domestic burglary; vehicle crime; and juvenile nuisance’, on a quarterly basis at postcode unit level.

These indicators are monitored against three triggers, which identify

- Those areas that have the severest deprivation;
 - Those areas with the highest rate of decline;
 - Those areas that have experienced continuous decline.
- Annual Monitoring Report (AMR)² - The Planning and Compulsory Purchase Act (2004) requires local planning authorities to produce an Annual Monitoring Report. This has to contain information on the implementation of the Local Development Scheme and the extent to which the policies set out in Local Development Documents (such as the Housing SPD which will contain affordable housing policy) are being achieved. If appropriate it will set out whether policies are to be amended or replaced.
 - Part of the 2006 commission of the housing need and demand survey includes a criteria to provide us with a framework for updating the survey findings on an annual basis, particularly levels of equity and savings which will help us gain a better understanding of the level of demand for intermediate housing in the city.
 - Project underway to improve the sharing of data on vulnerable customers across different agencies.
 - Partners IN Salford has commissioned the development of an ethnic monitoring framework, which we are involved in and are likely to adopt once complete.

² The Annual Monitoring Report 2004/5 can be downloaded at: <http://www.salford.gov.uk/living/planning/udp/annualmonreport.htm>

We will continue to monitor market change and work to develop policy as needed.

During the consultation process, we identified a gap in the data used for the strategy, which includes data on service charges for new housing. Whilst the value of the property may be deemed accessible, the addition of service charges makes monthly payments unaffordable. We will investigate how to improve our information on service charges. We will also investigate how maintenance costs of older properties impact on affordability. This will include investigating the difference in running costs between existing homes and new build properties.

Context

Local

The affordable housing strategy for Salford must be viewed in context of the wider objectives of Salford's fit for purpose housing strategy 2004-2006. In the housing strategy Salford sets the following priorities:

- Enable independent living in all our communities – to meet the needs of vulnerable people and contribute to wider health and care improvements
- Provide a greater choice of homes and of housing services - to attract families and new households into the city, retain existing communities, and contribute to wider community and neighbourhood sustainability
- Bring all homes to a decent standard – to enable vulnerable people to live in a decent home and to improve all homes in the public housing market to a standard that meets modern aspirations
- Ensure equal access to homes and housing services – to make sure that our current and future supply of housing, and our housing services, meet the needs of Salford's diverse communities
- Make sure we have the means to delivery the strategy – to have in place the resources, processes and structures to develop and deliver our housing strategy.

Our overarching aim in the housing strategy is to provide choice and access to quality homes and housing services for all. Our vision is to “Help create a future where people see Salford as a great place to live. A place where you can find a choice of popular homes in desirable locations, served by excellent housing services.”

The primary purpose of this strategy is to promote the opportunities by which we can help to achieve neighbourhoods of choice in Salford in which residents have a “choice of popular homes in desirable locations, served by excellent housing services’. It is one means by which we can deliver the vision and priorities in our housing strategy. The strategy presents the range of interventions and policies we are or will seek to use to achieve our vision.

The provision of high quality homes of the appropriate type and tenure is as important as providing affordable homes. A balance must be struck between meeting the needs of existing residents including retaining higher income households, and attracting new economically active households to the City. Housing affordability is not an issue that can be taken in isolation from the intermediate and open housing market, or from the myriad of factors contributing to sustainable neighbourhoods. This strategy is one part of a

bigger picture to develop and maintain sustainable neighbourhoods in Salford. To achieve our vision we are delivering our empty homes strategy, the Manchester Salford Housing Market renewal programme, our homeless strategy and landlord licensing amongst many other initiatives³.

The strategy will also help to achieve the themes of the Community Plan 2005-2010 *Making The Vision Real* one of which is to create a city that's good to live in through providing access to decent, affordable homes that meet the needs of local people. It will also assist another of the seven pledges, "reducing crime in Salford" as poor quality housing has an adverse effect on community safety.

The strategy will help to meet the aims of the Manchester Salford Pathfinder (MSP). The aim of the MSP is to provide the optimal mix of higher value homes within the market to both retain existing residents and attract new. It will re-provide affordable housing for residents affected by clearance. However, there will be aspirant homeowner households in central Salford whose incomes are unlikely to significantly change and will potentially be priced out of the improving market. House prices have been rising throughout the MSP area, often at a significantly higher rate than in other areas of Manchester and Salford.

Between June 2003 and June 2005 the average price of properties increased from £56,663 to £88,883⁴ an increase of 36% within the Manchester Salford Pathfinder area. This compares with a rise in Greater Manchester as a whole of 41.9% from £88,074 to £128,468. The MSP commissioned a programme of work called Research, Foresight and Intelligence (RFI) to inform future investment. The MSP tracks neighbourhood change. It analysed the pattern of sales by value between 2000 and 2004 and found that the number of sales of properties below £10,000 had dropped from 366 in 2000 to just 23 in 2004 and that the number of sales of properties at less than £50,000 had dropped from 965 to 521 in the same period. This indicates a huge reduction in the availability of affordable properties within the housing market renewal area in Salford. An area in which the average household income is £19,500⁵.

The MSP makes an important distinction between low value housing and affordable housing. Low value housing is often in poor repair and located in neighbourhoods that do not support local services. This can mean that whilst the initial cost of purchasing the

³ Further details of these initiatives can be found in "Making the Future Happen in Salford our Strategy for Housing in Salford 2004-2006".

⁴ House price data from Land Registry

⁵ 2004 CACI Data

home is low in relative terms, the cost of repairs and maintenance and of travelling to access services mean that the cost of living in such a home is more expensive than living in a higher value home in an area of medium or high demand.

The MSP is experiencing a dwindling supply of available quality affordable housing.

Regional

Affordability is the second highest priority within the North West Regional Housing Strategy. It seeks to tackle the shortage of affordable housing in areas of the North West where demand for additional housing is high, and where this impacts adversely on social inclusion and sustainable growth of local, sub regional and regional economies. This strategy is aligned with its aim of providing affordable homes to maintain balanced communities.

The strategy supports the objectives of the Manchester City Region Development Plan (CRDP), which recognises that the current poor quality and choice of housing in the region is a constraint on the conurbation's economic growth. The Manchester CRDP sets out the key actions required to accelerate the growth of the Manchester city region and identify ways to close the productivity gap between the North and the national average. It seeks to increase inward migration and to retain wealth creators and skilled workers by ensuring quality and choice of housing. It points to problems of affordability and obsolescence. It notes that affordability is an issue, which also affects more deprived areas due to the lower incomes of residents and seeks to ensure that all residents can access a choice of good quality affordable housing.⁶

This is echoed by the Housing Corporation, which states that without good quality affordable housing for employees, economic growth in Manchester will be hampered by difficulties in attracting and retaining new businesses and skilled graduates.

"Affordable housing is absolutely crucial to delivering the economic growth which the Northern Way⁷ initiative seeks for Manchester. We are committed to providing good quality affordable homes in the right places. Not only will this underpin the

⁶ Accelerating the Economic Growth of the North 2005

⁷ "The Northern Way: A cross-regional strategy created by the three Northern Regional Development Agencies and their partners in response to the ODPM's Sustainable Communities Plan progress report Making it Happen: the Northern Way, the purpose of which is to create a step-change in economic growth across the North of England." (North West Regional Housing Strategy 2005)

development of the right workforce with the right skills for the region, it will ensure that entire communities are regenerated". John Rouse Chief Executive of the Housing Corporation⁸.

We recognise that the Regional Spatial Strategy (RSS) will influence the principles and approaches outlined in the strategy. The RSS is being drafted and whilst it does not specify a target for affordable housing currently one may be set in due course. Therefore when we review our strategy in Spring 2007 we will incorporate the adopted RSS.

National

The national Government's objective for housing policy is simple and fundamental - to ensure a decent home for every individual in the country⁹. It recognises housing as a basic need to which everyone has a right.

In Homes for All¹⁰ the Government presented the next phase for delivering its Sustainable Communities Plan. The aim - to make sure that there are enough high quality homes across the whole spectrum of housing from owner-occupied to social and private rented, and to help more people to own their own home. It set a clear directive to all local authorities across the country.

The Government followed Homes for All with its response to the Barker Review on Housing Supply (found in Appendix 3). It aims to provide more homes to help meet demand including the provision of affordable housing through increasing the supply of social housing and delivering shared equity schemes. Achieving this will require housing supply to become much more responsive to demand. In December 2005 Government published draft Planning Policy Statement 3: Housing. The statement aims to ensure the planning system is more responsive to changing demands by releasing more land, in the appropriate places and at the appropriate times to meet current and future housing requirements. The key objective of the statement is to ensure that everyone has the opportunity of living in a decent home which they can afford in a community they want to live.

Our strategy is aligned and supportive of the national Government's agenda through to the aims of the City Region to the themes of Salford's Local Strategic Partnership to our own strategic housing priorities in Making the Future Happen our Housing Strategy for Salford 2004-2006.

⁸ "Affordable Housing shortage threatens Manchester's economic growth", Housing Corporation News Release (November 2005).

⁷ Housing policy: an overview (HM Treasury 2005)

¹⁰ Sustainable Communities: Homes for All 2005

Chapter 2

Defining Affordable Housing

This chapter:

- Discusses how to define affordable housing
- Presents the definition of affordable housing for Salford

Defining Affordable Housing

There are many variations to defining affordable housing. Without wanting to oversimplify what affordable housing is, we are defining affordable housing under the following three categories:

- **Social Rented Housing** - Rented housing owned by local authorities and Registered Social Landlords (RSL) for which guideline target rents are determined through the national rent regime set by the Housing Corporation. Generally Social Rented Housing is branded as Affordable Rented Housing by RSLs in order to widen market appeal.
- **Intermediate Housing** – Housing at prices or rents above those of social rent but below market prices or market rents. (Some definitions of affordable housing include low cost home ownership (LCHO) initiatives in this definition. For the purposes of this document LCHO will be dealt with separately).
- **Low Cost Home Ownership** – Broadly defined as housing for sale on a shared ownership basis (the share normally being between the owner and an RSL) and housing for sale at less than market value upon first sale (perhaps with a covenant covering reductions from market value at re-sale) provided by a developer. Shared ownership has recently evolved into new initiatives and definitions instigated by the Office of the Deputy Prime Minister (ODPM) and the Housing Corporation. Full details of New Build and Open Market Homebuy can be found on page 64.

The common thread running through all of the aforementioned definitions is that affordable housing should:

- meet the needs of eligible households,
- be available at low enough cost for them to afford, determined with regard to local incomes and local house prices;
- include provision for the home to remain at an affordable price for future eligible households
- or, if a home ceases to be affordable, any subsidy should generally be recycled to provide additional affordable housing.

For analytical purposes we have used three times household income as an affordable level to purchase a home. This was agreed by the working and steering group after much discussion for a number of reasons.

- We are using household income rather than individual income for the analysis, as household income is more readily available at a lower geographical level.
- We acknowledge that financial products are available that will provide mortgages at a higher multiplier but a 3 times multiplier is more common.
- We did not feel we should be encouraging households to take on unsustainable debts.

A Definition of Affordable Housing for Salford

It is proposed to use the following definition for affordable housing in Salford:

Affordable housing is social rented housing and intermediate (including Low Cost Home Ownership) housing for sale or rent, that will be available to households who cannot afford to rent or buy houses generally available on the open market.

This will be calculated on the basis of the relationship between average household incomes in Salford and market values of appropriate property sizes within Salford's housing market. There will be provision for the home to remain at an affordable price for future eligible households, or if a home ceases to be affordable, any subsidy should generally be recycled for additional affordable housing provision.

Social (Affordable) Rented Housing is rented housing owned and/or managed by local authorities and registered social landlords for which guideline target rents are determined through the national rent regime of the Housing Corporation.

Intermediate housing is housing for rent, which is below market levels but above social rent levels, and is housing for sale that is sold at below market value or on an equity share basis.

Affordable Homes to Rent and to Buy

Homes to Rent

Rents would be agreed under equivalent rental arrangements to the local authority or those funded with grant from the Housing Corporation, as provided for in the Housing Act 2004.

Homes to Buy

An affordable dwelling price would be less than three times the lower quartile household income for the city of Salford. Currently -

3 X lower quartile Household Income¹¹

$$3 \times £19200 = £57600$$

In this context, lower quartile income is the bottom 25% of Salford's household income.

This is very close to the Government's desired £60,000 house. It is likely that those who fall within housing need would require housing at this price level, or social rented housing. However, it is unrealistic to expect all new affordable homes to be available at this price. Our analysis shows there is a need for intermediate housing for sale. An affordable price for an intermediate home would be less than three times the average household income for the Salford. Currently this is -

3 X Mean (average) Household Income

$$3 \times £23400 = £70200$$

Therefore we would suggest that properties selling between £57,600 and £70,200 would be considered affordable to first time buyers.

¹¹ Source: 2004 CACI data

Chapter 3

Evidence of Need

This chapter:

- Presents the level of housing need
- Examines affordability in Salford
 - Homelessness
 - House prices
 - Right to Buy
 - Income levels

Housing Need

Before looking at the evidence of need, need itself should be defined. This is defined in 'Housing Market Assessments: Draft Practice Guidance' (ODPM, 2005), where housing need refers to 'households who lack their own housing or live in unsuitable housing and who cannot afford to meet their own housing needs in the market'.

Housing Needs Assessment

The Needs Assessment Table was developed by the Centre for Housing and Planning Research, University of Cambridge for ODPM¹², and provides a formula for calculating the need for affordable housing at a local level.

The table below provides a basic outline of the model. It should be noted that housing need and housing supply are expressed in terms of annual flows (i.e. the number of units per year) over a prescribed period. Gross figures (such as household formation, migration, etc) are inputs into the model, which, after subtracting supply from need, can then produce a net annual shortfall of dwellings.

AVAILABLE STOCK TO OFFSET NEED (times a yearly quota)	605
Plus	
NEWLY ARISING NEED	3309
Minus	
FUTURE SUPPLY OF AFFORDABLE UNITS	3594
Equals	

¹² Local Housing Assessment – A Practice Guide (Discussion Draft), Cambridge Centre for Housing and Planning Research, ODPM (March 2005) and 'Housing Market Assessments: Draft Practice Guidance', ODPM (2005).

NET SHORTFALL (OR SURPLUS) of affordable units per year	320
--	-----

The Needs Assessment Table can be calculated using existing information and survey data. We have calculated housing need using only existing data, as we do not have up to date, robust survey information. We will be ensuring that the Needs Assessment Table is also completed using survey data as part of the Housing Market Demand and Housing Needs Study 2006.

The net shortfall or surplus of affordable housing, is the overall level of affordable housing that would need to be provided each year in order to meet housing need over the chosen time period.

This table calculates an annual shortfall of 320 affordable units in Salford per year, over 11 years.

A more detailed Needs Assessment Table can be found in Appendix 5 which shows the full process and figures used to calculate the number of homes required.

On the basis that Salford's annual new housing requirement is 1,600 new homes a year based on the Draft Regional Spatial Strategy 2006. It would consequently seem appropriate for Salford to require a minimum of 20% of all new housing developments should be affordable given the need for approximately 320 affordable properties. However, we have an aspirational target of 25%. Therefore, it is our intention to propose a range of percentage requirements applied flexibly, across the city. The details of its application will be set out in the Council's Housing Supplementary Planning Policy Document, which will be adopted in November 2006 (further details can be found on page 68).

Table below shows the level of affordable housing that the rest of Greater Manchester (and Warrington) requires.

