

**WEST MIDLANDS REGIONAL HOUSING
STRATEGY 2005**

**DELIVERING A HOUSING VISION FOR THE
WEST MIDLANDS IN THE 21ST CENTURY:
PATHWAYS OF CHOICE**

EXECUTIVE SUMMARY

June 2005

Introduction

The aim of this Executive Summary is to provide an overview of the West Midlands Regional Housing Strategy 2005.

The 2005 Regional Housing Strategy (RHS) builds on and extends the 2003 Strategy. A new comprehensive evidence base has allowed the development of a more in-depth understanding of the function of different parts of the Region and the priorities for investment.

Purpose of the Strategy

The Purpose of the Regional Housing Strategy 2005 is to reinforce and apply the principles of urban and rural renaissance, as first set out in the Regional Spatial Strategy, to the Region's housing markets. To achieve this, the Strategy needs to guide central Government on its housing investment in the Region in order to tackle the immediate dual issues of Decent Homes and Affordable Homes. The ultimate purpose of the Strategy is to secure mixed and balanced communities in the West Midlands.

Core Aims

This Strategy shares the challenging aims set by its counterpart, the Regional Spatial Strategy (WMRSS), together with the policies contained in the Regional Economic Strategy (WMES).

Thus the Strategy aims to:

- Create mixed, balanced and inclusive communities
- Assist in the delivery of the WMRSS policies of Urban and Rural renaissance
- Influence the future development of new housing provision to facilitate and enhance the economic development of the Region
- Address the variety of housing needs across a range of specific sectors

- Work toward the success of the two Government sponsored Housing Market Renewal Area Pathfinders in Birmingham/Sandwell and North Staffordshire/Stoke and the Regionally identified housing restructuring areas of East Birmingham/North Solihull and North Black Country/South Telford
- Ensure that the Government's Decent Homes standards are met in the public, and social rented sectors and, for those in vulnerable circumstances, in the private sector
- Achieve a balance of housing tenure to ensure provision of social and other affordable housing where required.
- Achieve sustainable access to minimise environmental resource consumption and traffic and improve the quality of the environment

The West Midlands Region in Context

The West Midlands Region is home to 5.3 million people. It is a diverse Region. At its heart lies the conurbation of Birmingham, the Black Country, Solihull and Coventry - one of the most densely populated areas (2.25 million) of the country. At the other extreme lie the remoter rural parts of Shropshire and Herefordshire, which are amongst the least densely populated.

When the West Midlands is compared to regional averages using indicators such as incomes, levels of poverty, average house prices and share of tenure its great diversity is lost. Since the West Midlands is not characterised uniformly either by the high demand and affordability problems associated with the wider South East, or by the demographic decline and low demand for housing associated with parts of the North of England, it is possible for West Midlands' issues to be misunderstood or disregarded when

illustrated in this summary statistical manner.

To characterise the true diversity of the Region and the implications that this has for delivering an effective housing strategy, the RHS 2005 was informed by research commissioned to identify the delineation of sub-regional Housing Market Areas.

The West Midlands Region: Four Housing Market Areas

Building on extensive analysis of the way the Regional housing market operates, and the distinctive features of sub-regional Housing Market Areas (HMAs), a robust understanding of the Region's housing markets has been developed which portrays a different picture of the Region than depicted by regional averages.

Sub-Regional Markets

The Four Housing Market identified are: Central, North, South and West. The analysis presented in the Strategy highlights the distinctiveness of the four HMAs and has contributed to the development of investment priorities and spatial targeting

Whilst Chapter 3 of the Regional Housing Strategy, covers in depth the key characteristics of each Housing Market Area (HMA), below are some of the key issues and corresponding priorities.

