



**SUPPLEMENTARY INFORMATION - APPENDICES**

Cabinet

Tuesday, 27 October 2020

<b>Agenda Item Number</b>	<b>Page</b>	<b>Title</b>
9	3 - 46	REVIEW OF HOUSING ALLOCATIONS POLICY OCTOBER 2020 APPENDIX – DRAFT HOUSING ALLOCATIONS POLICY
<b>Agenda Item Number</b>	<b>Page</b>	<b>Title</b>
10	47 - 144	THE HOMES STRATEGY FOR LANCASTER DISTRICT 2020-2025 APPENDIX – HOMES STRATEGY EQUALITY IMPACT ASSESSMENT
<b>Agenda Item Number</b>	<b>Page</b>	<b>Title</b>
11	145 - 184	OPTIONS TO SET UP THE HOUSING LATCO  APPENDIX 1 TROWERS REPORT APPENDIX 2 SAVILLS REPORT EQUALITY IMPACT ASSESSMENT
<b>Agenda Item Number</b>	<b>Page</b>	<b>Title</b>
14	185 -	LANCASTER BUSINESS IMPROVEMENT DISTRICT (BID) RENEWAL -

	218	DRAFT PROPOSAL APPENDIX 1 DRAFT PROPOSAL APPENDIX 2 ASSESSMENT OF REGULATORY COMPLIANCE
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LANCASTER  
CITY COUNCIL

*Promoting City, Coast & Countryside*

LANCASTER CITY  
COUNCIL  
ALLOCATION POLICY

AUGUST 2020

# TABLE OF CONTENTS

## Contents

1. Introduction and Background	1
2. Applying to join Ideal Choice Homes	5
3. Assessing Applications	7
4. How the Scheme Operates	29
5. Review Process	38
Appendix A	40
Appendix B	42

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# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 1. Introduction and Background

### 1. 1 INTRODUCTION

Lancaster City Council has to provide a policy on how we allocate residential accommodation from our own stock and from Private Registered Providers of Social Housing (PRPSH) whom we work in partnership with.

This document sets out the Lancaster City Council's Allocation Policy. Lancaster City Council operates a district wide Choice Based Lettings Scheme which is called Ideal Choice Homes. Ideal Choice Homes is the main route into accessing social housing in the Lancaster district.

This Allocation Policy has taken into account relevant legislation laid down by UK Parliament, statutory guidance published by the UK Government, regulatory guidance issued by Homes and Communities Agency, judgments made in the English Court and decisions made by the Local Government Ombudsman. Statute consulted includes:

- Housing Act 1996, Part 6
- Allocation of Accommodation: Guidance for Local Housing Authorities in England (2012)
- Providing social housing for local people: Statutory guidance on social housing allocations for local authorities in England (2013)
- Right to Move: Statutory guidance on social housing allocations for local authorities in England (2015)
- Allocation of Housing (Procedure) Regulations 1997
- Allocation of Housing and Homelessness (Review Procedures) Regulations 1999
- Allocation of Housing (England) Regulations 2002
- The Immigration (European Economic Area) Regulations 2006
- Allocation of Housing and Homelessness (Eligibility) (England) Regulations 2006
- Allocation of Housing and Homelessness (Miscellaneous Provisions) (England) Regulations 2006
- Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012
- Housing Act 1996 (Additional Preference for Armed Forces) (England) Regulations 2012
- Allocation of Housing (Qualification Criteria for Right to Move) (England) Regulations 2015
- Homelessness Reduction Act 2017
- Improving Access to Social Housing for Victims of Domestic Abuse in Refuges or Other Types of Temporary Accommodation 2018

# LANCASTER CITY COUNCIL ALLOCATION POLICY

- **Improving Access to Social Housing for Members of the Armed Forces 2020**

A summary version of this policy is available on request. This policy will be reviewed on an annual basis by the Housing Allocation Review Steering Group to monitor its effectiveness.

## 1.2 AIMS AND OBJECTIVES

- To promote balanced and sustainable communities
- To meet the legal requirements for the allocation of social housing
- To make the best use of social housing stock in the district
- To tackle under-occupancy in social housing
- To improve the availability of accommodation for applicants with a local connection to move-on from supported housing schemes in the district
- To reduce and prevent homelessness in the district
- To provide a Choice Based Lettings scheme that allows choice, is accessible to all and is fair, transparent and accountable.

## 1.3 EQUAL OPPORTUNITIES

Lancaster City Council is committed to promoting equality, combating discrimination and promoting balanced communities. We will ensure that discrimination does not take place in the allocation of properties and the service we provide.

Lancaster City Council is committed to:

- Make sure our services and how they are delivered meet the diverse needs of the local people
- Make sure our buildings are as accessible as possible
- Provide information about our services in accessible formats
- Promote balanced communities
- Challenge unfairness and discrimination
- Engage with all local communities to ensure their needs are identified and met
- Value the important contribution the community and voluntary sector make to the Lancaster district.
- Work in partnership to share good practice and promote a consistent approach
- Actively seek feedback to continually develop and improve our approach

Lancaster City Council will regularly review its practices, policies, staff training and monitoring arrangements to ensure that applicants are treated fairly regardless of their gender, age, ethnicity, disability, religion or belief or sexual orientation and that they can access what they need.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

Lancaster City Council is subject to the Disability Equality Duty of the Disability Discrimination Act 2005. When formulating this policy (and associated procedures and protocols) the following arrangements will be considered for each individual application and property:

1. Accessible advertising
2. A property's accessible features being advertised
3. A mechanism to identify the requirements of disabled applicants
4. A mechanism to allow extra time for disabled applicants if they need it
5. A mechanism for providing support in making applications

This policy has been subject to an Equality Impact Assessment

## 1.4 DATA PROTECTION AND INFORMATION SHARING

Lancaster City Council is registered under the Data Protection Act 1988. Accordingly all the data provided on the application form will be held (primarily) for the purpose of allocating housing. Lancaster City Council has a legal duty to protect the public money it administers. As part of this duty we take part in a National Fraud Initiative, a nationwide drive to reduce the amount of public money lost each year due to fraud. As a result, information applicants provide on their application may be shared with other bodies responsible for auditing or administering public funds. For further information see the Lancaster City Council's website or contact Customer Services on (01524) 582000 or email [nfi@lancaster.gov.uk](mailto:nfi@lancaster.gov.uk)

Applicants can request a copy of all the information held about them, to which the Data Protection Act applies. Any request should be made in writing to Lancaster City Council, Dalton Square, Lancaster, LA1 1PJ.

There are a number of PRPSH who are partners in the Ideal Choice Homes scheme. If you bid or are nominated for a property that is owned by one of our PRPSH partners, then they can be provided with a copy of your application and we will share any relevant information regarding your application with them.

Confidential information held about applicants will not be disclosed to third parties apart from:

- Where the individual has consented to the disclosure
- Where we are required by law to make such a disclosure
- Where disclosure is made in accordance with a recognised Information Sharing Protocol or for reasons of public protection.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

Lancaster City Council is subject to the information disclosure requirements of the Data Protection Act 1998. The administration of this Policy will ensure compliance with this legislation. For further information please reference Lancaster City Council's Data Protection Policy. Applicants will be advised of their right to make a complaint to the Office of the Information Commissioner (IOC) if they believe Lancaster City Council has failed to fulfil its obligations and responsibilities under the Data Protection Act 1998. Concerns can be reported by telephoning the IOC's helpline on 0303 123 1113 or online at <https://ico.org.uk/concerns/>

## 1.5 EXCEPTIONAL CIRCUMSTANCES

In exceptional circumstances Lancaster City Council reserves the right to depart from any aspect of this policy. The exercise of such discretion will be monitored to ensure that it is properly exercised within extremely limited bounds. Discretion will be exercised only by senior officers. A separate document (Exercising discretion when making lettings decisions) details the procedures for exercising discretion which is available on request.