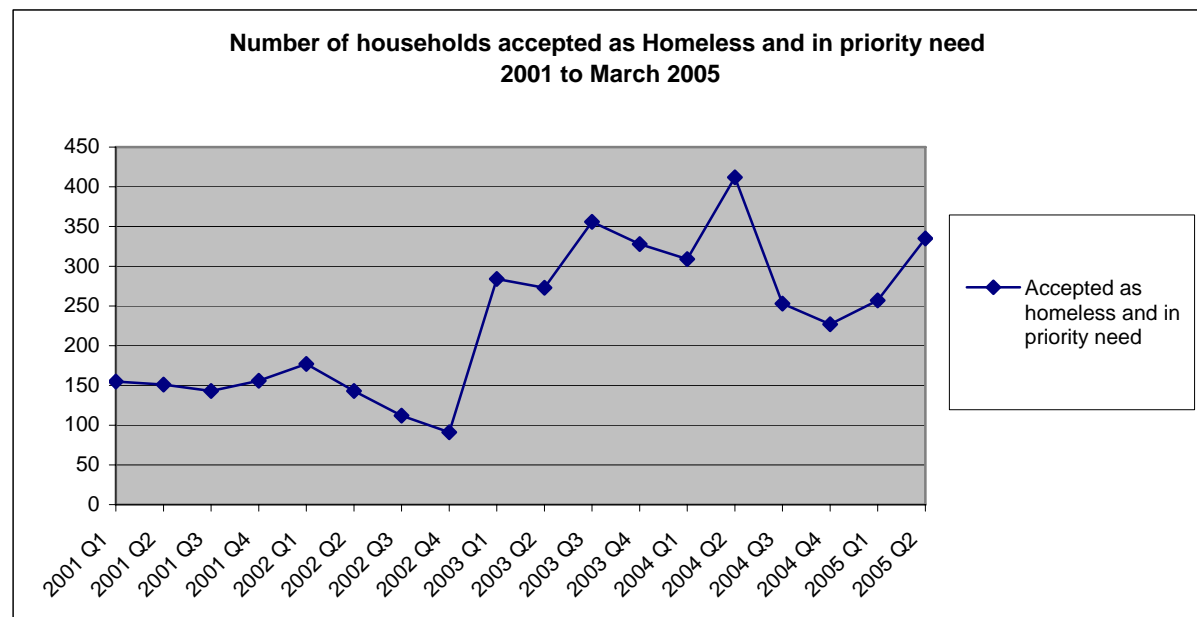
- Bolton 20%
- Bury 25%
- Rochdale will negotiate an element
- Stockport 25%
- Manchester currently developing policy
- Oldham general presumption of 25 %
- Tameside will encourage the provision of affordable housing through negotiation and partnership agreements
- Trafford 25-35% dependent on location
- Warrington 20%
- Wigan 20%

Causes of affordable housing problems in Salford

Homelessness

The most visible need for affordable housing is homelessness. In recent years there has been a dramatic change in the level of homelessness in Salford. The number of homeless applications accepted in Salford between 1998 and 2003 dipped to a low of 483 in 2000/2001. Nevertheless, during 2003/2004 acceptances dramatically increased to 1278 in three years.

Homelessness	
Year	No. of Acceptances
1998/9	828
1999/00	519
2000/01	483
2001/02	687
2002/03	778
2003/04	1278
2004/05	1149



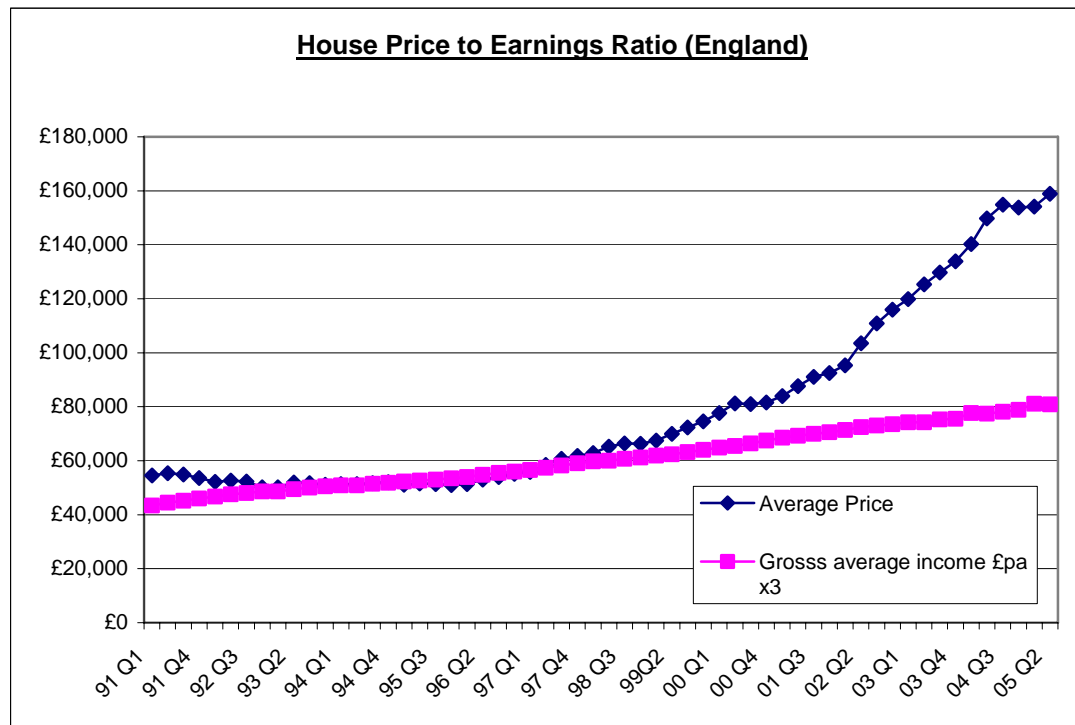
(Source: ODPM P1E Returns¹³)

¹³ These figures are supplied quarterly to the ODPM by the Homelessness team on the P1E form.

Homelessness is both a symptom and a cause of the increasing affordability problem. Some people are driven into homelessness by problems of affordability. The authority has a duty to house those accepted as homeless in an affordable home.

House Prices

Increasing house prices make it especially difficult for younger, less affluent households to purchase their own home. The ability of buyers, especially first time buyers, to enter the housing market is largely based upon house price to income ratios.



Source: SABRE 2005

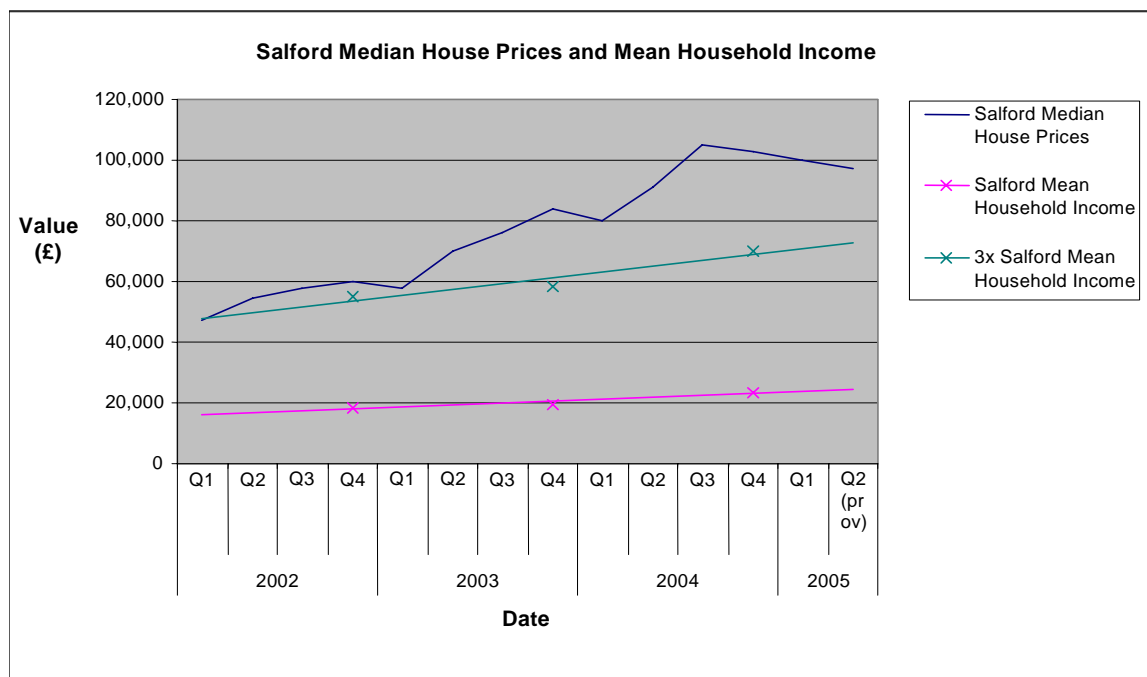
In this graph we can see how nationally problems of affordability start to emerge as house prices and average household earnings (multiplied by 3 to take into account level of mortgage available) begin to diverge dramatically.

This is a situation replicated in the North West as we can see in the table below. The majority of local authority areas have a house price to income ratio in excess of five times by 2004/2005. This means that the average price of a house in the local authority would cost an average household five times their income. Salford has an income to house price ratio in excess of five.

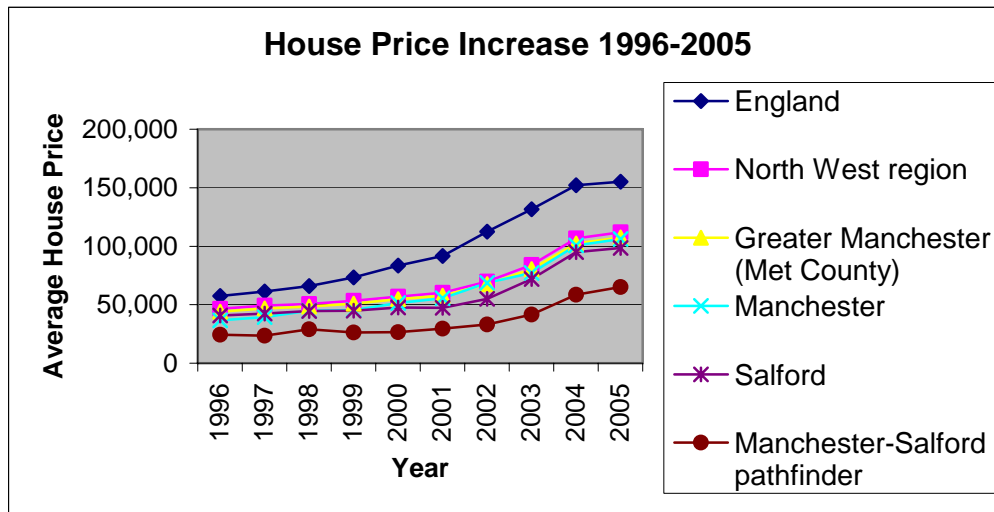
Ratio of average house prices to mean incomes	
Ratio	Districts
Less than five	Barrow-in-Furness, Blackburn with Darwen, Burnley, Copeland, Hyndburn, Manchester, Pendle
Between 5 and 7	Blackpool, Bolton, Bury, Chorley, Ellesmere Port and Neston, Halton, Knowsley, Lancaster, Liverpool, Oldham, Preston, Rochdale, Salford , St. Helens, Tameside, Wigan
Between 7 and 9	Allerdale, Carlisle, Chester, Crewe and Nantwich, Fylde, Macclesfield, Rossendale, Sefton, South Ribble, Stockport, Vale Royal, Warrington, West Lancashire, Wirral, Wyre
9 or more	Congleton, Eden, Ribble Valley, South Lakeland, Trafford
Sources: Annual Survey of Hours and Earnings 2004, ODPM; Land Registry Q1 2005 House Prices	

The graph below shows the growing affordability gap for first time buyers in Salford, over the last three years (2002 – 2005). The graph shows the median house prices for Salford and the mean household income. The median figure is found by listing a range of house prices in order and taking the middle value - this middle value is the median. The mean household income can be defined

as the average household income. This is calculated by adding individual household incomes, and dividing the total by the number of households in the area.



The chart below shows how house prices have increased across the region, and while Salford house prices are still below the national average, we can see that prices are following national and regional trends.



Source: Office for National Statistics 2005

The average annual household earnings in Salford of £23,425 means that all wards in Salford now exceed the 3:1 affordability ratio. When we completed the housing strategy in 2004 only 9 wards exceeded the 3:1 affordability ratio.

Looking at the local level we can see that the increase in house prices is not uniform across the city. The table below shows how mean house prices in each ward have increased between 2002 and 2004.

Annual average house prices by ward and percentage change

Area	Mean House Price 2002	Mean House Price 2003	Mean House Price 2004	% Change 2002-2003	% Change 2003-2004
Barton	£43,529	£63,007	£76,379	44.7%	21.2%
Boothstown & Ellenbrook	£134,919	£152,247	£179,295	12.8%	17.8%
Broughton	£37,641	£48,110	£54,876	27.8%	14.1%
Cadishead	£54,521	£71,070	£95,558	30.4%	34.5%
Claremont	£68,784	£88,179	£104,210	28.2%	18.2%
Eccles	£101,469	£112,319	£143,596	10.7%	27.8%
Irlam	£64,268	£78,454	£103,634	22.1%	32.1%
Irwell Riverside	£47,697	£59,559	£67,716	24.9%	13.7%
Kersal	£89,128	£91,618	£124,807	2.8%	36.2%
Langworthy	£20,505	£40,079	£62,973	95.5%	57.1%
Little Hulton	£45,819	£60,282	£73,381	31.6%	21.7%
Ordsall	£99,651	£116,569	£133,926	17.0%	14.9%
Pendlebury	£57,151	£86,157	£118,435	50.8%	37.5%
Swinton North	£55,682	£72,442	£91,219	30.1%	25.9%
Swinton South	£69,067	£86,860	£103,617	25.8%	19.3%
Walkden North	£54,232	£60,183	£78,737	11.0%	30.8%
Walkden South	£75,727	£95,256	£117,867	25.8%	23.7%
Weaste & Seedley	£65,224	£68,510	£79,007	5.0%	15.3%
Winton	£52,000	£70,039	£81,572	34.7%	16.5%
Worsley	£153,161	£173,697	£231,553	13.4%	33.3%
Salford	£73,695	£90,073	£118,655	22.2%	31.7%

Source: Land Registry house price data

Affordable Housing Maps

To get a better understanding of affordability in Salford we have turned our data into maps, which highlight:

- House price to income ratios from 2002 through to 2004
- Affordable areas based on three times income for a range of household incomes
- Affordable areas for key workers e.g. nurses and social workers
- Affordable areas based on average household incomes for different wards in Salford.

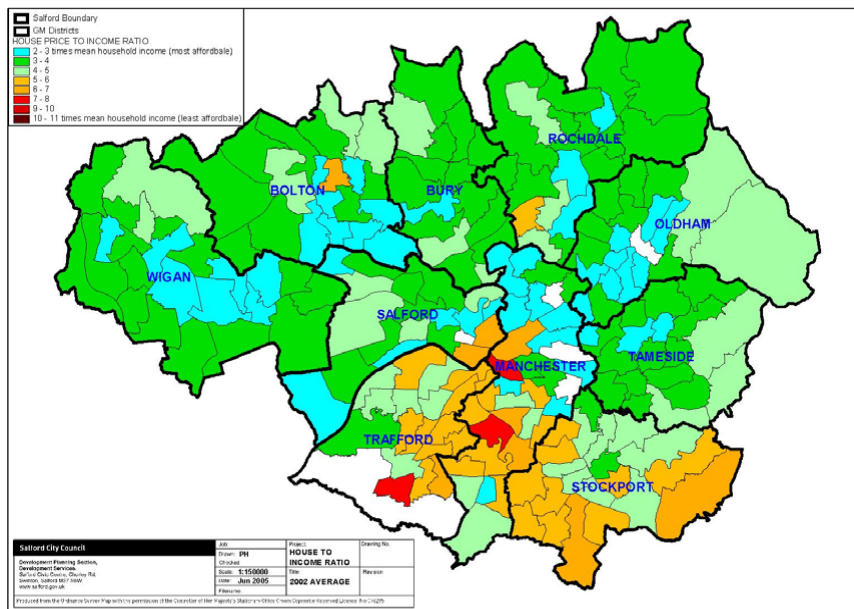
A detailed explanation of our maps can be found in Appendix 4.

Using maps to inform our understanding has clearly highlighted a growing problem of affordable housing in the intermediate housing market. It is likely many of the households excluded from home ownership by increasing house prices will not be picked up by our housing need calculation, for example recent graduates, nurses and police officers.