Central HMA currently:

- New household formation, BME Household growth
- International migration – entry point for new migrants
- Mixture of tenures, types and prices
- Concentration of older and lower income households
- Different levels of demand – high and low

Central HMA – future priorities:

- Focus on potential for growth
- Establish pathways of choice for BME Households/New households
- Linkage of 'high-technology' belts to housing market change
- Connection of Regeneration Zones to HMAs
- Pursue clearance and urban renewal/re-structuring of large social estates

North HMA currently:

- Limited mix of smaller and older properties affected by economic decline
- Regeneration and renewal through RENEW Pathfinder
- Substantial Decent Homes problem
- Significant differences in affordability

North HMA – future priorities:

- Focus on delivering Pathfinder
- Introduce social rented strategies/low cost home ownership in higher priced areas
- Encourage private sector renewal in low income markets
- Implement the WM Homelessness Strategy

South HMA currently:

- In-migration of affluent professionals from other HMAs, national and internationally
- Economic buoyancy and expansion/professionalism of local employment
- General affordability problems

- Decent Homes problem largely in private sector (except for Redditch)

South HMA – future priorities:

- Focus on local housing needs and pathways of choice for local people
- Focus on entry level housing in home ownership and social renting
- Connect with strategies in Central HMA to address migration issues
- Develop approach to Section 106/planning

West HMA currently:

- High levels of elderly and outright home ownership
- Limited mix of properties, dominated by larger detached properties
- Local needs for newly forming and younger households not being met
- Lack of diversity and social mix – destination for affluent owner occupiers/professionals from other HMAs

West HMA – future priorities:

- Introduction of social rented strategies/low cost home ownership
- Support rural regeneration zones
- Develop consistent approach to Section 106 and planning – adopt policies to minimise larger detached homes
- Focus on sustainability of communities

People and Communities

The Strategy considers the specific needs and requirements of some of those who

have distinctive housing issues warranting separate attention. These are:

- Black and minority ethnic groups
- People who are homeless or at risk of homelessness
- Those requiring Supporting People assistance
- People with disabilities
- Asylum seekers and refugees
- Gypsies and other travellers

The Strategy in Chapter 4 draws upon separately available reports prepared for the Regional Housing Board for each of these groups, bringing together a variety of evidence and including results from original quantitative and important qualitative research. Below are the key messages from the research.

Black Minority Ethnic Communities:

- There is a differential rate of growth and distinct patterns of settlement between BME communities, with people of Indian origin dispersing at a faster rate than people of Pakistani and Bangladeshi origin – with the Black population remaining focused on the central conurbation
- BME communities are also becoming more diverse in terms of age, household composition, income and education and the Region faces a challenge in addressing this complex picture, by opening up markets and encouraging housing providers to increase their range of products to meet BME aspirations and provide pathways of housing choice
- As some traditional BME communities are dispersing from their areas of original settlement the housing in these areas are being occupied by new smaller ethnic communities. Not only are these new communities holding up the local economic stability of such areas, it is likely that without their arrival vacancy rates could increase, as there would be too

few incoming inhabitants to sustain the area. If this process continued, large scale abandonment could occur precipitating local economic and housing market failure. Contingency plans for these areas are needed, in the event of a decline in the flow of these new communities

- It is critical that the BME housing sector and BME residents are engaged in the planning of future housing and communities, if major programmes of housing market renewal are to be delivered and community cohesion objectives advanced.

Homelessness

- On average 25,000 homelessness applications are received by WM authorities each year, with 15,000 accepted as being eligible as unintentionally homeless and in priority need. Each quarter there are 1.8 accepted homelessness applications for each 1,000 households in the West Midlands, above the national average of 1.5 per 1,000
- Because homelessness amongst young people is not registered as part of the formal homelessness system, there is a little hard evidence from which to judge the extent of the problem, however, anecdotal evidence has given rise for concern at a national and regional level that youth homelessness is high
- Thus the phenomena of 'sofa surfing' is increasing, alongside increased exposure to crime, substance & alcohol abuse, poor health and unemployment. There is also evidence of hidden homelessness amongst BME communities, thus better monitoring of non-statutory homelessness amongst excluded groups is needed.

Asylum Seekers and Refugees (ASR)

- Significant number of Asylum Seekers and Refugees have been dispersed to and settled in the West Midlands Region since 2000, with the majority being placed within a relatively small number of areas within the Central HMA. This concentration of settlement has had a profound impact on these housing markets and associated services and service providers have experienced significant difficulties with language provision and ASRs unfamiliarity of the fundamentals of UK health, housing, education and employment services
- Whilst Government rationale is that it is inappropriate to provide specialist services for Refugees, some specialist support to assist in the locating of suitable housing would be beneficial, as securely housed Refugees are in a better position to become economically active and integrate more fully into the community
- Data collection by all agencies about the number of ASRs being served is critical, as significant gaps in data collection exist, despite increased migration into the Region. Unless dispersal areas are able to demonstrate the extent of need, it will be difficult to convince the Department for Work and Pensions and the Department for Communities and Local Government (DCLG), formerly ODPM, of the need for further resources and though it may not be politically desirable to set up specific ASR initiatives, the long-term alternative in terms of economic activity rates and issues around social cohesion could ultimately be far more problematic and costly