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# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 2. Applying to join Ideal Choice Homes

### 2.1 MAKING AN APPLICATION

Applicants need to complete an Ideal Choice Homes application to join the Lancaster Housing Register. The form can be completed online at [www.idealchoicetohomes.co.uk](http://www.idealchoicetohomes.co.uk)

If an applicant is unable to complete an online form or requires assistance, they should contact the Ideal Choice Homes team by telephoning (01524) 582005 or in person at Lancaster or Morecambe Town Hall. We can provide bespoke assistance to applicants who are unable to complete an online form or require help to do so. There are computers with internet access available at Lancaster and Morecambe Town Hall that applicants can use to make an application. Applicants can also access the internet for free at libraries throughout the Lancaster district.

All applicants who complete an application will have to agree to a declaration to:

- Confirm that all the information given is correct and that they will notify Ideal Choice Homes of any changes to their circumstances
- Give consent to allow enquiries to be made concerning eligibility for housing or priority. This may include checks with the Home Office, Land Registry, Police, Probation Services, Social Services and other council departments.
- Give consent to allow their information to be provided to another partner PRPSH in the scheme.
- Give consent to contact their current or previous landlord(s) to provide information relating to their tenancy conduct.

Once an application is received along with all the supporting documentation, an assessment will be made to see if an applicant is eligible and qualifies to join the Lancaster Housing Register. Applicants with complex needs who are struggling to provide supporting documentation, can be provided with bespoke assistance to provide these. This may include assisting applicants who do not have proof of identification or income, support to people to access or purchase documents such as birth certificates or help setting up a bank account to enable them to access the housing register and social housing.

Applications will be processed within a reasonable period of time. If progress to consider an application is unduly slow, an applicant will be entitled to make a complaint using Lancaster City Council's complaint procedure. If this proves unsatisfactory an applicant may seek the help of the Housing Ombudsman Service. Complaints to them can be made by telephoning 0300 111 3000 or online at [www.housing-ombudsman.org.uk](http://www.housing-ombudsman.org.uk)

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 2.2 WHAT IS A HOUSEHOLD

A household is defined as “any other person who normally resides with the applicants as a member of his/her family or any other person who might reasonably be expected to reside with the applicant.” (Housing Act 1996).

If we receive a request to add a person to an application we will usually require documentary evidence to confirm that they are or could reasonably be expected to be a permanent member of that household. We would normally expect that they have resided with the applicant for a minimum 12 month period to be an established household, unless there are reasons why a shorter timeframe should be considered.

If an applicant wishes to include a child on their application, that they do not have parental responsibility for, they will need to provide documentation which demonstrates that the child is expected to reside with them on a permanent basis e.g. residency order, special guardianship order. We may contact Social Services to verify any information provided.

A person can only be included on one application. You cannot be included as a member of a household on more than one application.

## 2.3 GIVING FALSE INFORMATION

It is a criminal offence for anyone applying for housing, from a housing authority, to knowingly give false information or to withhold information which is relevant to their application. An offence is also committed if an applicant allows a third party to provide false information on their behalf.

Ground 5 in Schedule 2 of the Housing Act 1985 (as amended by s.146 of the 1996 Act) enables a housing authority to seek possession of a tenancy granted as a result of a false statement by the tenant or a person acting at the tenant's instigations.

Applicants who knowingly withhold information or mislead the local authority when making their application the Council's intention will be to prosecute applicants under the Fraud Act 2006 and/or Forgery and Counterfeiting Act 1981.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 3. Assessing Applications

### 3.1 ASSESSING APPLICATIONS TO JOIN THE LANCASTER HOUSING REGISTER

Lancaster City Council will consider all applications that we receive. When considering applications we will ascertain whether:

- The applicant is eligible for an allocation of accommodation, and
- If they qualify for an allocation of accommodation

### 3.2 ELIGIBILITY TO JOIN THE LANCASTER HOUSING REGISTER

All applications will first be assessed to see if they are eligible for an allocation of accommodation and therefore able to join the Housing Register.

The transition (implementation) period for the United Kingdom of Great Britain and Northern Ireland to cease being a member of the European Union (EU), which commenced on 31st January 2020, this will expire on 11pm on 31st December 2020. After-which, the following rules for eligibility will be amended and this part of the Procedure will be re-published.

3.2.1 The following classes of persons will be eligible to join the Housing Allocation Scheme:

1. British citizens (constituting the nations of England, Scotland and Wales).
2. Commonwealth citizens with a right of abode in the UK immediately before 01 January 1983 who have remained commonwealth citizens throughout (excluding non-British citizens from Pakistan and South Africa, but inclusive of citizens from Gambia and Zimbabwe).
3. Irish citizens (constituting the nations of Northern Ireland and Republic of Ireland). From 24 August 2020 this will extend to a person who have limited leave to enter or remain in the UK as a family member of a person of relevant person of Northern Ireland, and that family member has been resident in the UK and a family member for at least five years, or the person of Northern Ireland is a worker, self-employed, self-sufficient, student, or have the right of permanent residence in the UK
4. Isle of Man citizens.
5. Channel Islands citizens.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

6. EEA nationals with extended rights of residence:

- a. Jobseekers.
- b. Workers.
- c. Self-employed persons.
- d. Self-sufficient persons.
- e. Students.
- f. Family members of the persons referred to above.

7. EEA nationals with permanent rights of residence:

- a. EEA nationals in UK for a continuous period of 5 years.
- b. Family members of the persons referred to above.
- c. Workers or self-employed persons who have ceased activity.
- d. Family members of the persons referred to above.
- e. Persons who were a family member of the persons referred to above who has died and resided with them previously.

8. Persons exempt from immigration control (e.g. diplomats and their family members based in the UK and some military personnel).

9. Persons granted refugee status by the UK Government.

10. Persons granted exceptional leave to enter or remain in the UK with condition that they and any dependents have resource to public funds (e.g. humanitarian or compassionate circumstances).

11. Persons with current leave to enter or remain in the UK with no condition or limitation, and who are habitually resident in the Common Travel Area (a person whose maintenance and accommodation is being sponsored must be resident in the Common Travel Area for five years since date of entry or date of sponsorship, unless the sponsor has died).

12. Persons who have humanitarian protection granted under the Immigration Rules (e.g. a person whose asylum application has failed, but they face real risk of harm if they returned to their state of origin).



# LANCASTER CITY COUNCIL ALLOCATION POLICY

13. Persons who are Afghan citizens with limited leave to enter or remain in the United Kingdom, who are habitually resident in the Common Travel Area.

14. From 24 August 2020, persons who are habitually resident in the Common Travel Area (see 3.1.2) and who have been granted leave to remain as a stateless person under Immigration Act 1971

3.1.2 The following classes of person will not be eligible to join the Housing Allocation Scheme:

1. Persons not habitually resident in the Common Travel Area, which consists of:
  - a. United Kingdom of Great Britain & Northern Ireland.
  - b. Republic of Ireland.
  - c. Isle of Man.
  - d. Channel Islands (Guernsey & Jersey).
2. EEA nationals (job seekers or their family members) who have only an:
  - a. Initial right of residence for 3 months.
  - b. Derivative right of residence because the person is the primary carer of a British citizen.
  - c. Right to reside as a result of the persons deportation, expulsion or other removal by compulsion of law from another country to the UK (including EEA nationals exercising EU Treaty rights, who were previously settled in the UK prior to deportation).
3. Persons whose only right to reside in the UK is an initial right for no more than 3 months, including those who would become an unreasonable burden on the social assistance system of the UK.
4. Persons who are excluded by section 115 of the Immigration and Asylum Act 1999 to entitlement to universal credit under Part 1 of the Welfare Reform Act 2012 or to housing benefit.