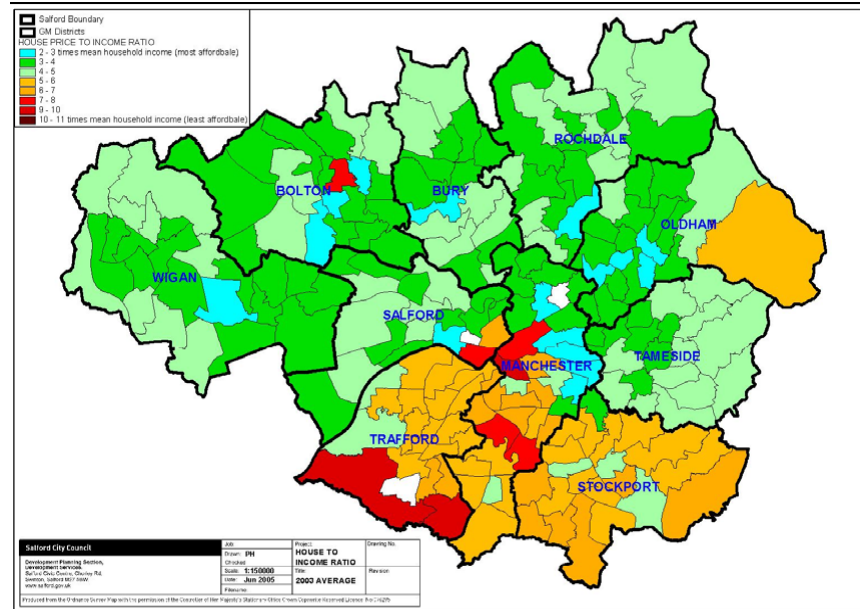
House Price to Income Ratios

This sequence of maps illustrates how the ratio of incomes to house prices has worsened between 2002 and 2004. We consider the affordable areas to be the pale blue area where house prices are 2-3 times mean household income and bright green 3-4 times mean household income. The pale green areas are on the edge of affordability at 4-5 times income. The orange and red areas we would consider to be unaffordable to first time buyers or those with little equity as they range from 5-11 times mean household income. In 2002 most of Salford was affordable.

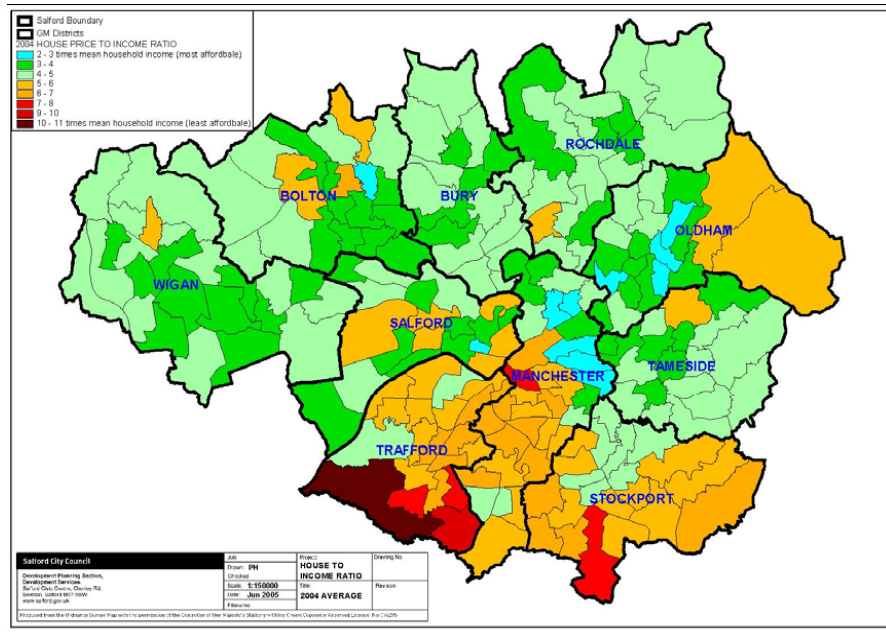
2002



2003



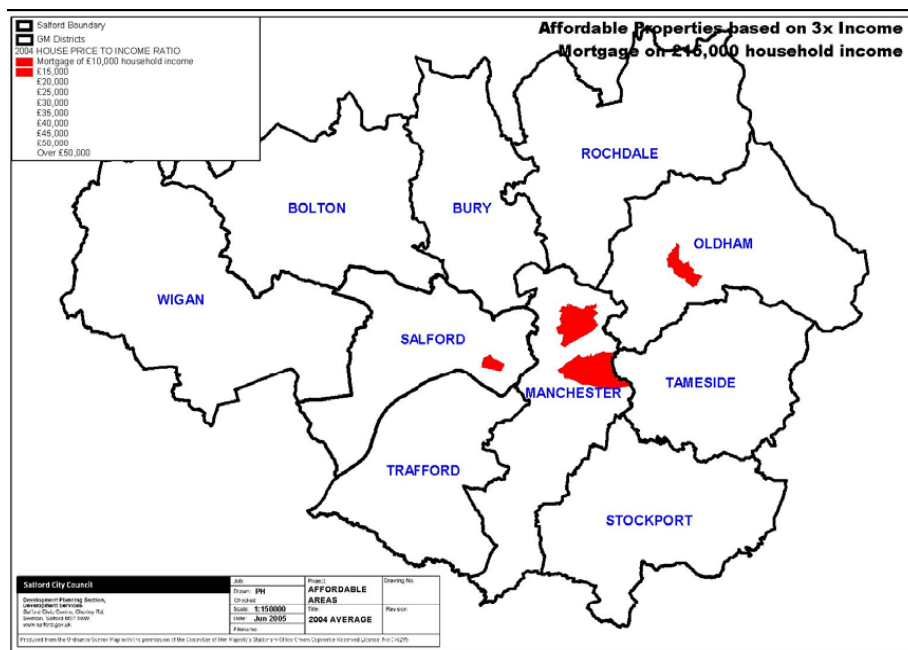
2004

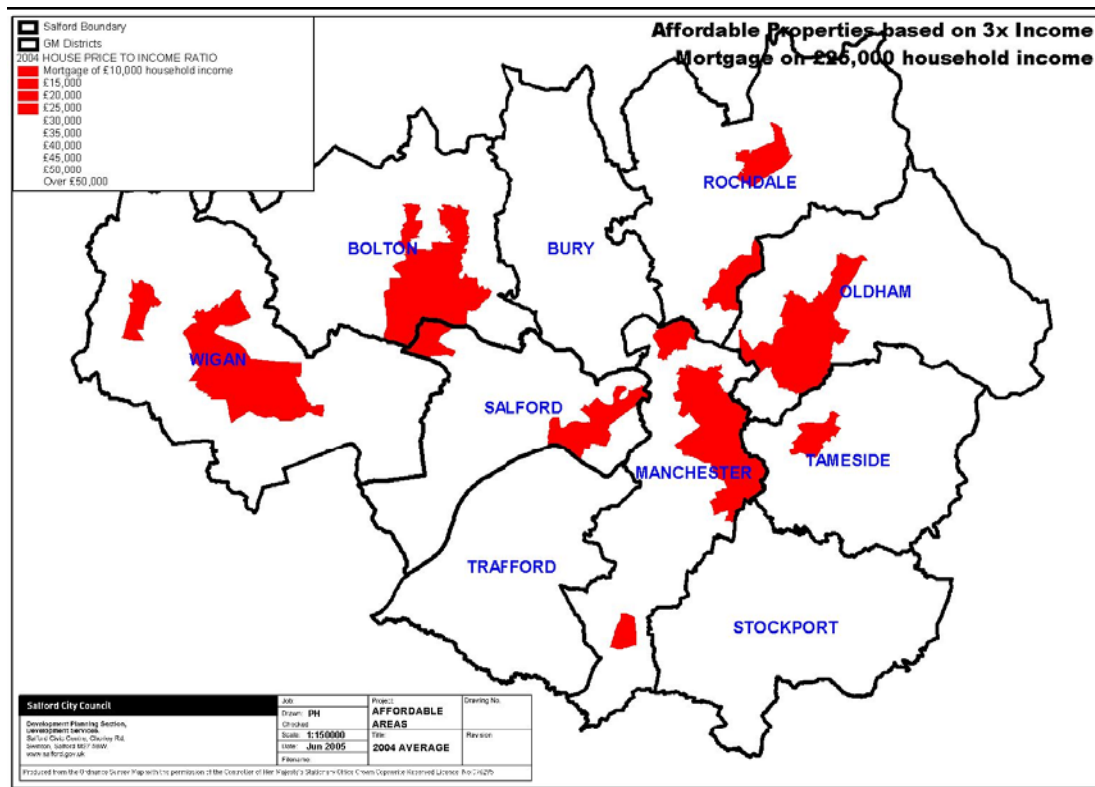


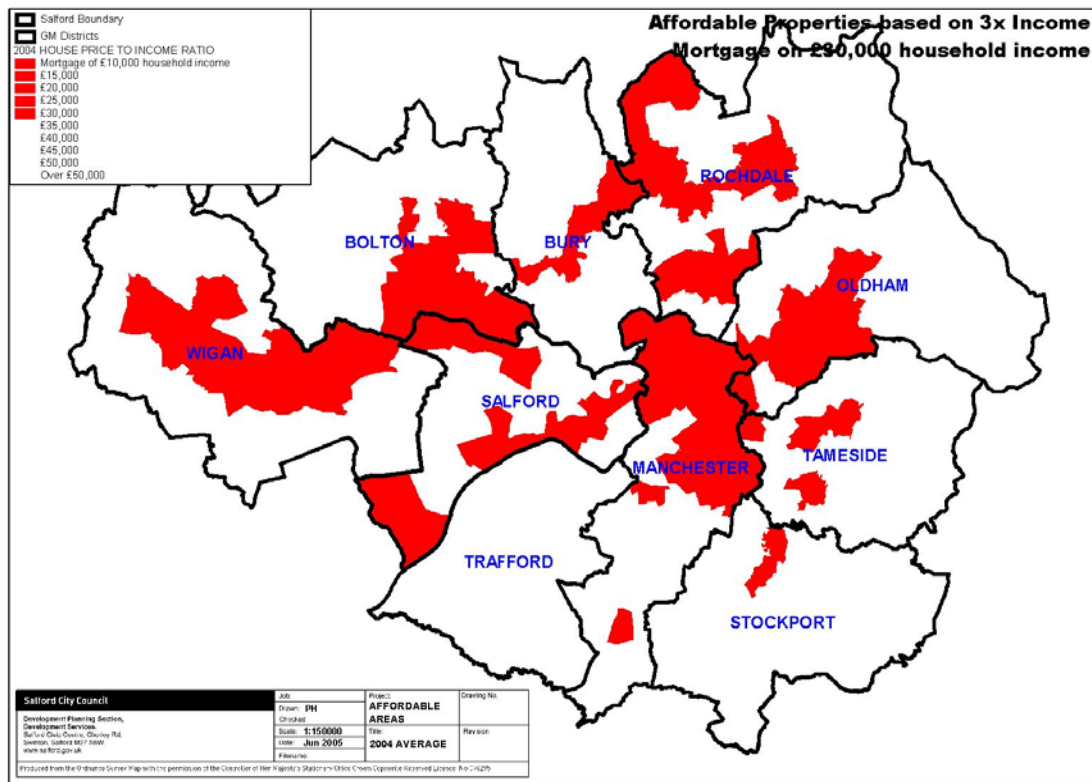
In 2003 we see the number of affordable blue and bright green areas are reduced. By 2004 many areas of Salford are no longer affordable to first time buyers on mean household income.

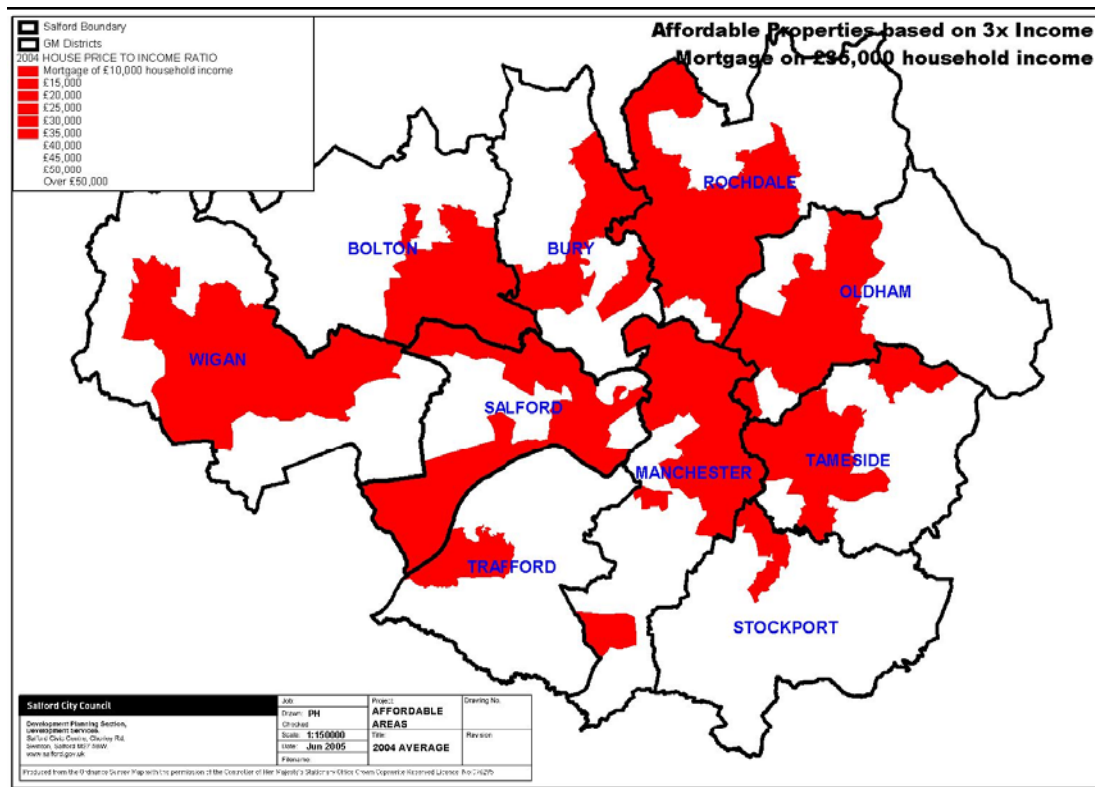
Where can households afford to purchase on incomes from £15,000 - £50,000?

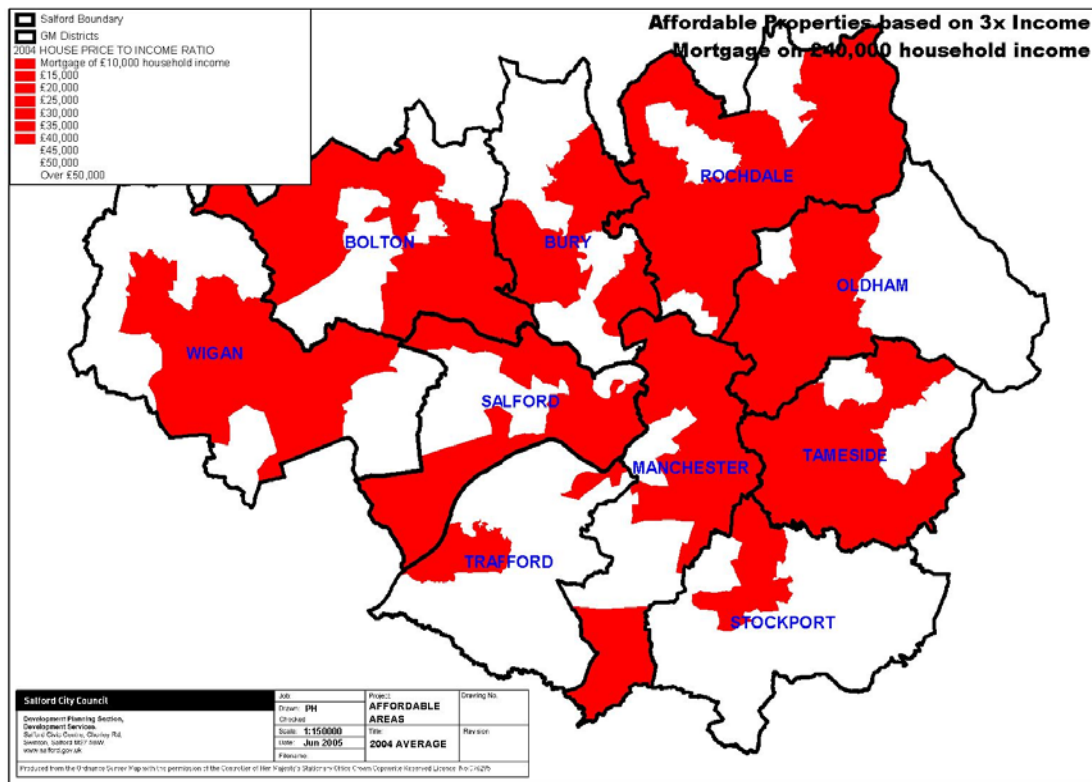
Our next sequence of maps shows that without existing equity, households earning less than £40,000 per year, have little choice of where to buy in Greater Manchester. This suggests that there is an increasing problem for households that would traditionally not qualify for RSL or council housing and have been homeowners, in that they now face very little choice in where they can buy a home. This potentially indicates a demand for intermediate housing.