Gypsies and Travellers

- There is no information on the number of Gypsies and Travellers in the Region currently but

information from the Gypsy Caravan counts gives the total number of caravans as 683 (43%) on council sites and 504 (31%) on private sites and 418 (26%) on unauthorised sites

- Gypsy sites are most numerous in the Central HMA but in relation to the total population across the Region, are over-represented in the more rural parts of the South and West HMAs
- The national policy framework has recently changed with Gypsy and Traveller accommodation issues assuming greater prominence, with the emphasis placed on the mainstreaming of site provision, as a form of affordable housing within housing and planning strategies
- An important role for the Region will be to provide support and guidance to local authorities, as they make their assessment of accommodation needs for Gypsies and Travellers so as to increase consistency. There is also scope for greater sharing of information and good practice in this area, along with the pursuit of a more holistic approach to the location, financing and sharing of sites to accommodate Gypsy and Traveller trends

Supporting People (SP)

- Fourteen SP Authorities exist within the WM Region and the need for collaborative working is recognised by them all, particularly if the issues which undermine the life opportunities of individuals and thereby the Region's aspirations for economic wealth and social health are to be addressed
- Key SP themes have been identified, that are all contributing to the creation of sustainable communities across the Region and which all require continued/additional levels of support, they are: Move-on,

Floating support, Linking of capital and revenue, Remodelling, Housing Market Renewal and Rural needs

The WM Supporting People Strategy has the potential to provide a regional voice for Supporting People, which can help to build the presence of SP into local housing strategies raising its overall profile. The Strategy also provides the opportunity for a more planned approach to the delivery of services across the Region, with the scope to develop a coherent overview and make links to wider strategy development - regeneration, crime reduction, health and social care. The establishment of a SP Regional Implementation Group is needed to support regional working and to take the Strategy forward.

Decent Homes

The Government's definition of a Decent Home is one that:

- Meets the current statutory minimum standard for housing
- Is in a reasonable state of repair
- Has reasonably modern facilities and services
- Provides a reasonable degree of thermal comfort

Within this context all social housing (owned by Local Authorities and Housing Associations) should meet the Decent Homes Standard by 2010.

The Strategy promotes the meeting of the Decent Homes Standard through the achievement of design excellence, energy efficiency, the reduction of fuel poverty and the promotion of environmentally sustainable homes. This will be achieved through improvements to existing housing stock and better design and construction of new homes. Clearance and redevelopment will also contribute to meeting the target.

Affordable Housing

The provision of affordable housing is essential to meet the diverse needs of sustainable communities, and affordability is a significant problem across the Region. The Strategy identifies co-ordinated action by local authorities, developers, housing associations, English Partnerships, Housing Market Renewal Pathfinders, Rural Pathfinders and other stakeholders as vital to achieving affordability.

Table 2: *Affordable and Social Housing Requirements by Housing Market Area* (page 11) presents the estimated amount of affordable and social housing needed by HMA¹

In consultation with Regional stakeholders and at housing market area events, affordability was seen across the Region as the most important single issue.

Affordability can be seen as an outcome of several different drivers affecting housing markets in different places rather than a uniform problem with the same drivers across the Region. Throughout the Strategy a number of drivers impacting on affordability are picked up:

- Increased pressure on housing markets outside the centres of economic growth and MUAs through increased choice for economically active groups due to increased commuting and relative reduced costs of commuting and the role of migration;
- A rise in home working which has meant that the more affluent have greater choice and move to more desirable parts of the Region putting pressure on local housing markets;
- Polarised and segregated housing markets which has resulted in under utilisation of parts of the housing stock and a dislocation between demand and supply of affordable housing for some households;

- The need to raise incomes in remote rural areas and engage with the regeneration agenda.