## LANCASTER CITY COUNCIL ALLOCATION POLICY

3.2.3 The granting of a tenancy agreement will be determined by each Registered Provider, in accordance with their respective allocations rules and policy. Notwithstanding this, a joint tenancy cannot be granted to two or more people if any one of them is not eligible for an allocation. If one person is eligible, a tenancy may be granted to the eligible person.

3.2.4 Eligibility provisions do not apply to applicants who are already secure, introductory, or assured tenants of a Registered Provider seeking to transfer. Confirmation of immigration status of an applicant from abroad will be obtained, where necessary, from the Home Office by emailing [EvidenceandEnquiry@homeoffice.qsi.gov.uk](mailto:EvidenceandEnquiry@homeoffice.qsi.gov.uk)

3.2.5 Even when a person is eligible for an allocation of social rented housing, only persons who are habitually resident in the Common Travel Area will be eligible for an allocation. The following tests will be carried out to confirm if an applicant is habitually resident:

1. The degree of permanence in the person's residence in the United Kingdom of Great Britain & Northern Ireland, Republic of Ireland, Isle of Man or the Channel Islands.
2. The association between a person and the place of residence.
3. Whether a person has accumulated a continuous period of residence prior to making their application.
4. Visits abroad for holidays or to visit relatives and other temporary periods of absence will be disregarded.
5. Exemptions from the habitual residence test include EEA nationals and their family members who are workers or self-employed, or have certain permanent rights of residence, or have been removed from another country to the UK.

3.2.6 Persons who are subject to immigration control or are an ineligible person from abroad, will not be eligible for an allocation of social rented housing.

3.2.7 The Housing Allocation Scheme administrators will carry out appropriate checks on an applicant's eligibility to be allocated social rented housing, but will ensure these checks are not discriminatory on the basis of race, nationality, ethnic origin, or any other protected

# LANCASTER CITY COUNCIL ALLOCATION POLICY

characteristic as defined by the Equality Act 2010. The Local Authority will monitor performance in screening housing applications for immigration status to ensure that members of ethnic minorities, who are eligible for an allocation of social rented housing, do not experience unreasonably long delays while their application is being considered. Where there is any uncertainty about an applicant's immigration status, housing allocation administrators shall contact the Home Office. Before doing so, applicants will be advised that such inquiries will be made in order to comply with data protection legislation. The administrators will be given training about housing allocation law and practice and the duties and responsibilities under the Equality Act 2010. Administrators shall ensure that language and interpretation support is available for applicants who have difficulty reading or speaking English.

3.2.8 The Local Authority is not subject to the duty arising from the Immigration Act 2014, part 3, chapter 1, to carry-out a 'right to rent' check on each letting. The Local Authority will only perform checks on the eligibility of any applicant, as per sections 3.2.1 – 3.2.7 of this Procedure.

## 3.3 QUALIFYING TO JOIN THE LANCASTER HOUSING REGISTER

If an applicant is eligible to join the Lancaster Housing register they will also need to qualify to join. The following qualification criteria will not apply to applicants who are accepted by the Local Authority as homeless and who we have a statutory duty to rehouse.

If an applicant makes a joint application, both parties to the joint tenancy must individually qualify to join Ideal Choice Homes and be eligible for an offer, or to bid for a property. If a joint tenancy is refused, a clear reason will be provided to the applicants in writing. Applicants can request a review of the decision if required.

In certain circumstances joint tenancies may be granted to more than two people.

At the point of application, checks will be made to ascertain whether an applicant meets the qualification criteria. Once an application is included on the housing register additional checks may be made to ensure that they continue to meet the qualification criteria. In addition if an applicant is made an offer of accommodation additional checks may be undertaken by the social housing provider to ensure that they satisfy the qualification criteria.

### 3.3.1 Local connection

If an applicant does not have a local connection to the Lancaster district, then they will not qualify to join the Housing Register. This will apply to all applicants on the housing

# LANCASTER CITY COUNCIL ALLOCATION POLICY

register and may mean that existing applicants on the housing register will no longer qualify to remain on the housing register.

A local connection means that one or more of the following statements applies to the applicant

- Lived continuously in the Lancaster district for the previous three years.
- You have previously lived in the Lancaster district for a minimum of 15 consecutive years. If this is the only local connection criterion that applies, then the applicant will be placed in Band E, regardless of whether any other factors in a higher band apply.
- Residence in a hospital, prison, residential school, student accommodation (where it is not their principal home), approved premises, residential rehabilitation facilities, supported accommodation and recovery house does not gain a local connection.
- Worked or provided a community contribution in the Lancaster district for the previous three years (See section 3.34 and 3.35).
- Is serving in the Regular Armed Forces or has served in the previous five years.
- Is a bereaved spouse or civil partner of a member of the Armed Forces and is having to leave Services Family Accommodation.
- Was previously living in Services Family Accommodation but is having to leave due to relationship breakdown with a member of the Armed Forces
- Is an existing or former member of the reserve forces who are suffering from a serious injury, illness or disability which is wholly or partly attributable to their service.
- Is an adult child of service personnel who are no longer able to remain in the family home due to the impact of their family moving from base-to-base.
- Is a social housing tenant in another Local Authority area who is needing to move to the Lancaster district to take up employment or apprenticeship opportunity within the district.
- Is a social housing tenant who has a need to move to the Lancaster district to avoid hardship
- Close family (i.e. mother, father, adult sibling or adult child), who currently live in the Lancaster district and have done so for the previous five years. If this is the only local connection criterion that applies, then the applicant will be placed in Band E, regardless of whether any other factors in a higher band apply.
- They have a continuing caring responsibility for someone who is resident in the Lancaster district, and that this care could not be provided unless they were resident in the district.
- They have moved to the Lancaster district to escape violence or harm
- They are a victim of domestic abuse who has fled to the Lancaster district.
- Applicants from the travelling community who do not have a local connection to another local authority area

# LANCASTER CITY COUNCIL ALLOCATION POLICY

- Asylum seekers who are granted refugee status or other form of leave (Exceptional leave to remain, humanitarian protection and discretionary leave) and were living in Home Office accommodation in the Lancaster district at the time their asylum claim was determined.
- They are a care leaver who has been looked after by Lancashire County Council and after care duties still apply under s23C of the Children Act 1989.
- They are a care leaver aged under 21 who reside in the Lancaster district and have done so for at least 2 years, including some time before they turned 16.
- They need to be near special medical or support services which are only available in the Lancaster district.

*The only exception to this will be applicants who wish to move into and are eligible for, Independent Retirement Living (flatted accommodation only), where they will be placed in Band E and only be able to bid on this type of accommodation. See Appendix A for the local lettings plan for Independent Retirement Living Accommodation, which includes eligibility criteria.*

The Council may, in certain circumstances, agree some reciprocal arrangements with neighbouring authorities which may involve local lettings plans being entered into that will define an area outside the district boundary. This will only apply in limited circumstances, to meet local need and under duty to co-operate arrangements with other district councils.

### 3.3.2 Financial resources

If the applicant has sufficient financial resources to rent privately or purchase a suitable property in the Lancaster district, then they will not qualify to join the Housing Register. If an applicant's circumstances change then they can make a new application and a new assessment can be made.

**Any compensation for an injury or disability sustained on active service with the Armed Forces or Reserve Forces will be disregarded when calculating financial resources. Any mesne profit debts accrued by occupants of service families accommodation will be disregarded, subject to them providing a copy of their notice to vacate or Certificate of cessation of Entitlement to Service Families Accommodation (the Local Authority may contact the Ministry of Defence Loss of Entitlement team by emailing [DIORDAccn-LOETeam@mod.gov.uk](mailto:DIORDAccn-LOETeam@mod.gov.uk) with any queries about the status of such applicants**

Any applicant who has over £30,000 in savings will not be eligible to join the Housing Register.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

If an applicant(s) needs one bedroom and has a gross household income of over £40,000 (excluding any benefits or tax credits), then they will not qualify to join the Housing Register.