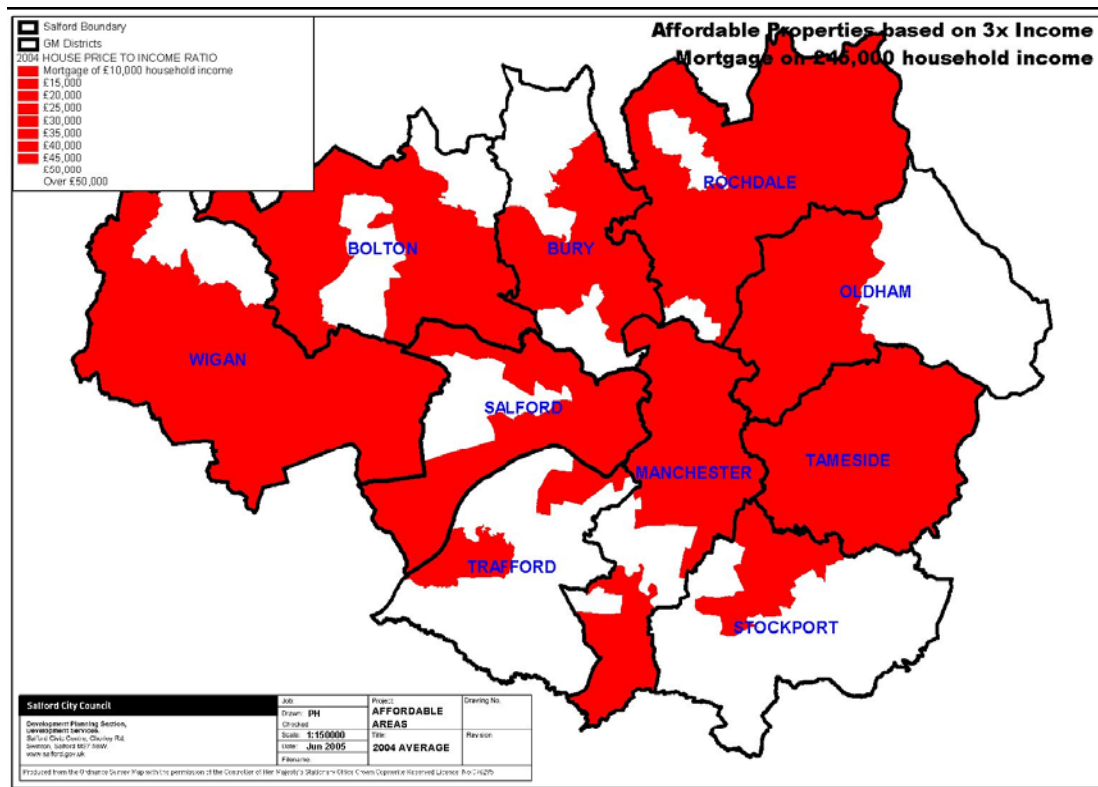


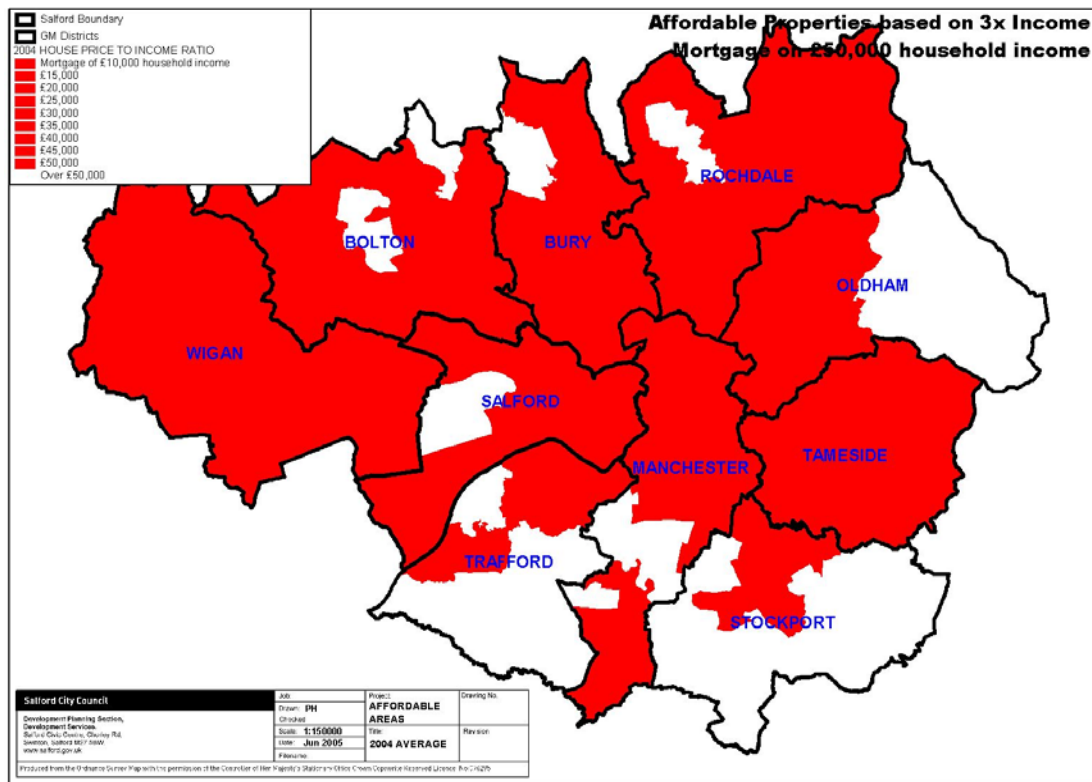












Key workers

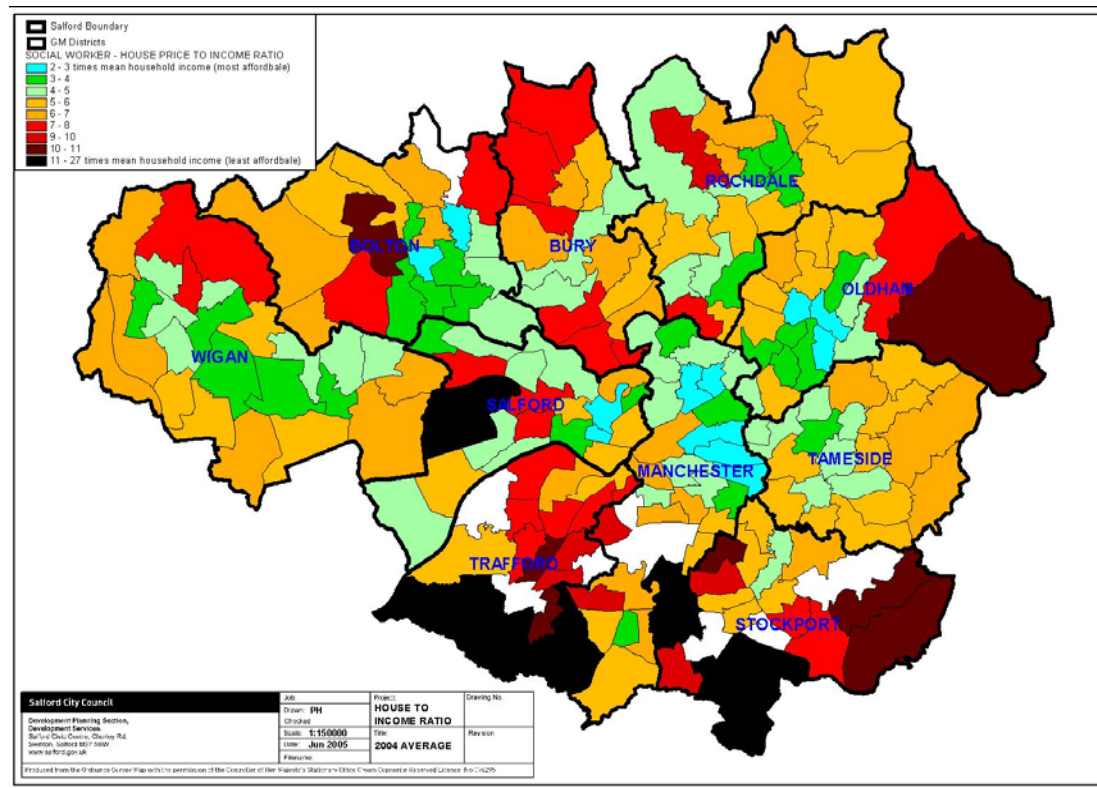
Increasing house prices also mean significant numbers of key workers – such as teachers and nurses – are increasingly unable to afford to purchase a home in an area reasonably close to where they work. This is likely to impact on recruitment and retention and will have a knock-on effect on the delivery of public services.

The ODPM class the following as key workers:

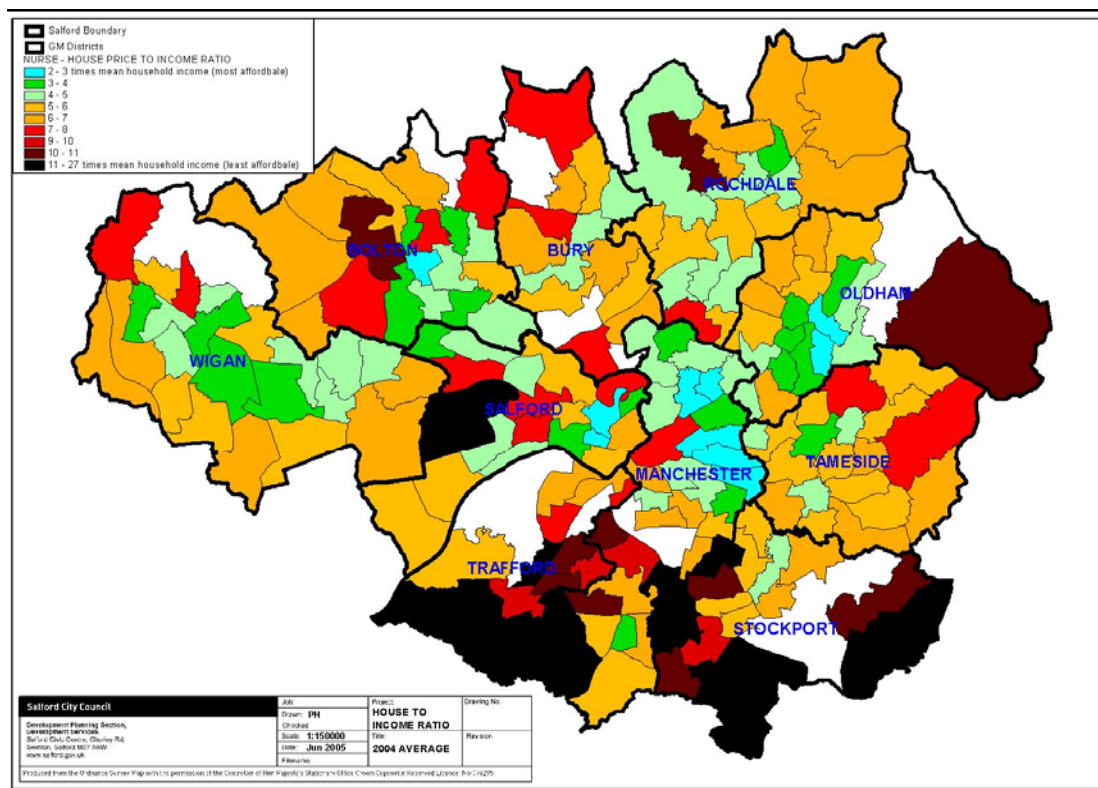
- all clinical NHS staff,
- teachers in schools, further education and sixth form colleges,
- police officers and community support officers,
- uniformed staff in Fire and Rescue Services,
- prison and probation service staff,
- social workers, occupational therapists, educational psychologists, rehabilitation officers for the visually impaired, speech and language therapists and qualified nursery nurses,
- local authority employed clinical staff

The following maps show that based on the starting salary of nurses and social workers, they would have limited choice of where to buy a home in Greater Manchester (based on three times their income).

Social Workers



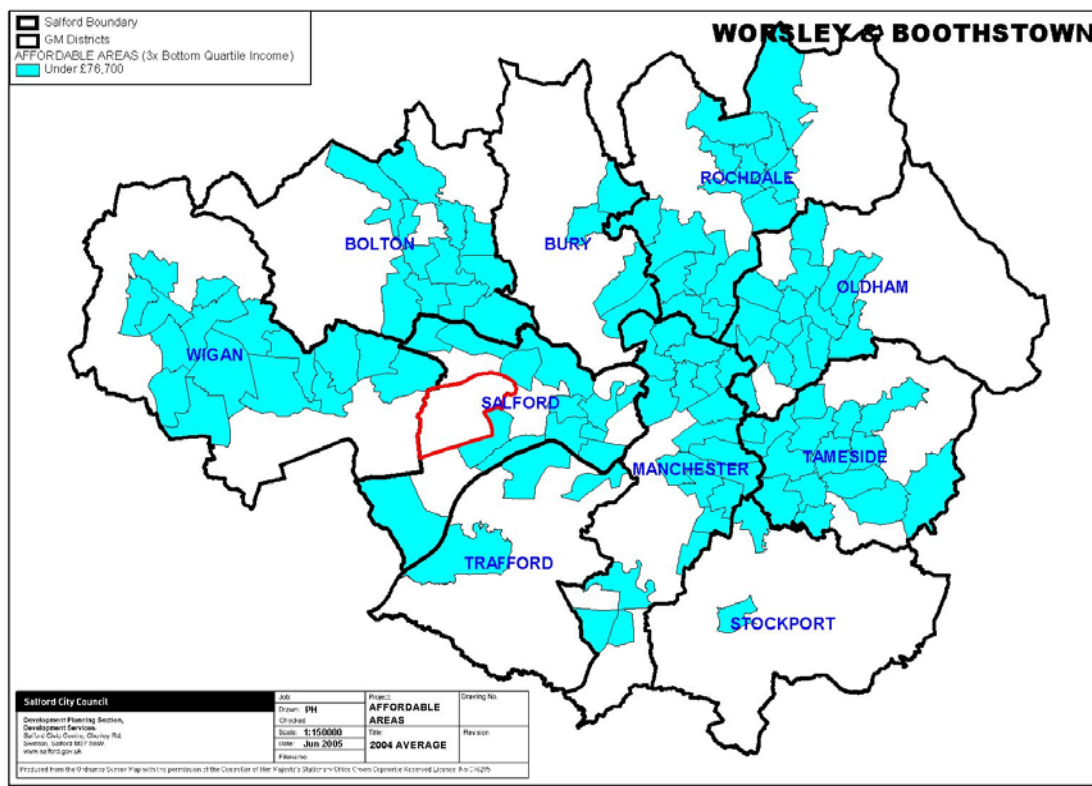
Nurses



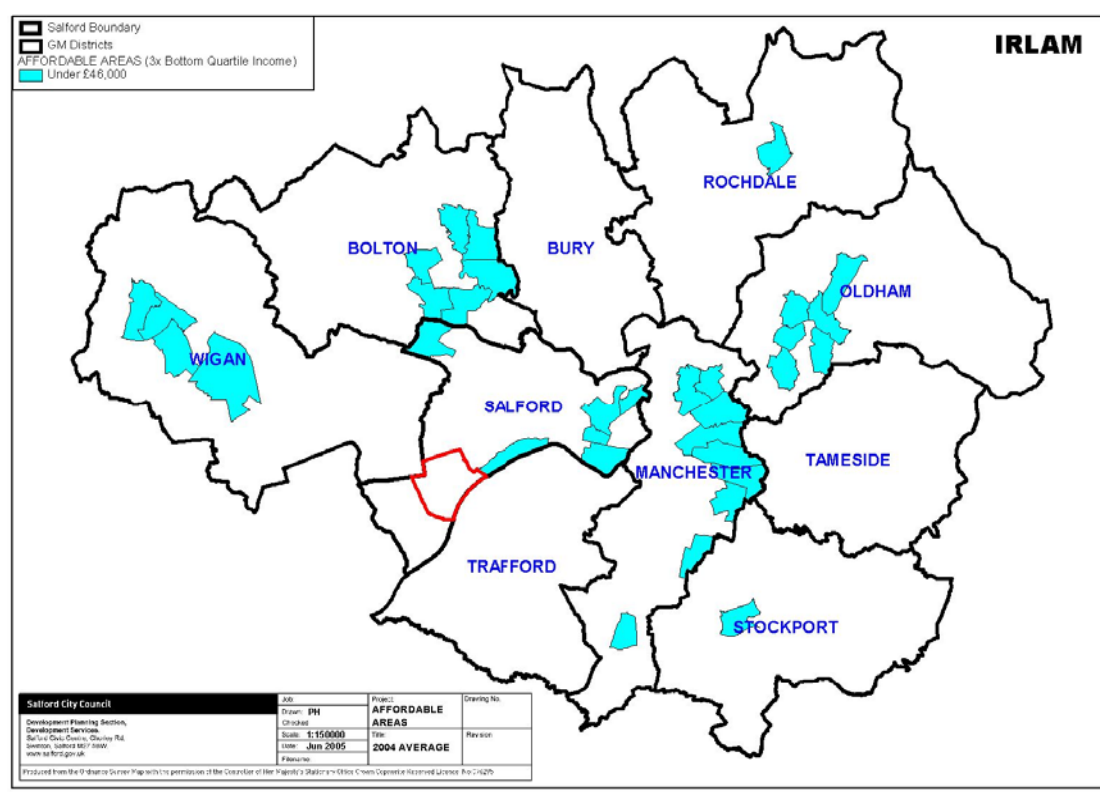
Through the consultation process, we have been told that Salford is beginning to struggle to recruit social workers and that affordability may be a factor in this. We will do further research into the reality for key workers in Salford. We would argue that this analysis demonstrates a potential need for key worker housing in Salford.