The delivery of affordable housing can be partly served by aligning investment with sustainable local need and delivering the urban and rural renaissance agenda. However, the scale of the problem is reflected both in the level of household growth and the income to house price relationship, which in more rural parts of the Region is approaching and exceeding 9 times newly forming household incomes.

Sustainable Communities

The Strategy 2005 aims to create a flourishing, diverse and stable Regional economy which, through the provision of 'pathways of housing choice' enables people to live near their work and other activities in affordable homes within sustainable communities with healthy and pleasant local environments and minimum resource consumption.

Renaissance and sustainability require an approach that secures mixed and balanced communities, though the way in which each of the four HMAs operate is different. Key to this has been an understanding of the differential impacts of economic change, the growth of the service economy and, crudely, the imbalance of the Region between the north (dominated by declining manufacturing) and the south with its trajectory towards increasingly knowledge intensive employment.

The outcomes of this legacy are reflected in the strength of the managerial and professional occupations in the South and to a lesser extent the West. In these housing markets there is a need to restructure the choice of dwellings and tenure structure towards smaller and affordable housing for local needs.

Balancing communities also implies addressing the continued segregation of the BME population which has increased by approximately 170,000 between 1991-2001, but which remains concentrated in MUAs. More than 8 in 10 (83%) of the

¹ Table 3.12 in the RHS.

BME population resides in MUAs – a pattern of residence being replicated by asylum seekers and refugees (ASRs) migrating to the Region.

Design excellence, sustainable construction and sustainable improvements to existing homes, as set out in the ODPM² Five Year Plan, are promoted by the Strategy. The Regional Energy Strategy looks to this Strategy and Local Housing Strategies to ensure that housing policies are consistent with the new strategic approach to energy, which requires priority to be given to energy efficiency, renewable energy sources and district heating.

Working in Partnership

Unite the Efforts of Private and Public Sectors

There are large parts of the Region where both private and public sectors have historically biased their housing types to a limited section of the market. This must now change. The Strategy sets the compass bearing for new development and interventions in the existing housing stock which will be secured through the cooperation and determined leadership of local authorities' housing strategies and associated forward planning documentation, working together in mutual support towards the goals established in the RHS and RSS. This step change will be achieved alongside the creation of a robust economic base developed through the WMES.

The RHB is keen to see two dimensions to joint working strengthened. These are joint working between LHAs in furthering sub-regional market analysis and delivery at neighbourhood level, and closer unified approaches to working between LHAs and LPAs.

Joint working will be critical to the successful delivery of decent, affordable, sustainable housing for the people of the

West Midlands. The Strategy proposes and presents the development of Partnership working through:

- Preparing for the merger of the Regional Housing Board and the Regional Planning Body
- Developing partnership arrangements with the four Housing Market Areas
- Themed Working Groups
- The relationship between sub-regions in the West Midlands Regional Spatial Strategy and the Regional Housing Strategy
- The role of the County Planning Authorities in framing and delivering Regional Housing Strategy
- Private Sector Housebuilders

Next Steps

Household forecasts

In the absence of 2001 based household projections by the Office of National Statistics when the Strategy was prepared, the RHS has taken as 'given' the housing land release figures which form land release policy in the confirmed Regional Spatial Strategy (RSS) for the West Midlands and are applied as the basis of policy for housing requirements in this RHS.

A refreshed understanding of the housing needs profile will lead the way to a revision of the Region's housing land supply profile. This work will be done jointly between the RHB and West Midlands Regional Assembly (as the Regional Planning Body) in preparation for the Partial Revision of the RSS.

Futures scenarios

The Strategy needs to be sufficiently flexible to pick up and respond to changes in the wider social and economic climate, as well as to changes in national policy and developments outside the Region; this includes consideration of the impact of growth in surrounding regions (particularly Milton Keynes and the South Midlands) and the Government's response to the Barker agenda.

² Please note ODPM is now DCLG, however, at the time of publication of the Five Year Plan it was an ODPM publication.

The RPB and RHB will continue to develop the draft monitoring regime for MKSM impacts on the West Midlands necessary to secure the Strategic agenda for the West Midlands Region.

A series of next steps are identified including:

- The development of Partnership working to address priorities on a joint basis between authorities on a Housing Market basis
- The development of Regional Housing Allocation Strategies every two years to prioritise those schemes which deliver this Strategy
- Joint local housing market assessments in support of both the planning process and (joint) Local Housing Strategy
- Closer work between Planning and Housing authorities and with private and RSL sector partners to maximise the relevant supply of affordable housing, indeed whatever type of housing is required to deliver choices which until now have been missing or inadequate.