If an applicant(s) needs two bedrooms and has a gross household income of over £50,000 (excluding any benefits or tax credits), then they will not qualify to join the Housing Register.

If an applicant(s) needs three or more bedrooms and has a household income of over £60,000 (excluding any benefits or tax credits), then they will not qualify to join the Housing Register.

*The only exceptions to this will be applicants who require specialist fully adapted accommodation or **Independent Retirement Living Accommodation** (flatted accommodation only). These applications will be assessed on a case by case basis by the Choice Based Lettings Manager.*

### 3.3.3 Owner-occupiers

If an applicant owns, has an interest in a property or has signed over a property to someone else or sold a property in the previous five years, then they will not qualify to join the Housing Register.

This will apply to properties owned or previously owned both within and outside the United Kingdom.

*The only exceptions to this will be:*

- *Where the applicant is requiring **Independent Retirement Living Accommodation** (flatted accommodation only).*
- *Where the applicant has a high medical award (25 or more points) and it is unreasonable for them to remain in their current accommodation on medical grounds and/or their housing problem cannot be resolved by adapting their present home or by selling it and purchasing or renting a more suitable home.*
- *Where the applicant is facing repossession as they are unable to pay the mortgage and there is no equity in the property. All avenues to remain in the property will need to have been exhausted and a possession order granted, for this exception to apply.*
- *Applicants who have had their property repossessed or sold within the previous five years (due to their property being unaffordable) and they have been left with less than £26,000 in capital from the sale of the property.*
- *Applicants whose name has been removed from a property as part of a separation or divorce settlement and they have less than £26,000 in capital from any financial arrangement.*

# LANCASTER CITY COUNCIL ALLOCATION POLICY

- *Where the applicant is unable to reside in the property due to domestic abuse and all options to reside safely in the property have been explored.*

### 3.3.4 Unsuitable behaviour

If an applicant, or member of their household has behaved in a way that would make them unsuitable to become a social housing tenant, then they will not qualify to join the Housing Register.

Examples of unsuitable behaviour may include, but not be limited to:

- Applicants whose own actions, or actions of a member of their household, have led to a previous landlord taking action against their tenancy.
- Applicants or members of their household, who have unspent convictions that would make them unsuitable tenants.
- Applicants or members of their household, who have damaged or neglected a current or previous property.
- Applicants or members of their household, who have committed domestic abuse.
- Applicants or members of their household, who have used a former or current home(s) for immoral or illegal purposes.
- Applicants or members of their household, who have caused nuisance, alarm, distress or annoyance to their neighbours or local community.

Before a decision is made on whether they qualify to join the Housing Register under this criteria, applicants will be contacted and advised to provide further information in relation to this unsuitable behaviour and details of any mitigating circumstances. Applicants will be given eight weeks to provide this information and it is their responsibility to provide this. If no information is provided by the applicant, then a decision will be made based on the information (however limited) that we have.

Applicants who do not qualify to join the Housing Register under this criteria will be written to and advised what they need to do to enable them to qualify to join the Housing Register in the future.

To qualify to join the Housing Register, applicants will need to demonstrate that they have taken steps to address their behaviour and would now make a suitable tenant. Prior to any offer being made, further checks will be made to ascertain that there have been no further incidents of unsuitable behaviour.



# LANCASTER CITY COUNCIL ALLOCATION POLICY

### 3.3.5 Rent arrears and housing related debt

If an applicant has a current tenancy or previous tenancy (within five years) with a private landlord and has rent arrears of more than eight weeks or have consistently not paid any shortfall for an eight week period, then they may not qualify to join the Housing Register.

Before a decision is made on whether they qualify to join the Housing Register under this criteria, applicants will be contacted and advised to provide further information in relation to this. This will include details of the rent due, payments made, income and benefits received and details of any mitigating circumstances.

Applicants will be given eight weeks to provide this information and it is their responsibility to provide this. If no information is provided by the applicant then a decision will be made based on the information (however limited) that we have.

Applicants who do not qualify to join the Housing Register under this criteria will be written to and advised what they need to do to enable them to qualify to join the Housing Register.

To qualify to join the Housing Register, applicants will need to demonstrate that they have set up a repayment schedule, which has been agreed with their current or previous landlord and kept to this for a twelve month period, unless a shorter time period is deemed suitable. Prior to any offer being made, further checks will be made to ascertain that the repayment schedule has been adhered to.

If the applicant has had a previous tenancy with Lancaster City Council or one of our partner PRPSH within the previous five years and owe more than £1000 in arrears and/or housing related debt, then they will not qualify to join the Housing Register.

If the applicant has had a previous tenancy with Lancaster City Council or one of our partner related PRPSH within the previous five years and owe more than £250 but under £1000 in arrears and/or housing related debt but have made an agreement to repay the debt and has kept to it for a minimum six month period, then they will qualify to join the Housing Register. Applicants will need to continue to repay the debt in line with the agreement and checks will be made at offer stage to ensure that the agreement has been adhered to. If applicants have not adhered to the agreement, then they will no longer qualify to remain on the Housing Register and any provisional offer will be withdrawn. In order to requalify they will need to have made a new agreement and adhered to it for a minimum three month period.



# LANCASTER CITY COUNCIL ALLOCATION POLICY

### 3.3.6 Deliberate worsening of circumstances

Applicants who have deliberately worsened their circumstances, will not qualify to join the Housing Register.

Examples of this include but is not limited to:

- Selling a property that was affordable and suitable for their needs.
- Moving into insecure and/or overcrowded accommodation, where there was no good reason to do so.
- Transferring or gifting a property to another family member within the last five years. This will include social housing tenants who have assigned their tenancy to someone else where there was **no reason for doing so**.
- Where there is evidence that applicants have dispersed or deprived themselves of assets which could have reasonably been used to secure housing within the last five years from the date of application.
- Where an applicant has moved additional family or friends into their property resulting in overcrowded conditions, when suitable accommodation was available for them elsewhere.
- Moving into a property that was not affordable based on their income at the time of signing the tenancy.

Before a decision is made on whether they do not qualify to join the Housing Register under this criteria, applicants will be contacted and advised to provide further information and details of any mitigating circumstances. Applicants will be given eight weeks to provide this information and it is their responsibility to provide this. If no information is provided by the applicant then a decision will be made based on the information (however limited) that we have.

Applicants who do not qualify to join the Housing Register under this criteria, will be advised of this in writing and will be able to make a new application twelve months from the date the decision was made.

### 3.3.7 Applicants who provide false or misleading information

Applicants who have provided false or misleading information on their application, will not qualify to join the Housing Register.

- Examples of providing false or misleading information will include but not be limited to:
  - Missing out tenancies or addresses from their application form.
  - Using a different surname from a previous application and not declaring this.
  - Not declaring a property that is owned or previously owned in the UK or abroad.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

- Not declaring any unsuitable behaviour listed in section 3.20.4.
- Not declaring rent arrears and any housing related debt listed in section 3.20.5.

Before a decision is made on whether they do not qualify to join the Housing Register under this criteria, applicants will be contacted and advised to provide further information and details of any mitigating circumstances. Applicants will be given eight weeks to provide this information and it is their responsibility to provide this. If no information is provided by the applicant then a decision will be made based on the information (however limited) that we have.

Applicants who do not qualify to join the Housing Register under this criteria, will be advised of this in writing and will be able to make a new application twelve months from the date the decision was made.

### 3.3.8 Current Lancaster City Council tenants and other social housing tenants

If an applicant has been allocated a social housing tenancy in the previous twelve months, then they will not qualify to join the Housing Register. This applies to both introductory tenants and tenants with security of tenure.