Affordable Areas

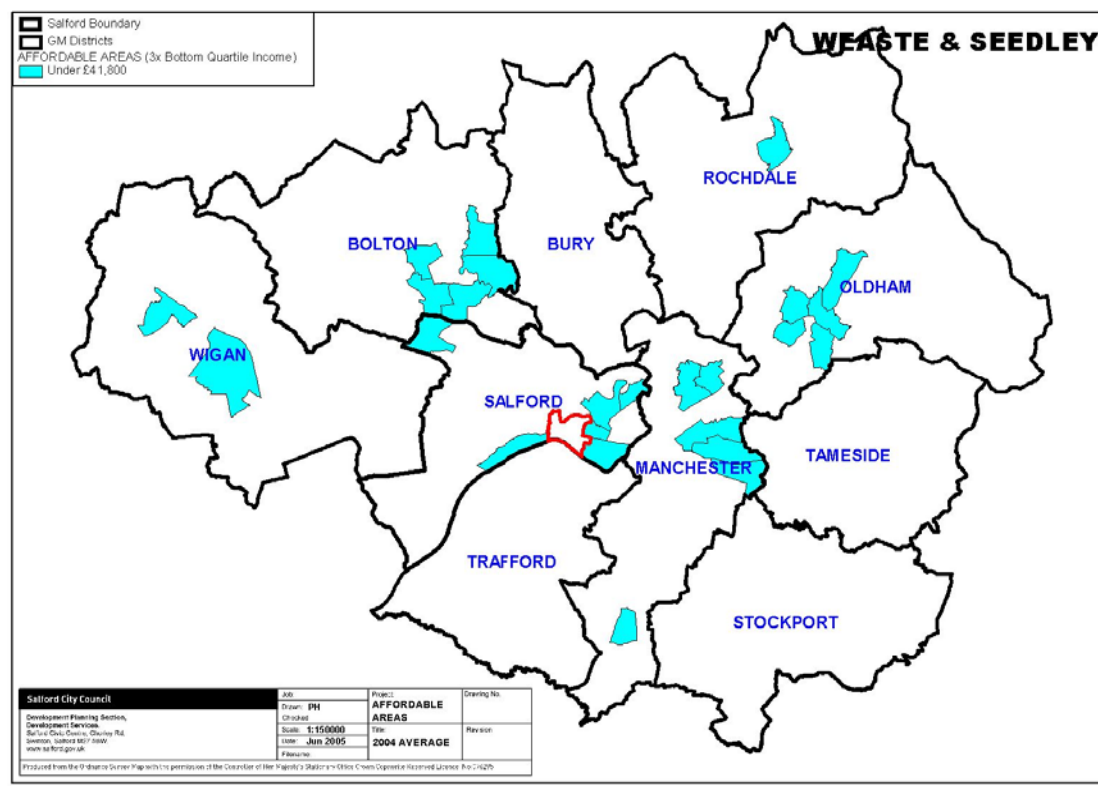
The next sequence of maps shows where households from a particular ward in Salford, outlined in red, could afford to purchase if they were on lower quartile income.

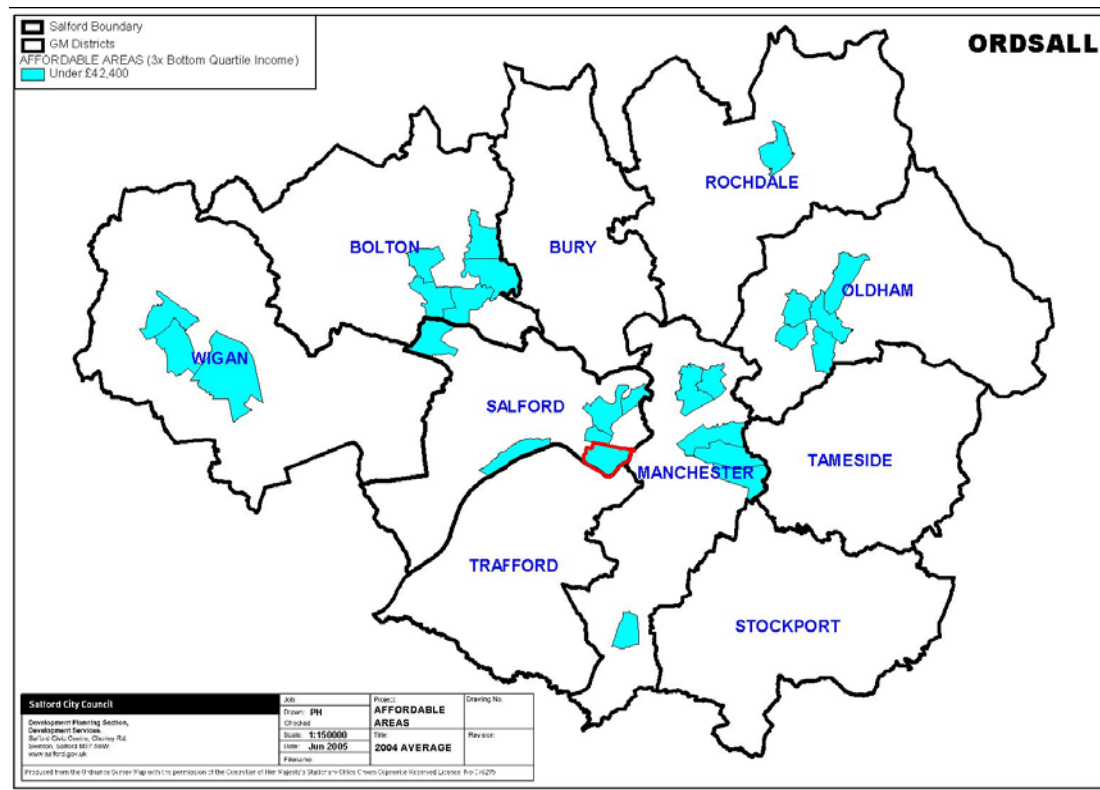


We can see on this map that residents from Worsley and Boothstown, with a lower quartile annual household income of £25,566 have a relatively good choice of areas in which they could be able to purchase a property but they are unlikely to be able to purchase in the ward they live.

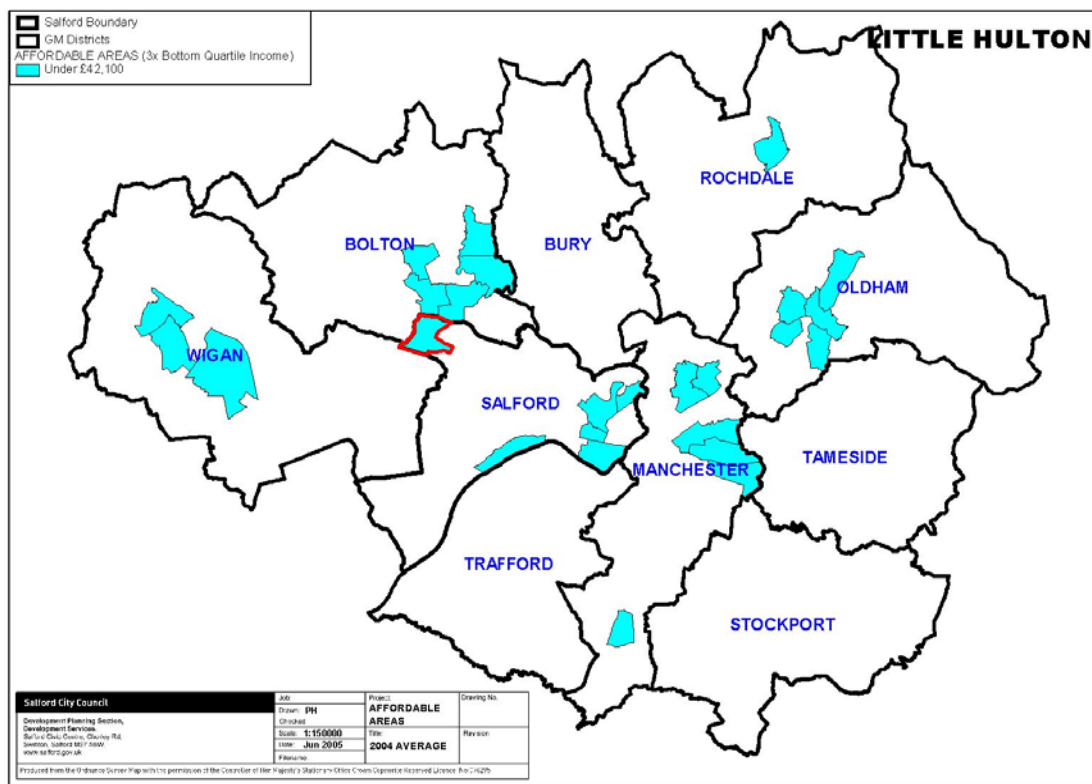


Because of lesser lower quartile incomes residents of Irlam (£15,333) and Weaste and Seedley (£13,933) have a much narrower choice of ward in which they are likely to be able to purchase. They are also unlikely to be able to purchase in the ward in which they live.





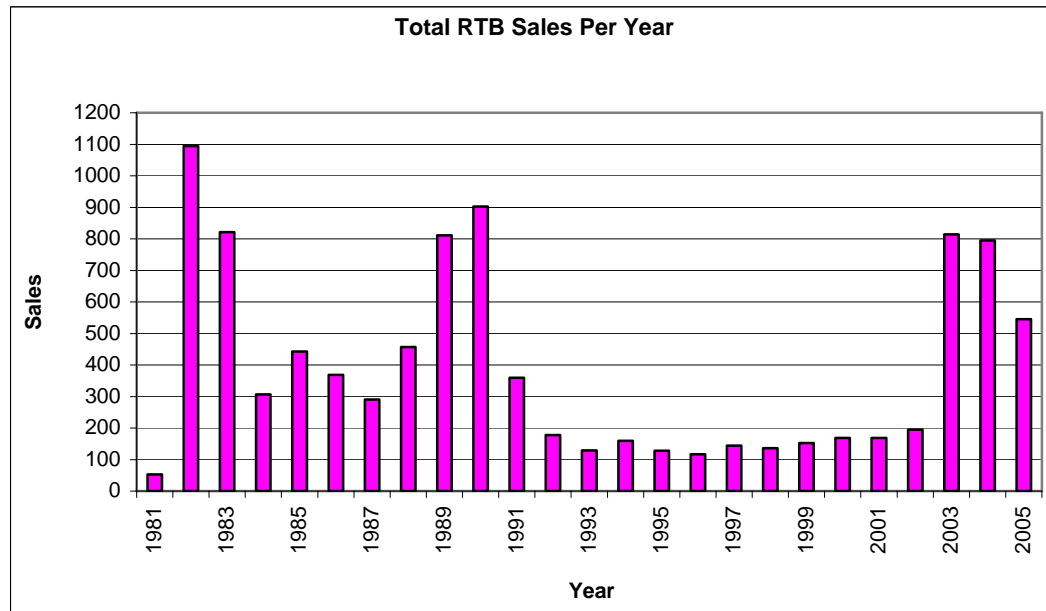
Household from Ordsall (£14,133) and Little Hulton (£14,033) would have a similarly restricted choice to residents of Irlam and Weaste and Seedley but in contrast they would be able to purchase in the areas in which they live.



Right to Buy

The Right to Buy (RTB) scheme has had a massive impact on the availability of council housing across the city. The majority of sales have been in West Salford. Between August 1981 and August 2005, 9,636 properties were sold through the Right to Buy scheme in Salford. Of those sales, 7,991 properties were sold in West Salford, making up 82.9% of the total sales. Just 16.6% (1601 units) of RTB sales were completed in Central Salford. The remaining 0.5% account for properties now demolished. This combined with the increasing number of homeless acceptances means that available council stock is very limited. In fact, over the period 2002/03 to 2004/05 the Research Foresight and Intelligence (RFI) consortium found that the number of council house lettings in Salford as a whole decreased by 49 percent. This situation is exasperated by increasing house prices which prevent tenants who aspire to home ownership from moving out of rented housing and purchasing their own home.

The graph below provides a breakdown of sales, by year.



Source: NPHL asset management database

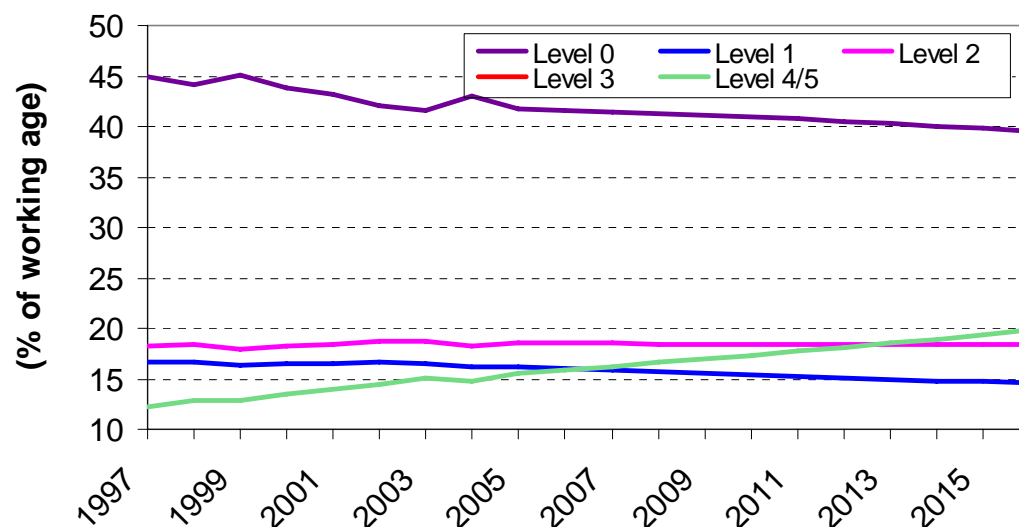
The Flow of Affordable Housing

RFI identified changes in the annual flow of affordable properties for sale or rent onto the market. During 2002/3 there were 4,798 sales below £50,000 or council lettings in Salford. By 2004/05 this figure had fallen to 2,365. In other words, the number of affordable properties coming onto the market had halved. RFI point out that this illustrates an important difference between the total stock of housing in Salford and the flow of properties becoming available in the market. The stock of property can adjust relatively slowly. However the availability of affordable housing can change rapidly.