Research programme

Finally, the Strategy recognises the need to keep the shared evidence base on housing markets up to date, and to apply new household projections when they become available to develop the shared evidence base for the RSS Partial Review. These will

be included in a partial update of the RHS 2005.

Other priorities for further research include the following:

- A better understanding of private sector vulnerable households who need to reach the Decent Homes Standard
- The sharing of best practice in the Delivery of Affordable Housing across the Region
- Housing needs of BME communities to offer pathways of choice
- Needs of Asylum Seekers and Refugees
- most recent occupier survey of newly built homes
- Updated analysis of house price data
- Regional level co-ordination of HMA housing markets/needs studies for each of the Housing Market Areas
- The housing contribution to Urban Renaissance
- Scoping study into transport and housing markets
- Health and housing

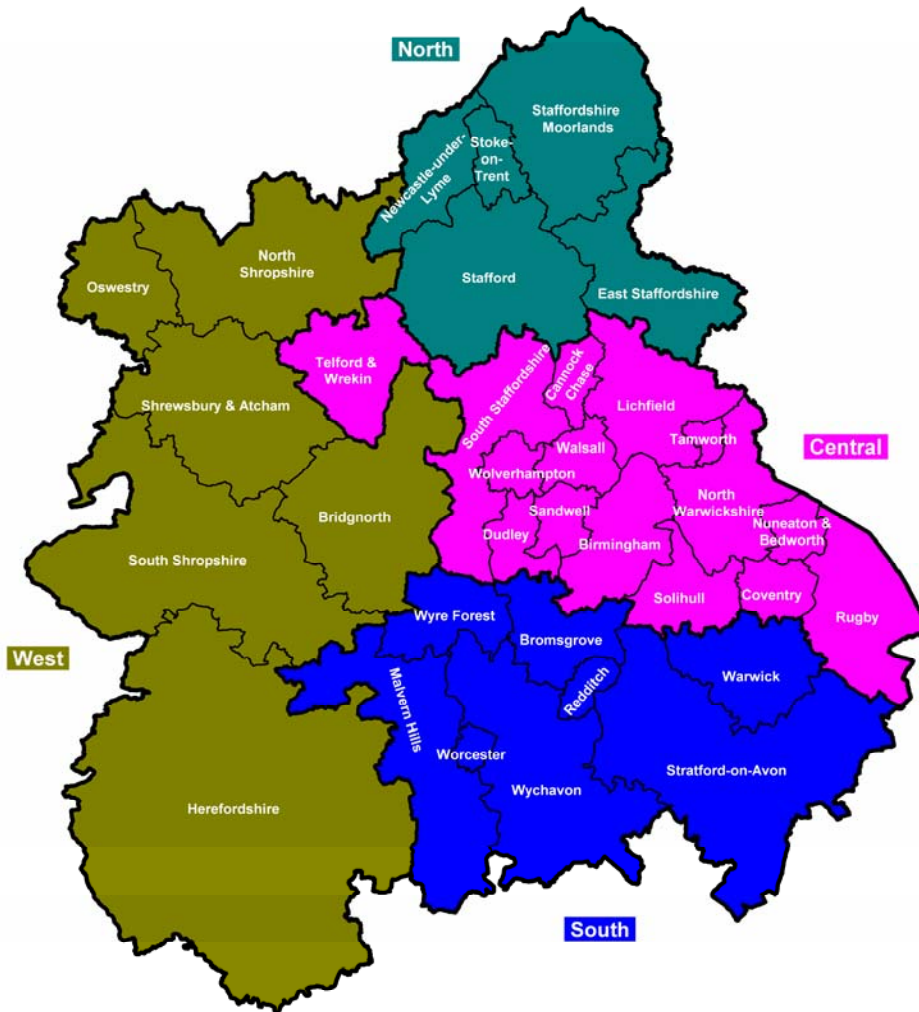


Fig 1 The Four West Midlands Housing Market Areas

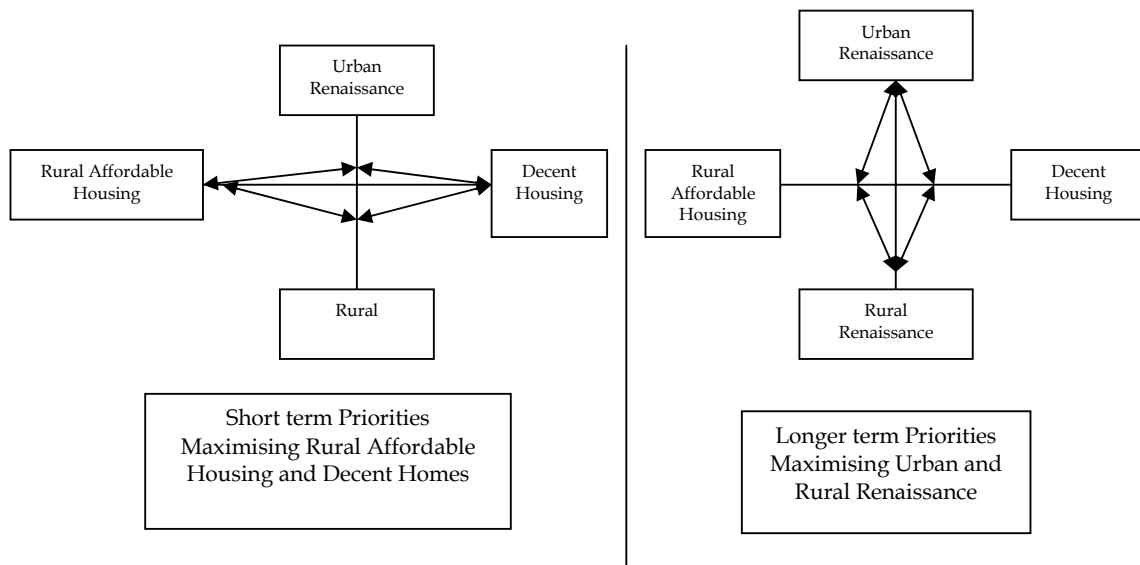
Please see Chapter 3 of the Regional Housing Strategy 2005 for more detailed characteristics of the four Housing Market Areas

Table 2 Affordable and Social Housing Requirement by HMA 2001-21					
	2006/08	2006-11	2011-21	2001-21	% share 2001-21
Affordable (including Social rented housing)					
Central	8874	22184	15163	45584	58.5
North	812	2031	131	3053	3.9
South	2246	5617	5145	16686	21.4
West	1530	3826	4698	12598	16.2
Totals	13464	33659	25137	77921	100.0
Of which Social Housing					
Central	6020	15048	10330	30711	66.0
North	612	1528	78	2196	4.7
South	1132	2830	2622	8434	18.1
West	634	1583	1933	5206	11.2
Totals	8396	20989	14963	46547	100.0

Figure 2

Diagram to illustrate the change in investment priorities over the life of the Regional Housing Strategy