This does not apply to moves that took place as a result of a mutual exchange, where the applicant has security of tenure.

The only exception to this will be an applicant who has been awarded exceptional needs status, see section 4.11 for further information.

If an applicant is a Lancaster City Council tenant or other social housing tenant then a reference may be sought from their Landlord. If they do not meet the qualification criteria, then they will not be eligible to join the Housing Register.

If a Lancaster City Council tenant or other social housing tenant has rent arrears or any related housing debt then their application will be deferred until these arrears or housing related debt is cleared. The only exception to this would be if there is an exceptional or **emergency** need to move and their landlord agrees to their tenant moving with outstanding rent arrears and/or other housing related debt. **Lancaster City Council tenants who need to move from your existing home due to extensive repairs required, regeneration programmes or refurbishment as part of a planned maintenance programme.**

If a Lancaster City Council tenant or other social housing tenant has rent arrears, which relate to them being unable to pay the rent due to under-occupying the property, then their application will not be automatically deferred. If the arrears are under £500 and the

# LANCASTER CITY COUNCIL ALLOCATION POLICY

applicant has been taking all possible steps to address them and their Landlord supports this, then they will be permitted to have an active application.

## 3.4 WHAT APPLICATION CHECKS ARE MADE?

When an application is received, if the applicant meets the qualification criteria, they will need to provide the following documentary evidence:

- Proof that they are eligible for social housing if they are a person from abroad (e.g. proof of immigration status, proof that they are exercising a treaty right).
- Proof that they are habitually resident in the UK.
- Proof of identification for all household members (e.g. passport, driving licence, medical card).
- Proof of address for all adult household members (e.g. driving licence, recent utility bill, recent benefit award letter).
- Proof that any children included on their application reside with them on a permanent basis (e.g. benefit letter relating to the children, residence order).
- Proof of their household income and any savings.
- Proof of no rent arrears or confirmation of the amount of arrears (if applicable)

Applicants may also be required to provide further documentation relating to their application which will be detailed in the relevant sections.

Without documentary evidence, applicants will not be able to be fully assessed and will therefore be unable to bid on properties until this documentation is provided. If the applicant is unable to provide the documentation requested they should contact a member of the Ideal Choice Homes team to agree other acceptable forms of documentation.

As detailed in section 2.1, checks may also be made with an applicant's current or previous landlord, Police, Probation Services, Social Services, Benefits Agency, Home Office or other council department.

If the applicant is successful in bidding on a property, we may carry out additional applicant checks to ensure that they still qualify for an offer of accommodation, that their circumstances have not changed and that they are placed in the correct band. This may include requesting a landlord reference.

## 3.5 AFFORDABILITY CHECKS

In addition if an applicant is successful in bidding on a property the housing provider may require an affordability assessment. This will ensure that the tenancy is sustainable and the

# LANCASTER CITY COUNCIL ALLOCATION POLICY

applicant can afford to pay the rent taking into account their other outgoings. The housing provider will normally require some payment as rent in advance.

## 3.6 WHEN WILL A HOME VISIT BE REQUIRED?

In certain circumstances it may be necessary to carry out a home visit to check the housing circumstances are as described on the application form. Applicants are expected to allow Council officers access to all parts of their home.

An appointment will be made before a home visit is arranged and all Council officers will carry photographic identification. If the appointment is not convenient, the applicant can request one at a more suitable time.

Before an offer of accommodation is made, a home visit may be required to verify an applicant's circumstances and ensure that they are as described on their housing application.

If the applicant does not allow a home visit to take place this may affect their banding or lead to a property not being offered to them, that they have been successful in bidding for.

## 3.7 WHEN ARE APPLICATIONS REVIEWED?

All applications will normally be reviewed on an annual basis. Applicants will have to state that they wish to re-register and confirm that there have been no changes in their circumstances. If an applicant does not respond to this review request, then their application will be closed. If an applicant is on the assisted bidding list or has additional support needs that are identified on their housing application, then we will make every effort to make contact with them before cancelling their application.

## 3.8 WHEN ARE APPLICATIONS CLOSED?

An application will be closed from the Housing Register under the following circumstances:

- I. If the applicant requests this
- II. If the applicant is no longer eligible for an offer of accommodation
- III. If the applicant no longer qualifies for an offer of accommodation
- IV. When an applicant is housed through Ideal Choice Homes
- V. When an applicant completes a mutual exchange
- VI. When an applicant fails to comply with the review process
- VII. When an applicant moves and fails to update their application with this information
- VIII. When the applicant does not respond to a request for further information within 28 days from a reminder letter being sent

# LANCASTER CITY COUNCIL ALLOCATION POLICY

In circumstances (II) and (III), the applicant will be notified in writing and informed of the reason why their application has been cancelled and of their right to request a review of that decision.

Should an applicant whose application is cancelled in circumstances (I), (VI), (VII) and (VIII) wish to re-join the Housing Register they will need to complete a new application, using their previous application number and they will be given a new effective date. However, if an applicant contacts Lancaster City Council within 3 months of their application being closed and the applicant still qualifies to join the Lancaster Housing Register, the applicant can be reinstated without the loss of their waiting time.

### 3.9 CHANGES IN CIRCUMSTANCES

It is the applicant's responsibility to notify the Ideal Choice Homes team at Lancaster City Council of any changes in their circumstances which could affect whether they qualify or are eligible to join the Housing Register or their priority for rehousing.

### 3.10 IDEAL CHOICE HOMES BANDING SCHEME

All applicants who qualify to join the Housing Register will have their applications assessed under the Banding Scheme set out below. There are five bands and these reflect the applicant's housing need.

Band A – Emergency Housing Need

Band B – High Housing Need

Band C – Medium Housing Need

Band D – Low Housing Need

Band E – Very Low or No Housing Need

Band F - Social and Supported Housing Tenants Moving to Make the Best Use of the Social Housing Stock

Within each band there are a number of factors. Ideal Choice Homes will consider the facts of your application against each of these factors. If several factors apply to your case you will be placed in the band containing the highest ranking factors within Band A to F.

#### **Band A – Emergency Housing Need**

- You have been assessed by Lancaster City Council as being homeless and in priority need.
- You have been assessed as having an emergency medical need

# LANCASTER CITY COUNCIL ALLOCATION POLICY

- Your home is in emergency disrepair and a prohibition order has been served on your property
- You are escaping violence or threats of violence of a traumatic event, where there is an immediate and serious risk to the household
- You have another emergency housing need due to exceptional circumstances as identified by the Local Authority, Police, Health Authority or Social Services

## Band B – High Housing Need

- You have a high need for rehousing on social or welfare grounds – this is assessed in conjunction with information from another public agency e.g. Police or Social Services
- You have been assessed as having a high medical need for rehousing
- You need two or more bedrooms than you currently have
- You need to move because of a serious injury, medical condition or disability sustained as a result of your service in the Armed Forces. This will apply up to five years following discharge.
- Your home is in high disrepair
- You have been assessed as being homeless but not in a priority need category
- You have been assessed by the council as being intentionally homeless. This will not override the qualification criteria.
- You have been assessed by the council as being threatened with homelessness within 56 days
- You have been served with a valid section 21 notice that expires in 56 days or less
- You are currently in a refuge or other safe temporary accommodation for victims of domestic abuse in the Lancaster district
- You are currently in a refuge or other safe temporary accommodation for victims of domestic abuse outside the Lancaster district but you have special circumstances why you need to be rehoused in the Lancaster district

## Band C – Medium Housing Need

- You have a medium need for rehousing on social or welfare grounds – this is assessed in conjunction with information from another public agency e.g. Police or Social Services
- You have been assessed as having a medium medical need for rehousing
- You have two people of different sexes included on your application who are not living together as partners both aged over 10 who are sharing a bedroom.
- You need rehousing and have served or are serving in the Armed Forces
- You need to move nearer to someone to provide or receive support