Why the need for affordable housing will continue in Salford

Some have argued that affordable housing will become less of an issue as incomes rise. The work done by Oxford Economic Forecasts (OEF) for the RFI suggests that qualification levels are unlikely to change dramatically. Salford's resident population is projected to remain predominantly low skilled for the foreseeable future and consequently we can deduce that the income levels of Salford residents are unlikely to change radically.

Percentage of Working age Population by Qualification Level, Salford



Source: OEF 2005

This would suggest that the need for affordable housing will continue in Salford and may well increase as house price rises continue to outstrip wage inflation. It also underlines, that affordability is also a problem of low incomes. Salford City Council's Economic Development Team, in partnership with Salford's Economic Development Forum, are continually working to increase household incomes throughout Salford. A key aim of Salford's Economic Development Strategy¹⁴ is to "enable local people to achieve their full potential - by improving their skills and education, raising aspirations and achievements and enhancing the employability of local residents, particularly those experiencing barriers to finding employment." As part of the development of Salford's 2007-2010 Housing Strategy, we will continue to improve joint working with the economic development team and forum, to help improve residents' skills and qualifications to improve their opportunity to own a home.

¹⁴ Economic Development Strategy for Salford 2004-2007 <http://www.salford.gov.uk/ed-strategy.pdf>

Chapter 4

Delivering Affordable Housing in Salford

This chapter:

- Presents our toolbox for delivering affordable housing in Salford.
 - Housing Market Renewal
 - Partnership working with private developers
 - Investment options for Council housing
 - Small scale option appraisal
 - New equity share products
 - Registered Social Landlords
 - Buy backs
 - Tackling empty homes
 - Planning system
 - Community land trust – mutual home ownership model
 - Self-build
 - Homesteading
 - Lobbying

Delivering Affordable Housing In Salford

The previous chapter explains the causes of affordability in Salford and set out the level of need on as a citywide total. This chapter illustrates the combination of options we are using or intend to use to deliver affordable housing in the City.

Delivering Affordable Housing through Housing Market Renewal

Housing Market Renewal (HMR) is a Government funded initiative to address the collapse of the housing market in certain neighbourhoods across the Midlands and the North of England.

In Salford, the council has partnered with Manchester City Council to become a single 'pathfinder' – Manchester Salford Pathfinder (MSP) – using the funding to deliver a wide range of projects including large scale housing improvements and the acquisition and demolition of substantial numbers of obsolete, mostly 19th century pavement terraced houses.

The availability of land from clearance has enabled the Pathfinder to attract substantial private sector investment into the neighbourhoods that have historically experienced the worst levels of decline. Over the last 5 years the Council has been working with private developers in public/private partnerships to build new high quality homes aimed at both the affordable and the high value ends of the market. Much of the HMR activity has been aimed at providing a greater choice of quality homes in order to attract new economically active residents to neighbourhoods with historically high levels of deprivation. It has also been the Council's aim to retain the existing community within the regenerated neighbourhoods wherever possible.

At the same time new opportunities to provide affordable rented homes and low cost homeownership units will enable the Council to ensure that a sustainable mix of housing is created for the future.

In order to compliment these physical improvements funding has also been used to deliver projects aimed at reducing crime and disorder, improving the condition of private rented accommodation through licensing private landlords and tackling long term environmental problems such as empty properties and derelict or poorly managed pockets of land.

Case Studies

- In Broughton, the Higher Broughton Partnership, (made up of the City Council, the Royal Bank of Scotland and the private developer City Spirit) has been developing new build affordable housing to relocate approximately 50 owner-occupiers affected by the clearance activity. The first phase of 19 houses is due to go on site early in 2006 and has been designed in consultation with local residents. Within the redevelopment area the Higher Broughton Partnership have also been working with a leading Registered Social Landlord – Contour Homes Limited – to provide around 40 additional properties for sale on an equity share basis in the second phase of the regeneration scheme. It is envisaged that future phases will include the provision of a further 100 ‘key worker’ apartments, though these are as yet at the early stages of planning.
- In Lower Broughton, the Council have formed a partnership with Countryside Properties to redevelop a large site close to the regional centre. It is envisaged that over the next 10-15 years, approximately 3500 new homes will be built of which approximately 1000 properties would be designated as affordable either for rent or for low cost homeownership. The Council has been working with Contour Homes Limited, for the provision of the affordable element of the scheme. These plans are currently at the master-planning and consultation stage and work is expected to start on building these new homes in late 2006 / early 2007. Countryside Properties submitted an Outline Planning Application for the first phase of the regeneration scheme, in March 2006.

The MSP is preparing its own affordable housing strategy. The underlying premise for its development will be aligning the approach of the two cities within the Pathfinder area. The production of a Pathfinder affordable housing strategy is also a recommendation of the Audit Commission and a requirement of ODPM. MSP will attempt to gain a better understanding of affordable housing in relation to tenure mix, by balancing the needs for affordable housing based on current trends with the ongoing transformation of the area. This approach will contribute to the Pathfinder objective of creating ‘neighbourhoods of choice’ and encourage the evolution of communities with more mixed incomes.

As well as contributing to the development of an affordability strategy for MSP, we will also continue to work closely with Manchester City Council to deliver our strategy and to support them to develop theirs.

Delivering Affordable Housing through Improved Partnership Working with Private Developers

A route through which we aim to encourage more affordable housing is by improving our working relationships with private developers. LPC Living specifically undertake developments for the first-time buyer market and have restricted investors at Quay 5, Ordsall, to properties that are over £100,000. Over 50% of the scheme went to first time buyers and it could be argued that such schemes while not affordable in the traditional sense serve the affordable housing needs of the intermediate housing market.

A key consideration for housing to facilitate a debate on is to what extent the council should use its own land to subsidise the development of new affordable housing.

Delivering Affordable Housing through Investment Options for Council Housing

The major provider of affordable housing in Salford is currently the council through its managing agent New Prospect Housing Limited - an Arms Length Management Organisation (ALMO). The Council at present owns 26,673¹⁵ properties in Salford.

In June 2005 Salford City Council completed a citywide appraisal of all its homes to identify the level of investment need to ensure that all the homes meet the Government's Decent Homes Standard by the target date of 2010. The appraisal identified that the Council has insufficient resources to bring its properties up to the Decent Homes Standard by 2010 and to maintain council homes in a reasonable state of repair for the long-term. The continuation of having only an Arms Length Management Organisation was not viable.

The investment to meet the Decent Homes Standard and carry out essential repairs by 2010 for all council owned homes in the City is £279 million. This figure does not include the investment required in shops and roads that are currently managed by NPHL for the Council nor does it include environmental improvements. There is a significant investment gap between the resources currently available to the Council and what needs to be spent on the homes. This gap is in the region of £184 million rising to £257 million to meet the Salford Standard.

¹⁵ Council stock as at 31st March 2005

A decent home is one that:

- meets the current statutory minimum standard for housing
- is in reasonable state of repair
- has reasonably modern facilities
- provides a reasonable degree of thermal comfort.

The 'Salford Standard' for homes is a higher standard than the Decent Homes Standard and reflects the aspirations of local residents. The Salford Standard will provide additional home improvements to the Decent Homes Standard, including added security improvements. It will also provide additional environmental improvements, including secure parking facilities, improved maintenance of highways and footpaths, more street lighting and safety measures and the maintenance of boundaries (e.g. fencing and gates).

Over the past two years the Council has been consulting residents across the city on the options available to secure additional investment required. This citywide consultation has included the support of Tenant Participation Advisory Service as independent advisor to the tenants and the establishment of a housing options steering group with tenant, leaseholder, councillor and officer representation to oversee the process.

Given the level of investment required, the negative value of the Council's housing stock and the resources available from different investment options it became apparent that no single option will provide all the resources needed to achieve the Decent Homes Standard and a sustainable business plan for the homes in the long term. Continuing with only the ALMO is not a viable option - it is unable to provide all of the investment needed. In Salford we must use a combination of all three options available to us to maximise investment and fill the gap between what we currently have and what we need.

Based upon the appraisal and the consultation the following investment strategy has been adopted:

Private finance initiative (PFI)	
Area:	Pendleton
Funding bid:	£168m
Number of homes:	2800

Investment per property over 5 years:	£25,450
---------------------------------------	---------

Arms Length Management Organisation (ALMO)	
Areas:	Central Salford, Beech Farm, Ordsall
Funding bid:	£86m (likely to receive £69m)
Number of homes:	9100
Investment per property over 5 years:	£9,503 (£7,587 if 80%)

Local Housing Companies	
Areas:	Eccles, Little Hulton & Walkden, Swinton, Irlam & Cadishead
Funding bid:	£147m
Number of homes:	16600
Investment per property over 5 years:	£8,904

Total investment from all three programme = £401million

The importance of these options to delivering affordable housing in Salford is that not only will the PFI and the Local Housing Companies be able to access funds to bring housing up to a decent standard but they will also be able to raise funds to build additional affordable homes. This is something the council and NPHL would not be able to do under current arrangements.

Small Scale Option Appraisal

In the normal course of events any dwelling in the Council's ownership that becomes vacant will be inspected by NPHL and subsequently repaired and relet as quickly as possible. However, for a number of reasons there will be properties that NPHL should refer to the Council's Housing Services for appraisal.

Options to be considered during the appraisal of a property or properties include:

1. Do nothing in the short term and retain as secured and vacant.
2. NPHL to repair/refurbish and relet as social rented housing.
3. Transfer to a RSL or other partner organisation to bring back into use as social rent or homeownership on a shared equity basis.
4. Sell on the open market for market housing.
5. Demolish with potential for redevelopment by RSL as social rented housing or homeownership on a shared equity basis or sale on the open market for market housing.

The introduction of small-scale option appraisals should bring appropriate voids back to occupation more quickly and consequently increase the supply of affordable housing.

Delivering Affordable Housing through New Equity Share Products

In 2005 the Council reviewed its **Private Sector Housing Assistance Policy**. The review was conducted jointly with Manchester City Council due to the need to align policies across the Manchester Salford Pathfinder and that the two cities provide consistent forms of assistance. The revised policy¹⁶ was adopted by Salford City Council, in January 2006. The Council has changed the policy from one of predominantly grants to one focused on loan products although there are safeguards built in to protect applicants. The policy provides assistance citywide and for the purposes of this strategy its key outcome is that it provides relocation assistance. Through the policy the Council will loan an individual a proportion of the value of property they are seeking to move and the remaining portion will be covered by the individual either through a mortgage or existing equity or a combination of both. The Council will recover its proportion of the value of the property when the individual comes to sell it. Whilst the policy covers the whole of the City, relocation assistance is only available to residents affected by clearance in the City's renewal areas. Its primary aim is to bridge the affordability gap experienced by those residents moving from a lower to a higher value property. The property the resident chooses to move to can be either a new build or an existing property available on the open market. The property must be suitable to their needs and be in a decent condition without the need for major repairs.

As well as the City Council moving towards loan products, the Government is also developing new equity share products to help

¹⁶ The Private Sector Housing Assistance Policy is available at www.salford.gov.uk/housing-assistance

households into homeownership. The products are called **Homebuy** and come in three variations: **social homebuy**, **new build homebuy** and **open market homebuy**. It works on a similar principle as Salford's relocation assistance in that an individual will own a proportion of the property funded through a traditional mortgage and the remaining proportion will be held by either an RSL, the Council or a developer.

With **new build homebuy** (formerly known as shared ownership) a resident can buy a minimum of 25% of a property and the remaining 75% is held by an RSL. New build home buy will replace traditional shared ownership although it works along similar lines in that the resident can over time escalate to own 100% of the property. Also, with new build homebuy and the other two homebuy products the organization holding the remaining share of the property can charge a rent, similar to traditional shared ownership. However, the rent can only be 3% of the share held by the organization as opposed to traditional shared ownership where the rental element was market rent for the property. Importantly, the rent can only be levied after 5 years to provide the resident with 'breathing space' to cover the initial cost of buying the property.

With **open market homebuy** a resident must purchase 75% of the property as a minimum. The remaining 25% is held either by the developer or a body approved by the Government. Whilst open market homebuy is more expensive it provides customers with much greater choice - any property on the open market for which they can afford to buy 75%. It is ideal for young professionals/graduates whose income is likely to increase overtime. Open market home buy is currently on trial in South East England. Salford City Council will monitor its impact and secure the product for Salford citizens, should Government roll it out nationally.

Social homebuy will provide an opportunity for many tenants renting from an RSL or a Council who either cannot afford or do not have the right to buy or acquire to buy a share of their current home. The minimum they would have to buy is 25%. This would provide RSLs with funding to reinvest in more affordable housing whilst providing residents with the opportunity to gain a foot on the homeownership ladder. The resident can over time increase their share of the property until they own 100% of it.

Social homebuy (as a pilot) and new build homebuy will come into delivery with the announcement of the Housing Corporation's next round of funding in March 2006. See next section for further information.

Delivery of Affordable Housing through Registered Social Landlords

Salford City Council has a strong partnership with a number of Registered Social Landlords (RSLs) in the development and management of affordable housing throughout the city. In respect of the development of new affordable housing, the role of the RSLs is to respond to the Council's strategic housing needs, identifying opportunities and working closely with councillors, officers and the community to meet housing need.

RSLs are the City Council's partners of choice in the development and management of affordable housing. The invaluable role of RSLs is recognized by the Council in respect of their experience and skills associated with community engagement, area based regeneration, commitment to a "more than bricks and mortar" approach and provision of high quality accommodation and housing management. As such the City Council will continue to support development of new affordable housing by its partner RSLs with support from the Housing Corporation and Housing Market Renewal.

Whilst a significant proportion of RSL development is partly funded by grant from the Housing Corporation, partnerships with developers and house builders are of increasing importance in the delivery of new affordable housing. This is where the RSL may take ownership or management of completed units from the developer or house builder under a Section 106 Agreement through the planning system or a development agreement between the developer and the City Council. As major redevelopment of areas in the city begins to gain momentum, particularly in Central Salford, and where this redevelopment is targeted to bring additional housing for sale on the open market, the provision of affordable housing by means of S106 agreements will increase in importance and incidence.

The City Council will seek to broker partnerships between developers, house builders and RSLs to develop Section 106 sites for the most appropriate form and tenure of affordable based on local housing needs.

RSLs can deliver affordable housing for both rent and ownership on shared equity basis. Unlike councils RSLs are able to develop new affordable housing. It is well recognized by Government and local authorities that RSL involvement in delivering affordable housing is an effective way of controlling future occupancy.

In recent years the number of rented and shared ownership properties provided through RSLs is shown in the table below, with nearly 200 new properties scheduled to be built next financial year.

	2004	2005/2006 Planned	2006/2007
Rented	29	64	83
Shared Ownership	31	7	114
Total	60	71	197

In October 2005 the RSL partners with Salford City Council submitted a bid for £26 million to the Housing Corporation to deliver 442 new affordable homes over the next two years (2006-2008).

It is also worth noting that greater Housing Corporation resources are being directed at Salford because of its role as a Housing Market Renewal Pathfinder.

We will continue to develop our strategic work with RSLs and the Housing Corporation to maximise the extent to which public funding via the Housing Corporation can assist in meeting the needs and homeowner aspirations of residents.

Delivering Affordable Housing Through Buy Backs

One way of increasing the supply of affordable rented housing would be for social landlords (Council or ALMO) to buy back properties they sold to residents under the Right to Buy scheme. Under the Housing Act 2004 social landlords have the Right to First Refusal to buy back any properties they sold under right to buy once the resident decides to sell the property on the open market. This power is only applicable if the resident decides to sell within ten years of buying the property. The social landlord will have to buy the property at market value, which can be determined by the independent District Valuer. This new power allows social landlords the opportunity to bring properties back into use as affordable rented accommodation.

However, to be able to use this new power the Council will need to amend its decision-making process and additional resources will be needed to purchase the properties and to administer the process. As well as investigating the possible use of capital receipts from land the council disposes of to buy these properties we have indicatively set aside resources in our 2006/2007 capital

programme to trial this process. We will also investigate if we can use funding secured through the planning system for affordable housing to buy back these properties.