In this diagram the left hand reflects the balance of financial allocation in the short run. The right hand side represents the longer term balance of investment. The diagram depicts the



change in investment emphasis over time on the part of the RHB assuming the initial investment in rural affordable housing and towards delivering decent homes especially in the public sector by 2010 will have fundamentally addressed those issues. That should then allow a switch of emphasis over to increasing the rate of investment into the key long-term priorities Urban and rural renaissance. Addressing immediate rural affordability problems is but one aspect of developing sustainable rural communities and the main centres of population in the rural areas.

The policy and investment priorities are set out on the opposite ends of the poles or axes. On the horizontal axis these are the immediate balance of choice facing the RHB between spend

on affordable housing (which can be styled as the bottom up Regional priority issue) and Decent Homes (which can be styled as the Government's priority). On the vertical axis the longer term areas of spend are set as Urban and Rural Renaissance. Here too choices need to be made. The result is such that, in the short run the immediate pressures must be addressed hence the arrows pulled out to their fuller extent on this axis. Once these are substantially, though never totally, addressed then the pull on spend can move out on the vertical axis to address the long term change that will deliver the sustainable Region for the future, as in the right side of the diagram.

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The full version of the Regional Housing Strategy and this Executive Summary is available for downloading, along with the Regional Allocations Strategy and all the supporting research from: www.wmra.gov.uk/page.asp?id=63