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## Band D – Low Housing Need

- You are sharing facilities (i.e. bathroom, kitchen, toilet) with family or people you are not related to
- You have been assessed as having a low medical need for rehousing
- You live in private rented accommodation
- You live in a mobile home, caravan or boat
- You live in tied accommodation
- You have a licence to occupy your current accommodation
- You live in an above ground floor flat and have child(ren) aged under 16

## Band E - No Housing Need

- You are an owner-occupier who is moving into **Independent Retirement Living Accommodation** (flatted accommodation only)
- You do not have a local connection but wish to move into **Independent Retirement Living Accommodation** (flatted accommodation only)
- You are an owner-occupier who is facing repossession, are unable to pay your mortgage and have no equity in your home
- You are a social housing tenant who is adequately housed
- You have served or are serving in the Armed Forces and are adequately housed

## Band F – Social and Supported Housing Tenants Moving to Make the Best Use of the Social Housing Stock

- You are a Lancaster City Council tenant who needs to move from your existing home due to extensive repairs required, regeneration programmes or refurbishment as part of a planned maintenance programme.
- You are a Lancaster City Council tenant or tenant of one of our partner PRPSH who advertise all their vacancies via the Ideal Choice Homes Scheme and have one or more bedrooms than you currently need. You will need to be affected by the changes to the size criteria for this to apply
- You are a Lancaster City Council tenant or tenant of one of our partner PRPSH who advertise all their vacancies via the Ideal Choice Homes Scheme and have succeeded to a property that is too large or unsuitable for your needs
- You are a social housing tenant in the Lancaster district who is moving into **Independent Retirement Living Accommodation** from a general needs property
- You are a social housing tenant in the Lancaster district who lives in a high demand adapted property that you no longer require

# LANCASTER CITY COUNCIL ALLOCATION POLICY

- You are a social housing tenant in the Lancaster district, currently living in general needs accommodation with one more bedroom than you require and need to move to be closer to family to give or receive support.
- You are a Lancaster City Council tenant or tenant of one of our partner PRPSH who advertise all their vacancies via the Ideal Choice Homes Scheme and you live in a property that we have high demand for or urgent use for.
- You have successfully completed your stay in supported accommodation and you now need to move into general needs accommodation. This will need to be a supported accommodation scheme who we have a current Service Level Agreement (SLA) with and you will need to have been assessed under the SLA as being ready to move into general needs accommodation. This will not override the local connection qualification criteria.

### 3.11 PRIORITISING APPLICATIONS WITHIN BANDS

The banding scheme prioritises applicants by putting those in similar housing need in the same band. Within each band, applications are listed in date order. The “effective” date is the date of the first application, or the date which the applicant moved into a higher band. The “registration” date is the date the initial application was received.

Priority within each of the bands will be determined by the effective date. Where applicants in the same band bid for a property, the applicant with the earlier effective date has greater priority. If these applicants have the same effective date, the one with the earlier registration date has priority.

### 3.12 MOVEMENT WITHIN BANDS

Applicants can move between bands if:

- Their circumstances change
- Additional information is received about medical or welfare issues which upon assessment by Lancaster City Council, leads to a higher or lower band being awarded to the applicant

If an applicant moves to a higher band, then their effective date will be replaced by the date they moved into that band. If an applicant moves into a lower band, then their effective date will remain the same.

### 3.13 ASSESSING MEDICAL PRIORITY

Medical priority will be awarded by the Council’s Medical Officer. If an applicant feels that there are medical reasons why they need to be rehoused they should complete the medical section



# LANCASTER CITY COUNCIL ALLOCATION POLICY

on their application form, submit medical information by completing a Medical Self-Assessment Form or by providing information from a medical professional. This will then be assessed by the District Medical Officer who will award priority as follows:

## **Band A: Emergency Housing Need 30 medical points**

*The current accommodation is so completely unsuitable that should the applicant remain or return to it the effect on their health would be critical. This can only be averted by a move to alternative accommodation in the shortest time possible.*

## **Band B: High Housing Need 20-25 medical points**

*The housing situation is so severely affecting the applicant's health and wellbeing that it is resulting in them being completely housebound, at risk of injury, relapse or unable to live independently.*

*Alternative housing is required within a reasonable time frame to prevent serious risks to their health and wellbeing.*

## **Band C: Medium Housing Need 10-15 medical points**

*The housing situation is seriously affecting the applicant's health and wellbeing and is having an unacceptable impact on their ability to live independently.*

*Alternative housing is required to prevent a significant and serious deterioration to their health and wellbeing in the short/ medium term (within 2 years).*

## **Band D: Low Housing Need 5 medical points**

*The housing situation is having a negative impact on the applicant's wellbeing but it is not causing any significant deterioration to their health or ability to live independently*

## **Band E: 0 medical points**

*Whilst it is recognised that there may be a health and wellbeing issue, this is not affected by the current accommodation. The applicant's health and wellbeing would not be improved by a move to alternative accommodation. Therefore no housing need actually exists.*

### **3.14 ASSESSING PROPERTY SIZE NEEDED**

Applications will be assessed to determine the size of property their household needs. A household is defined as any other person who normally resides with the applicant as a member of his/her family or any other person who might reasonably be expected to reside with the applicant. See section 2.2 for further information.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

If an applicant is an approved foster carer or has had a child placed with them prior to adoption then we can include them on their household. This will not increase their property size by more than one bedroom regardless of how many children they foster. Documentary confirmation of this will be required from Social Services.

If an applicant has children who are in the Armed Forces but continue to live with their parents when they are not away on operations, they can be included when assessing the size of property a household needs. We will require a letter from the adult child's chain of command to confirm that they are away on operations.

Bedroom requirements are based on assumptions that a bedroom is suitable for:

- each adult couple
- any other person aged 16 or over
- two children of the same sex aged under 16
- two children, regardless of sex, aged under 10
- any other child
- a disabled child or adult who needs their own bedroom on medical grounds
- a carer, or team of carers, who has a home elsewhere, who uses a bedroom on a regular basis to stay overnight because an adult member of the household requires overnight care

If an applicant has been assessed as requiring a one bedroom property and they are pregnant, we will amend their application so they can bid on two bedroom properties from 12 weeks prior to their due date. This will be subject to an affordability assessment.

We do not make exceptions to this which means that:

- if an applicant shares care of their own child, the child will only be taken into account of calculating the property size needed for the designated "main carer" – if care is shared exactly equally, the main carer will be the parent that receives the child benefit
- applicants whose children visit but are not part of the household are not assessed as needing an extra bedroom
- applicants living together as a couple, who currently sleep in separate bedrooms for personal reasons will only be allocated one bedroom. If there is a medical need for a separate bedroom this will be authorised by our medical officer. If an additional bedroom is sanctioned under medical grounds an affordability assessment may be required. This See 3.14.1.

We aim to make the best use of the social housing stock in the Lancaster district. Some of our three and four bedroom houses have additional living rooms that can be utilised as a bedroom,

# LANCASTER CITY COUNCIL ALLOCATION POLICY

effectively making them a four or five bedroom house. When these properties are advertised, applicants who require the extra room to be used as a bedroom will be eligible to bid for them. These applicants are given priority within each band over those who don't require the extra room.

We may under-occupy properties where there is low demand. Low demand is classed as where we have advertised for a minimum one week period and no suitable bids have been placed.

### 3.14.1 Requiring an additional bedroom on medical grounds

If a separate bedroom is required for a disabled child, disabled adult or a carer they will need to provide supporting documentation regarding this. This will be submitted to our medical officer and they will make a decision as to whether this is required on medical grounds. **The applicant may be required to undertake an affordability assessment before proceeding with the offer.**

### 3.15 ASSESSING DISREPAIR

We work closely with Lancaster City Council's Housing Standards team when an applicant has stated that their current rented accommodation is in disrepair.