Delivering Affordable Housing By Tackling Empty Homes

We recognize that opportunities exist to convert empty properties in private ownership into available affordable homes. Our housing market support team proactively tackles such empty properties with the sole purpose of ensuring their reoccupation. There are a number of ways the team does this, it mainly acquires the properties through negotiation with the owner or through a compulsory purchase order. Once the team has purchased the properties there are a number of options open to the Council. We can:

- Refurbish the property to ensure it meets the decent homes standard and sell it at an affordable value for owner occupation with covenants that it is the owners principal home and that they cannot let or resale the property within the first five years
- Refurbish the property to ensure it meets the decent homes standard and sell it for owner occupation on an equity share basis with the Council holding the equity share
- Transfer the property to an RSL or an accredited landlord to refurbish to meet the decent homes standard and then let either as social rented or private rented or made available for owner occupation on an equity share basis
- Sell unimproved on the open market
- Transfer the property to our ALMO – New Prospect Housing Limited – to be refurbished to meet the decent homes standard and relet as social rented.

The Council intends to continue to pursue the above options deciding on the most appropriate option on a property by property basis although with a primary focus on making the properties available for low cost home ownership as opposed to social rented. In the future, we will seek to access open market homebuy to help us achieve this. Our actions for tackling empty properties will be detailed in our Empty Homes Strategy, which is currently under review.

Delivering Affordable Housing Through The Planning System

Following the Barker Review, Government is aiming to provide more affordable housing via the planning system. Salford welcomes this approach however we recognize that the planning system is not the sole solution to our affordable housing problem and the number of new affordable homes to be provided through the planning system must be complimented by those generated through all the other delivering mechanisms being or to be pursued in this strategy. Only through a co-ordinated approach of different options can we successfully tackle our growing affordable housing problem.

Nevertheless, planning has a role to play in delivering affordable housing in Salford. It will do this through producing a Housing Supplementary Planning Document (SPD), one of a number of documents the authority must develop as part of the new planning system. The Housing SPD will provide more detailed guidance on housing development in the City and will clarify housing policies in our current Unitary Development Plan.

The SPD will:

- Clarify the authority's planning policy on affordable housing. This will ensure that developers and residents understand how affordable housing will be provided through the planning system
- Specify what mix of homes the Council wants in terms of type, tenure and value. Define what it considers to be affordable in terms of the relationship between local income levels and house prices or rents for different types of households
- Indicate how many affordable homes need to be provided
- Identify the different types of affordable homes needed
- Identify suitable areas in which affordable housing is to be provided
- Set criteria on eligibility and control of occupancy of new affordable dwellings
- Provide guidance on accommodation for gypsies and travellers, students and vulnerable people

It will clarify draft UDP policy H1 "that all new housing development will be required to contribute towards the provision of a balanced mix of dwellings within the local area in terms of size, type, tenure and affordability" and H4 "in areas where there is demonstrable lack of affordable housing to meet local needs, developers will be required, by negotiation with the City Council to provide an element of affordable housing on all sites over one hectare or providing 25 or more dwellings".

Housing and planning officers are working closely together on the SPD, which is due to be released for consultation in May 2006 and adopted in November 2006.

Following the SPD new affordable housing will be secured through a planning obligation (Section 106 Agreement) - a condition in the planning permission granted to a developer that stipulates the developer will provide a certain number of affordable homes of a particular type and value. We intend that any affordable housing generated through the planning system will be on-site. However, there may be instances where it may not be appropriate for the homes to be provided on-site and that a more appropriate option is for the provision to be made on an alternative site or a financial contribution to the Council in lieu of affordable homes. The SPD will state how the affordable housing planning policy will be implemented including an allocations policy that ensures properties generated through the planning system are allocated fairly and transparently to those in need. This policy will be devised to compliment My Home IN Salford.

My Home IN Salford will provide all customers one point of contact to facilitate access and exercise choice of housing and related services to meet their needs. This will enable customers to take a more active role in finding and maintaining a home, which will help to create sustainable communities in which people have chosen to live.
--

The strategy has been developed at a time when national Government is reviewing national planning policies for housing. We are aware that Government is currently consulting on a new Planning Policy Statement (PPS3) for housing. Therefore as part of the review of the strategy and the annual monitoring of the affordable housing planning policy we will take this into consideration as appropriate.

As stated earlier in the document the Council shall require developers to provide a minimum of 20% of affordable homes on all new build sites above 1 hectare or 25 dwellings. However, we acknowledge that a flexible approach is required to the application of the planning policy relative to local needs. Therefore as the SPD develops the percentage of affordable homes required may vary across the city.

Affordable Housing Toolkit

The City Council in partnership with the other Greater Manchester Authorities are considering whether to purchase an Affordable Housing Toolkit, which has been developed by Nottingham Trent University and 'The Three Dragons' team for use by the Greater London Authorities. The toolkit provides an assessment of the economics of residential development for specific schemes. It would allow the council to test the economic implications of different types and amounts of planning obligation and, in particular, the amount and mix of affordable housing. The user can alter a range of different assumptions including house prices, density and build costs and compare the results these generate. It will be an important tool for when negotiating with developers over the level of affordable housing the Council is seeking from a particular development.

Mix of Affordable Housing Types

Increasing the absolute number of affordable homes delivered in Salford is not the only issue. It is important to ensure that the right type and size of housing is provided to meet needs. In many parts of the City recent house building has been dominated by the construction of apartments. This is in part a response to Government guidance to increase densities of development and to utilise brownfield sites. It is important to ensure that a range of house types are provided in order to meet the affordable housing needs of all sections of the community.

The mix of affordable homes required by Salford will be identified through the development of the SPD, which will be informed by a citywide housing market assessment (HMA). A new Housing Demand and Housing Need Survey and a sub-regional HMA, commissioned by the Association of Greater Manchester Authorities, will also inform the mix of affordable homes. The survey and the sub-regional HMA will be completed in late Summer 2006. Therefore, there will be potential to review the Housing SPD in light of the new research and the Annual Monitoring Report, along with this strategy in early 2007.

The purpose of the Housing Market Assessments is to increase an understanding of the dynamics of the housing market, and identify the areas in need of intervention. The Housing Market Assessments would enable access to the evidence base needed to create the mixed communities and the inclusion of affordable housing in new developments as recommended by the PPG3. These assessments are required to guide investment at both citywide and neighbourhood level and help target action to the most appropriate areas of the city and should help us to understand the mix of properties required in Salford.

Along with provision of the most appropriate type and value of property, we should be investigating improving design to make homes affordable. We will also be investigating the impact of service charges and maintenance costs on affordability.

Delivering Affordable Housing Through Community Land Trust, Self-Build and Homesteading

The Council will investigate innovative options we can use to deliver more affordable housing in the City. The boxes below outline three options we could potentially use. These have been trialled elsewhere in the country, however have yet to become recognised tools for effectively providing affordable housing.

A **Community Land Trust** is a not-for-profit company or charity that acquires and holds parcels of land throughout a specified geographical location in order to ensure the permanent affordability of any housing located on that land. It is a well-developed model in the United States of America.

Self-build is essentially where individuals or communities build their own homes. Commonly, a group of residents forms an agreement with an RSL to support them to develop their homes by providing expertise and some funding usually through the Housing Corporation. If communities develop with grant via an RSL the properties are only available to rent or on a shared equity basis. However, rent levels are usually much lower to take into account the labour residents put into the construction process.

Homesteading creates affordable housing through the Council purchasing empty properties and transferring them to residents or community groups for a peppercorn rent or reduced value. In return for the lower rent/price the residents moving into the properties make a commitment to stay in the property for a specified time.

Facilitating The Delivery Of Affordable Housing Through Lobbying

There has been a failure to effectively resource the North West housing challenge with other regions, especially the South, receiving far more resources than the North West. The ability therefore to resource a new stream of affordable housing has been significantly curtailed.

The Head of Housing for Salford has ensured that the affordable housing “problem” has been discussed at the group representing Greater Manchester and Merseyside Housing Authorities (the M62 group) and at a regional level with the North West Housing Forum.

Lobbying will also be a key task for Salford’s Strategic Housing Partnership as its role develops.

Appendices

Appendices

- 1. Action Plan**
- 2. Performance Management Framework**
- 3. Government's response to Barker's Review of Housing Supply (December 2005)**
- 4. Affordable Housing Maps**
- 5. Needs Assessment Table**
- 6. Glossary**

Appendix 1

Building Sustainable Communities: Affordable Housing

Action Plan

Aim: To maximise investment for the provision of affordable housing in Salford

Objective	Milestone	Timescale	Key Partners	Outcome	Lead
Update the Empty Homes Strategy	Completion of Empty Homes Strategy	July 2006	Urban Vision RSL Partners Accredited and Licensed landlords Housing Market Renewal Team	Empty Homes Strategy adopted	Market Support Team
Delivery of Affordable Housing Programme 2006-2008 for Salford	Delivery of 2006-2008 Affordable Housing Programme, subject to Housing Corporation approval March 2006	March 2008	RSL partners Housing Market Renewal Team Community Housing Projects Team Urban Vision	Confirm grant funding for 442 new dwellings	Housing Market Renewal Team and Community Housing Team with RSL partners
Develop Affordable Housing Programme for Salford 2008-2010	Bid to the Housing Corporation's 2008-2010 Affordable Housing Programme	October 2007	RSL partners Housing Market Renewal Team Community Housing	Bid for funding to develop new affordable housing for rent	Housing Market Renewal and Community Housing with

			Services Supporting People Private developer partners Urban Vision	and low cost homeownership	RSL partners
Investigate the feasibility of new innovative approaches that could be introduced to Salford to deliver affordable housing	Complete a feasibility study on innovative approaches that could be introduced to Salford	September 2007	RSL Partners NPHL Strategic Housing Partnership Members	Feasibility study on innovative approaches and recommendation to Lead Member for Housing	Strategy & Partnerships Team
Investigate an appropriate mechanism for recycling funding released from equity share into the provision of new affordable housing	Produce a proposal on the most appropriate mechanism	October 2007	RSL Partners Spatial Planning Team Strategic Housing Partnership Members	Agreement to develop the recommended mechanism	Strategy & Partnerships Team

Aim: To develop the appropriate processes, policies and strategies to tackle the shortage of affordable housing in Salford

Objective	Milestone	Timescale	Key Partners	Outcome	Lead
Contribute to the development of an affordability strategy for the Manchester Salford	Complete Affordable Housing Strategy for MSP	Within 6 months of the Ministerial	HMR teams RSL partners Private developer partners	Adopted MSP affordability Strategy	MSP secretariat

Pathfinder		approval of the MSP's scheme update 2006-2009	Spatial Planning Team		
Support Manchester City Council to develop its Affordable Housing Strategy	Complete Affordable Housing Strategy for Manchester	December 2006	Strategy & Partnerships Team	Adopted Affordable Housing Strategy for Manchester	Manchester City Council
Develop a Housing Supplementary Planning Document	Adoption of Document	November 2006	RSL partners Private developers Strategy & Partnerships Team	Adopted Housing Supplementary Planning Document	Spatial Planning Team
Develop an allocations policy for new affordable housing achieved through the planning system	Complete Allocation Policy	November 2006	RSL partners Private developers Spatial Planning Team Services Development Team	Adopted of Allocation Policy	Strategy & Partnerships Team
Facilitate a policy debate on the use of council owned land to subsidise the provision of affordable housing	Produce a policy paper on use of council land to subsidise the provision of affordable housing	April 2007	Urban Vision Chief Executive's Directorate Customer & Support Services	Policy recommendation	Strategy & Partnerships Team

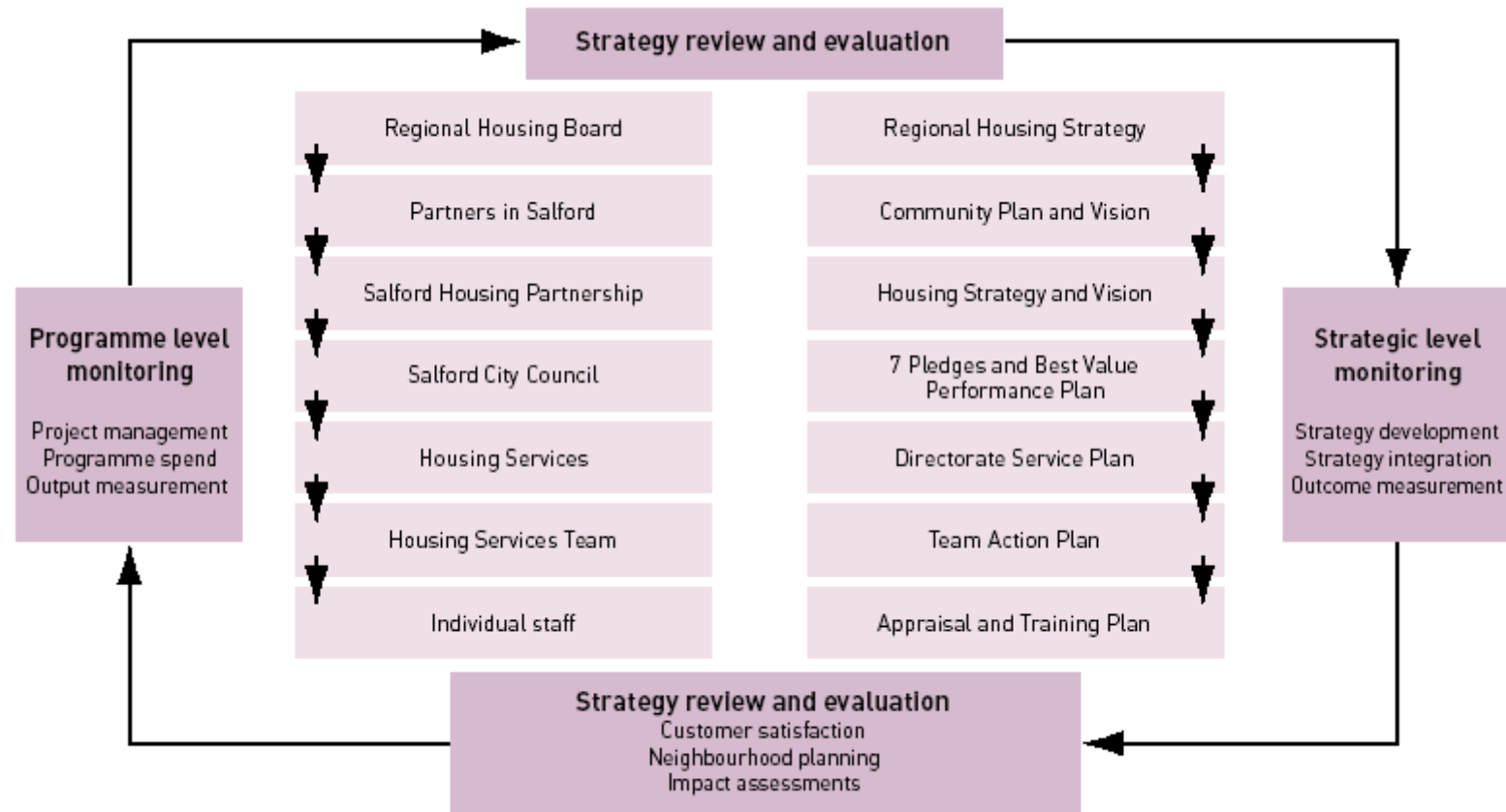
Aim: To continue to improve our understanding of affordable housing need in Salford

Objective	Milestone	Timescale	Key Partners	Output	Lead
Update Affordable Housing Strategy	Complete Affordable Housing Strategy Update	April 2007	Spatial Planning Team RSL Partners Housing Market Renewal Team Manchester City Council	Approval of Affordable Housing Strategy Update	Strategy & Partnerships Team
Quantify affordable housing need in Salford with new survey data and Government guidance	Complete new needs assessment following new Government guidance and completion of up to date housing need and demand survey	June 2006	Spatial Planning Team NPHL	Updated housing needs assessment table	Strategy & Partnerships Team
Understand the extent affordability issues are effecting the recruitment and retention of key workers in Salford	Produce a research paper that analyses and determines whether the problem of affordable housing is impacting on recruitment of key workers.	May 2007	Local employers PCT GMP Education Department	Policy paper on the impact of affordability on recruitment and retention of key workers	Strategy & Partnerships Team

Monitor house price to income ratios in the City	Map house price to income ratios for the City at ward level	August 2007 (annual)	Spatial Planning Team	Update of House price / income ratio map	Spatial Planning Team
Develop understanding of travel to work patterns in Salford	Produce an issues paper on travel to work patterns in Salford	July 2006	Spatial Planning Team RFI	Issues paper on travel to work	Strategy & Partnerships Team
Develop understanding of the impact of service charges on affordability	Produce an issues paper on the impact of service charges on affordability in Salford	June 2006	Developers RSL Partners RFI	Issues paper on impact of service charges	Strategy & Partnerships Team
Develop understanding of the impact of maintenance costs of existing properties on affordability	Produce an issues paper on the impact of maintenance costs of existing properties on affordability	June 2006	Developers RSL Partners RFI	Issues paper on impact of maintenance costs	Strategy & Partnerships Team
Develop a dialogue with local estate agents and valuers to improve our understanding of markets	Establish a forum with estate agents and valuers	April 2007	Estate agents Valuers Urban Vision Housing Market Renewal Team	Regular dialogue and shared intelligence with estate agents and valuers	Strategy & Partnerships Team

Appendix 2

Performance Management Framework



Appendix 3

Government's response to Kate Barker's Review of Housing Supply (December 2005)

The Government's Response to Kate Barker's Review of Housing Supply, published December 2005 signals the Government's commitment to build more homes for the future by bringing forward a package of measures to support sustainable housing growth through reform to the planning system and the delivery increased investment in infrastructure. The Government has accepted the case set out in the Barker Review for a step-change in housing supply.