It will be expected that an applicant has already raised the problem with their Landlord in writing before a Lancaster City Council officer visits. This will give the Landlord the opportunity to carry out the necessary works before involving Lancaster City Council and possible enforcement action.

Applicants will be made fully aware that if a Lancaster City Council officer visits and identifies serious defects with the property that they are under a statutory duty to take appropriate steps to remedy the defects and this will involve contacting the Landlord and/or agent.

If an applicant is living in accommodation where the conditions pose an ongoing and serious threat to health and safety of the residents and where there are Band A, Category 1 hazard(s) that have been found following an assessment by the Council's Housing Standards team can not be resolved by the landlord, the applicant will be placed in Band B.

If an applicant's home is in emergency disrepair and a prohibition order has been served on the property, the applicant will be placed in Band A.

### 3.16 ASSESSING SOCIAL AND WELFARE PRIORITY

If an applicant's household includes someone with a particular need for settled accommodation and who cannot be expected to find/afford suitable accommodation in the future then they will be awarded priority under social and welfare.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

The band you will be placed in will depend on whether this is assessed as being an urgent, high or medium need. We will usually require information from another public agency such as the police or social services before awarding social and welfare priority. This priority is decided by the Choice Based Lettings Manager.

## 3.17 EMPLOYMENT

In the Lancaster district there are some social housing providers who have local lettings policies where certain properties are allocated to applicants in employment. We do not give additional priority to applicants in employment but we do capture this information. This is to ensure only applicants in employment qualify to bid on these properties.

To be eligible for these properties an applicant or member of their household needs to be in permanent employment. Permanent employment will include self-employment and temporary contracts of more than 12 months, but not casual employment. This will include part-time employment but it will need to be for a minimum of 16 hours per week or 70 hours per calendar month.

If an applicant is on a zero hours contract but can demonstrate that on average (over a minimum three month period) that they have been employed for a minimum 16 hours per week or 70 hours per calendar month) then they will be classed as being in employment.

The applicant will need to provide documentary confirmation of this.

This does not override the qualification criteria for local connection and income.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 4. How the Scheme Operates

### 4.1 WHICH PROPERTIES ARE INCLUDED IN THE CHOICE BASED LETTINGS SCHEME?

Lancaster City Council properties and PRPSH Landlord properties to which we have nomination rights will be advertised to let through Ideal Choice Homes. This will include:

- General needs housing
- Independent Retirement Living
- The majority of properties with minor adaptations e.g. wet room, level access.

Customers with active applications will be able to exercise choice by registering an interest on the property by “bidding” on them.

There will be some exceptions to this, these will include:

- Highly Adapted properties

These will usually be offered to a household with matching needs. These properties may be assessed by an Occupational Therapist who will assess their suitability before a formal offer is made.

- Management lets and Direct Offers

These will be when we need to use a property for specific management purpose and the qualifying applicant will normally receive one reasonable offer of accommodation. Lancaster City Council tenants who needs to move from their existing home due to extensive repairs required, regeneration programmes or refurbishment as part of a planned maintenance programme may receive direct offers.

### 4.2 ARE THERE ANY LETTINGS NOT COVERED BY THIS POLICY?

The following are examples of lettings not covered by, or specifically excluded from the allocation scheme, under the provisions of the Housing Act 1996

- Offers of non-secure tenancies to homeless persons pursuant to any duty under Part 7 of the Housing Act 1996
- The conversion of introductory tenancies into secure tenancies
- The conversion of secure tenancies into demoted tenancies
- Offers of tied accommodation made to council employees (service tenancies)

# LANCASTER CITY COUNCIL ALLOCATION POLICY

- Offers of or nominations to accommodation made at the council's own instigation rather than in response to an application, for example offers to tenants being decanted from their homes to allow major works to take place
- Assignments of, and successions to social housing tenancies
- Mutual exchanges
- Transfers of tenancies made by Court Order under the Matrimonial Causes Act 1973 or other family legislation
- Vesting or disposal of tenancies by order of a Court

## 4.3 HOUSES IN THE LANCASTER DISTRICT

Priority for two bedroom houses will be given to applicants with children aged under 16. This is because within the social housing stock in the Lancaster district, there are two bedroom flats that are suitable for applicants with no children in their household. Applicants without children who need two bedrooms will be eligible to apply for two bedroom houses but those with children aged under 16 will take priority.

This will only apply to two bedroom houses. Other sized properties will be let in accordance with their bedroom and housing need.

## 4.4 BUNGALOWS IN THE LANCASTER DISTRICT

To be eligible for an allocation of a non-Independent Living Scheme bungalow, an applicant will need to meet one of the following criteria:

- The applicant or one of the joint applicants will need to be aged 55 or over. An applicant's partner does not need to meet an age requirement but may not have a joint tenancy.
- The applicant or one of the joint applicants has been sanctioned a bungalow on medical grounds by the medical officer.

In addition, no member of the household should be aged under 30. The only exception to this will be where

- An applicant or a member of their household is a fulltime indoor wheelchair user, confirmed by a medical practitioner or occupational health therapist, regardless of age.

## 4.5 LOW DEMAND PROPERTIES

If there is no demand for a property we may re-advertise it to applicants who do not normally qualify for this size or type of property.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

For example a two bedroom property may be re-advertised to enable applicants with a one-bedroom need to apply.

When this occurs, any local lettings policy in place will still apply. **With bungalows and Independent Retirement Living properties, preference** will be given to social housing tenants who are freeing up a high demand property.

Before any offer of accommodation is made, a financial assessment may be undertaken to ascertain whether or not the applicant will be able to financially sustain the tenancy.

## 4.6 ADVERTISING VACANCIES

All Lancaster vacancies will be advertised through the Choice Based Lettings Scheme (known as Ideal Choice Homes), except those detailed in section 4.1. Each week a new list of current vacancies will be available.

The property adverts will contain information about, amongst other things, rent, number of bedrooms, heating type, suitable household size and whether pets are accepted, as well as giving information on local services and amenities. The advert will also indicate the priority band of applicant that preference will be given to. The advert will also state who the **Landlord of the property is.**

Properties may be advertised during the notice period given by the outgoing tenant. If the notice is withdrawn by the tenant during this period the property will therefore be unavailable to be let.

## 4.7 QUOTA SYSTEM

To allow applicants in lower priority bands access to housing, a quota system will be used. This allows a proportion of vacancies to be advertised with priority to those applicants in a specific band. The system will be monitored to ensure that it does not operate to the detriment of those with a higher need for housing.

It is important that Lancaster City Council supports sustainable and balanced communities. This means that properties will be advertised on a percentage basis to each band to ensure that applicants in all bands will have the opportunity to access social housing. The percentages used for the quota system will be reviewed on an annual basis. We will aim to prioritise 20% of properties to applicants in Band F for the better management of the social housing stock within the Lancaster district.

Where a sensitive let or a particular balance is required in an area, a vacancy may be advertised as limited to specific types of household. The advert will include details of who can apply to ensure transparency and openness.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 4.8 LOCAL LETTINGS

Partners in the Choice Based Lettings Scheme may draw up local lettings policies and plans for an area, scheme or estate to meet the specific needs of that local community. Local lettings policies may be used to tackle particular management problems and or to address imbalances in the community. Local lettings schemes will be publicised to ensure openness and transparency in the lettings process.

Lancaster City Council should be consulted by the PRPSH if they are considering implementing a new local lettings policy.

Lancaster City Council local lettings plans can be found in the appendices.

## 4.9 RURAL VILLAGE AND MARKET TOWN CONNECTIONS

There is a severe shortage of social housing in rural villages and we aim to preserve rural communities. Therefore we give additional priority to applicants who have a rural connection to a village or the market town of Carnforth.