The Government's housing policy aims to deliver:

- a step on the housing ladder for future generations of homeowners;
- quality and choice for those who rent; and
- mixed, sustainable communities

The Government's response announces:

- its ambition over the next decade to increase new housing supply in England
- reforms to the planning system to make local and regional plans more responsive to housing markets and increase land supply;
- a cross-cutting review in the run-up to the 2007 Comprehensive Spending Review to co-ordinate infrastructure provision across departments;
- consultation on the Government's response to Kate Barker's recommendation for a Planning-Gain Supplement (PGS) to help finance infrastructure and ensure that local authorities share in the benefits growth brings;
- a commitment to set out ambitious plans for increasing social housing supply at Comprehensive Spending Review 2007.

Appendix 4

Affordable Housing Maps

House price: income ratio maps 2002-2004 (fig x-x)

The house price to income ratio maps used Steve Wilcox's "Ratios Analysis"¹⁷ as a starting point. We have used mean household income and mean house prices to calculate the house price to income ratio for each ward in Greater Manchester, from 2002 to 2004.

Affordable properties based on 3x income mortgage on specific household incomes maps (fig x-x)

The maps entitled "Affordable properties based on 3x income mortgage on XX household incomes" show which areas, households would be able to purchase a property in Greater Manchester. The ratios are based on the mean house price for that area and 3 times a specific level of household income, from £15,000 to £50,000 at £5,000 intervals.

Key worker analysis maps (fig x-x)

The key worker analysis uses the above house price to income ratio, to establish whether a key worker could afford to purchase a property, based on their starting salary and mean house prices within Greater Manchester, in 2004. The starting salary for a Social Worker is £19,053 and £17,945 for a nurse. The colours on the map display the number of times the starting salary is multiplied, for the key worker to be able to purchase a property in a particular area.

Affordable areas maps (fig x-x)

The affordable areas maps show where households from a particular ward could afford to purchase a home. The ratios are calculated using mean house prices and 3 times lower quartile income, for that area. The maps allow us to identify whether a first time buyer could afford to purchase a home in the area in which they already live and how far purchasers would need to travel to purchase an affordable home.

¹⁷ Can Work – Can't Buy; Local measures of the ability of working households to become homeowners (Joseph Rowntree Foundation, May 2003).

Appendix 5

Needs Assessment Table

Detailed needs assessment table		
Stage and step in calculation	Data Sources	Number of dwellings
STAGE 1: CURRENT NEED (Gross)		
1.1 Current occupiers of affordable housing in need	Households on Housing Register with 'in-need' credits	5507
1.2 <i>plus</i> Households from other tenures in need	Housing Register Priority homeless households in temporary accommodation	382
1.3 <i>plus</i> Households without self-contained accommodation		
1.4 <i>equals</i> Total current housing need (gross)	1.1 + 1.2 + 1.3	5889
STAGE 2: AVAILABLE STOCK TO OFFSET NEED		
2.1 Current occupiers of affordable housing in need	Local Authority transfer list	0
2.2 <i>plus</i> Surplus Stock	Local Authority and RSL vacant properties above 3% vacancy	699
2.3 <i>plus</i> Committed supply of new affordable units	Approved Development Programmes of LAs and RSLs, and future bid programme	1948
2.4 <i>minus</i> Units to be taken out of management	Past trends and HMR Capital Programme assumptions (only LA / RSL stock)	3412
2.5 <i>equals</i> Total Stock available to meet current need	2.1 + 2.2 + 2.3 – 2.4	-765
2.6 <i>equals</i> Total unmet housing need	1.4 – 2.5	6654
2.7 <i>times</i> annual quota for the reduction of current need	Policy judgement – period of UDP	11 years
2.8 <i>equals</i> annual requirement of units to reduce current need	2.6 / 2.7	605
STAGE 3: NEWLY ARISING NEED		
3.1 New household formation (net per year)	RFI / Household formation and Economic assumptions	200
3.2 <i>times</i> Proportion of new households unable to buy or rent in the market	Household incomes and entry level rents / property prices – RFI work	50%

3.3 <i>plus</i> Existing households falling into need	Numbers joined housing register within last year from owner occupation or private rented tenures; and annualised private clearance activity	3209
3.4 <i>equals</i> Totals newly arising housing need (gross per year)	$(3.1 \times 3.2) + 3.3$	3309
STAGE 4: FUTURE SUPPLY OF AFFORDABLE UNITS		
4.1 Annual supply of social re-lets (net)	Lettings / voids system for LA and RSLs, HSSA data	3589
4.2 <i>plus</i> Annual supply of intermediate housing available for re-let or resale at sub market levels	LA and RSL lettings/voids system and data on re-sales of sub-market LCHO or shared equity schemes	5
4.3 <i>equals</i> Annual supply of affordable units	$4.1 + 4.2$	3594
NET SHORTFALL OR SURPLUS OF AFFORDABLE UNITS		
Overall shortfall or surplus	$2.8 + 3.4 - 4.3$	320

Appendix 6

Glossary

Anti-social behaviour - Any activity that causes alarm, harassment or distress to an individual, a community or group of households.

Approved Development Programme (ADP) - the major source of public finance for new affordable housing for rent and low-cost home ownership, supplied to housing associations, developers and others through the Housing Corporation in the form of social housing grant.

Arms Length Management Organisation (ALMO) - A company set up by a local authority to manage and improve all or part of its housing stock.

Audit Commission - The independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services.

Barker Review - Kate Barker's review of housing supply commissioned by H.M. Treasury and the Office of the Deputy Prime Minister (ODPM): *Delivering stability: securing our future housing needs*, March 2004.

BME - Black and minority ethnic.

Brownfield land - Formally "previously developed land that is unused or may be available for development". It includes both vacant and derelict land and land currently in use with known potential for redevelopment. It excludes land that was previously developed where the remains have blended into the landscape over time.

Buy to Let - An investment scheme devised following changes in the law and the development of new mortgage products by lenders from the late 1990's onwards. Buy to Let has led to an increasing number of private individuals buying properties in order to let them out to tenants.

CACI - A company that provide information on household incomes.

Capital receipts - Money received from the sale of assets, mostly council house sales through the Right to Buy scheme.

CPO -Compulsory Purchase Order

Decent Homes Standard - A Government standard that all social housing (both housing association and local authority) has to reach by 2010. A decent home will pass four tests:

1. It must meet the current statutory minimum standard for housing (it must not be unfit);
2. it must be in a reasonable state of repair;
3. it must have reasonably modern facilities and services; and
4. it must provide a reasonable degree of thermal comfort.

This target was widened in 2002 to include – improving the housing conditions of vulnerable people living in private accommodation (PSA7).

District Valuer - District Valuer Services is a business within the Valuation Office Agency, which is an Executive Agency of HM Revenue and Customs. The VOA is the largest property survey and valuation organisation in the country.

Dwelling - A self-contained unit of accommodation where all the rooms and facilities available for the use of the occupants are behind a front door.

Empty property strategy - Action directed at bringing empty properties back into use, this includes commercial and residential properties.

English Partnerships (EP) - The national regeneration agency, helping the Government to support high quality sustainable growth in England.

Equity loan - A means of helping people into home ownership. The buyer purchases a share of their home with their savings and/or a conventional mortgage. The remaining share of the home is financed through an equity loan provided by another party, for

example a housing association or the council. When the homeowner comes to sell the home, the other party would be entitled to some of the proceeds of the sale.

Fit For Purpose Housing Strategy - for a Housing Strategy to be 'fit for purpose' it must meet minimum requirements set by the ODPM.

GONW - Government Office for the North West

Homebuy - Schemes under which existing social tenants, those on housing waiting lists and key workers can purchase a home on the open market with an interest free equity loan.

Household - One person living alone or a group of people who share common housekeeping or a living room.

Housing Associations - Also known as RSLs. A not for profit organisation to provide social housing for people in need.

Housing Corporation - The Non Departmental Public Body, which funds and regulates housing associations in England.

Housing Market Assessments (HMA) - a framework for better understanding how local housing markets operate.

Housing Market Renewal (HMR) Pathfinder - One of nine sub-regional projects to tackle low demand and abandonment, administered by a group of local authorities working in partnership and in receipt of funding from the Housing Market Renewal Fund.

Housing Revenue Account (HRA) - Rent payment made by tenants and paid into the HRA. The money is used to pay for day-to-day repairs on council homes, management costs and other housing projects that directly benefit tenants.

IFA - Independent Financial Advice

Lifetime Homes - Standard Homes designed with features such as level access, wider doors etc, making it suitable for most disabled people with little need for later specialist adaptation.

Local Development Frameworks (LDF) - The name given to a portfolio of Local Development Documents, which will provide the framework for delivering the spatial planning strategy for the area.

Local Development Scheme (LDS) - A 3 year programme that sets out details, timescales and arrangements for production for each document that will form part of the LDF.

Local Housing Company - an RSL that gives tenants, local authorities and independent members equal voting rights on the board.

Local Strategic Partnership (LSP) - a single non-statutory, multi-agency body, which matches local authority boundaries, and aims to bring together at a local level the different parts of the public, private, community and voluntary sectors.

Manchester Salford Pathfinder (MSP) – the HMR Pathfinder for Manchester and Salford. (See HMR Pathfinder).

National Housing Federation (NHF) - NHF is a body that represents the independent social housing sector. It promotes, supports, represents and negotiates the strategic interests of its members.

Northern Way - A cross-regional strategy created by the three *Northern Regional Development Agencies* and their partners in response to the ODPM's *Sustainable Communities Plan* progress report *Making it Happen: the Northern Way*, the purpose of which is to create a step-change in economic growth across the North of England.

New Prospect Housing Limited (NPHL) - NPHL manages homes on behalf of Salford City Council. It is a non-profit making company that is a partnership between the tenants and the Council.

Office of the Deputy Prime Minister (ODPM) - the government department with responsibility for local government including housing, homelessness, planning and sustainable communities.

OEF - Oxford Economic Forecasts

Partners IN Salford (Previously known as Local Strategic Partnership or LSP) - Involves all the main agencies in the area to develop and deliver a vision for Salford. Partners IN Salford is a multi-agency, multi sector, strategic partnership. It co-ordinates local services, agencies and bodies to ensure coherence and effective working at the local level.

Planning Policy Statements - Statements issued by Government setting out planning policy and the main land uses. They are supported by a range of good practice and other documents providing guidance and advice on the application of policy.

Planning obligations - These are typically agreements between local authorities and developers negotiated in the process of granting planning consent. They enable the proposed development to proceed and meet the needs of the local community associated with the new development.

PPG3 (Planning Policy Guidance Note 3) - The government gives formal guidance on housing. It promotes planning to provide choice to meet the needs of people; this includes those in need of affordable housing. If the need is identified in a Local Plan, they can require developers to provide affordable housing on residential sites.

Private Finance Initiative (PFI) - Money secures in a public / private sector development partnership where the project risk is transferred to the private sector partner.

Private Sector Housing - Housing not controlled by bodies such as local authorities, voluntary organisations or housing associations.

Public Service Agreement (PSA) - A package of performance targets to help councils deliver measurable improvements in local services.

Regional Foresight & Intelligence (RFI) - a group of consultants commissioned by Manchester Salford Pathfinder, to provide an evidence base and analysis of housing market change within the MSP area.

Regional Housing Board (RHB) - Formed following the Sustainable Communities Plan in 2003, RHBs were formed to advise ministers on strategic housing priorities in the region and to advise on the allocation of social housing funding through the new Single Regional Housing Pot.

Regional Planning Guidance (RPG) - Formal guidance from the Secretary of State to local authorities, giving advice on the production of unitary development plans.

Regional Spatial Strategy (RSS) - A strategy formerly known as Regional Planning Guidance (RPG), for how a region should look in 15-20 years time and possibly longer. It identifies the scale and distribution of new housing in the region, indicates areas for regeneration, expansion or sub-regional planning and specifies priorities for the environment, transport, infrastructure, economic development, agriculture, minerals and waste treatment and disposal.

Registered Social Landlord (RSL) - Technical name for social landlords that are registered with the *Housing Corporation*. Most RSLs are *Housing Associations*. They own or manage some 1.4 million homes for sub-market renting or shared ownership.

Right to Acquire - A scheme, which enables some housing association tenants to purchase their rented home with the benefit of a discount, subject to a Government-specified maximum amount depending on the local authority area. The scheme only applies to properties built or acquired by housing associations, both charitable and non-charitable, with public funds from 1 April 1997 onwards. (Properties transferred from a local authority to a housing association after 1 April 1997 are also eligible.) Some properties are exempt from the scheme including those in small rural settlements and sheltered housing.

Right to Buy (RTB) - A statutory right for local authority tenants to buy their home at a discount based on the length of time they have been a tenant.

Section 106 agreement - A binding agreement between the Council and a developer on the occasion of a granting of planning permission regarding matters linked to the proposed development. It can be used to secure a sum of money to be paid to the authority for some specified purpose.

Shared equity - A means of helping people into home ownership. The buyer purchases a share of their home, with the remaining share being held by another party, for example a housing association. When the homeowner comes to sell the home, the other party would be entitled to some of the proceeds of the sale.

Shared Ownership - A lower cost method of acquiring part ownership of a dwelling, by paying rent on the non-purchased share to the organisation, which constructed the dwelling.

Social housing - A general term for rented and shared ownership housing not provided for profit, e.g. local authorities, housing associations etc.

Staircasing - The arrangements for those who have bought a share of the equity in a home to buy further shares over time.

Statutory homeless households - *Households* that local authorities must, by law, ensure have somewhere suitable to live.

Stock Transfer - Process under which a local authority transfers some or all of its housing to *housing association*.

Supplementary Planning Guidance (SPG) - This is detailed planning guidance to amplify and apply the issues identified in an authority's Local Plan and Structure Plan.

Supporting People - A funding stream for supported housing such as sheltered housing.

Sustainable Communities: Homes for All - a five-year plan that shows how the government will offer choice and opportunity in housing, across the country. The strategy is available at <http://www.odpm.gov.uk/index.asp?id=1122852>.

Sustainable Communities Plan - A long term programme of action, published in February 2003, to tackle the shortage of housing in London and the South East and low demand and abandonment in the North and Midlands and to create sustainable communities.

Temporary accommodation - Accommodation arranged by local authority in order to meet a homelessness duty.

Tenure - The way in which a person holds or occupies their home, for instance as a freehold or leasehold owner-occupier, or as a private or social tenant.

TPAS - Tenant Participation Advisory Service

Unitary Development Plan (UDP) - A UDP is a Development Plan for a unitary or metropolitan authority. It includes all areas of planning from housing, to retail, industrial, transport and minerals.

Void properties - An empty property for which there is no current tenancy.