A rural connection means that the applicant has either:-

- Lived in that village for at least six out of the past twelve months or three out of the past five years
- Previously lived in that village for at least 5 years
- Has permanent employment in a village and **has worked in the village for the previous six months.**
- Has close family who live in the village **and have done so for the previous six months.** Close family includes parents, adult children and adult siblings.

Additional rural connection priority is given to applicants within bands but not between bands. This means that if we advertise a property to a given band, for example Band C, an applicant in Band C with a rural connection will be given priority over an applicant in Band C with no rural connection.

We will state in the advert if additional priority will be given to an applicant with a local connection. Before selecting which band to use for the property will look at which applicants on the housing register have a rural connection to that the village and choose an appropriate band, based on housing need and demand.

Under the Planning Act some developments are subject to Section 106. This requires those properties to be let to customers with a local connection, which can be more demanding than



# LANCASTER CITY COUNCIL ALLOCATION POLICY

the rural connection Lancaster City Council applies. Where this applies, only those applicants meeting the requirement of the Section 106 will be eligible for an offer of property. The advert will state if this applies to the property and provide details of the connection required.

In order for an applicant to have a rural connection, they will need to provide documentary evidence of this.

If there is limited or no social housing in the village to which an applicant has a rural connection, a rural connection will be given to the next surrounding village(s).

## 4.10 BIDDING PROCESS

Applicants can bid for up to two properties per cycle that they meet the property criteria for.

Applicants can bid through the website, over the phone and in person at Lancaster and Morecambe Town Halls. Access to the Ideal Choice Homes website is available for applicants at Lancaster and Morecambe Town Hall.

For those applicants who are unable to bid for themselves and who do not have any family, friends or advocates who can bid on their behalf we do have an assisted bidding scheme for vulnerable customers. This will mean that bids are placed on those applicant's behalf based on the preferences they express.

By bidding an applicant is simply expressing an interest in a property, and telling us that they wish to be considered for it. Their position on the shortlist may change over the course of the bidding cycle. If an applicant comes top of a shortlist there is no guarantee that they will be successful in being offered this property.

Further checks are made to ensure that they meet the criteria for the property and that the information supplied on their application form is still correct.

If an applicant is not offered this property a reason will be provided and the applicant will be able to see this on their online account.

If an applicant requires adaptations to a property, an assessment of suitability will be undertaken. This may involve arranging an assessment by an Occupational Therapist and a Technical Officer from Lancaster City Council. If the property is not suitable to be adapted for the applicant and their household's needs or in line with Council Housing's Adaptation Policy, we will not undertake adaptations as we have other suitable properties that could be offered, they will not be offered the property that they have placed a bid on.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

If an applicant bids on and is offered three suitable properties, that they subsequently refuse they will remain in their current band but they will lose their waiting time. Their application will be updated and their effective date will change to the date of third refusal.

## 4.11 SHORTLISTING AND OFFERS

The Choice Based Lettings Scheme will identify applicants who have placed a bid on each vacancy. It will generate an ordered list based on band and the applicant's length of time on the waiting list as well as taking into account any rural connection policy or adaptations that the property has.

Prior to an offer being made additional verification checks will be undertaken of the applicant's eligibility and qualification to join the housing register and banding priority. This is to ensure that any changes in circumstances that might have occurred subsequent to the initial application that we have not been made aware of, which might render the applicant not eligible, disqualified for an allocation of social housing or their priority has changed. An applicant's current landlord will normally be contacted to request a reference.

The applicant at the top of the list will normally be offered the property subject to these checks and to meeting any additional criteria included in the advert.

If an applicant is a tenant of Lancaster City Council or one of our partner PRPSH, then a check will be made with them, before any provisional offer of accommodation is confirmed.

Tenancy checks will be made to ensure that they meet the qualification criteria, that they have a clear rent account, can give vacant possession of the property, have no other housing related debt, have not caused any damage to the property or made any unauthorised alterations and have conducted their tenancy in a satisfactory manner.

If the council or a partner PRPSH does not agree to the offer being confirmed due to unsatisfactory tenancy checks, then the provisional offer will be withdrawn. If the tenancy checks highlight any issues with the tenancy, this may result in them no longer qualifying to be on the Housing Register.

See section 3.3.8 for more information on rent arrears and social housing tenants.

Should the offer not be made to the applicant at the top of the list following the additional checks, or should it be refused, the offer is made the next eligible applicant on the shortlist. This process continues down the list until an offer of accommodation is accepted.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 4.12 HOMELESSNESS

If an applicant advises that they are homeless or threatened with homelessness they will be encouraged to make a Housing Options appointment. An applicant will not be awarded homeless or **threatened with homelessness withing 56 days** priority, unless they have had this assessed by a member of the Housing Options team.

If an applicant has been assessed as homeless or threatened with homelessness within 56 days, they will be placed in Band B. This however does not override the qualifying criteria.

If an applicant has been assessed as homeless but there is no priority need for rehousing and they have not made themselves intentionally homeless, they will be placed in Band B. This will not override the qualifying criteria.

If an applicant has been assessed as intentionally homeless they will be placed in Band B. This however does not override the qualifying criteria.

### Where the Council have

- Accepted a section 189(B) Relief duty and
- The applicant is, at the point of that 189B duty being accepted, considered to be in priority need and unintentionally homeless, whether a decision to that effect has been made or not, and
- The applicant is in temporary accommodation provided by the Council to meet a section 188 Interim Accommodation duty.

Then Band A will be awarded to the applicant and this may override the qualifying criteria.

### Homelessness and Direct Offers

If we have a statutory duty to rehouse an applicant because they are unintentionally homeless and in priority need, they will be placed in Band A for two weeks. They will be advised that they have to bid for suitable properties when they become available and how to bid. If they have not bid for properties or have been unsuccessful in bidding on properties, then they will receive a direct offer of suitable accommodation when one becomes available.

The housing pressures faced limit the degree of choice that the Council is able to offer, along with the responsibility the Council has to some groups in urgent housing need and to reduce the financial impact of temporary accommodation on the Council.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

For all applicants eligible and registered under the scheme the Council believes that any applicant should be able to express a preference over the area in which they would like to live and the type of property they would ideally like but should be fully aware that the Council's ability to satisfy their preference might be severely limited. Expressing a preference over where an applicant would prefer to live does not mean that the Council will be able to meet that preference, or that the Council will not offer suitable accommodation outside of a preferred area in order to meet the duty owed to any applicant under the section 189B(2) Relief of homelessness duty or the main section 193(2) duty under Part 7 of the Housing Act 1996

"There may be circumstances where for urgent operational or financial reasons there is a need to make a direct offer of housing outside the CBL, banding and date order criteria set out in this policy. Specifically, this would be where there may be urgent operational or financial reasons to allocate outside of the band and date order criteria namely:

Where an applicant is homeless and in temporary accommodation and owed a section 189B(2) Relief duty or 193(2) main duty and the Council decides it needs to move applicants out of temporary accommodation to manage the budgetary impact on the Council the Council may make a direct offer of suitable accommodation at any time to reduce the financial burden on the Council of the cost of temporary accommodation.

Furthermore, the Council may restrict the time an applicant is therefore able to bid for accommodation in an area where they would prefer to live. The offer of accommodation would be in any area of the district that the Council has assessed is suitable and safe for the applicant to live in.

A decision to make a direct offer of accommodation outside of the choice based letting band and date order system could therefore be:

- a) Where an applicant is not being realistic in the areas they are bidding for accommodation and as a result they may be occupying a temporary accommodation unit that may be needed for another newly presenting homeless applicant.
- b) To reduce the financial burden on the Council of the cost of temporary accommodation

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 4.13 EXCEPTIONAL NEEDS AWARDS

If a Council Housing tenant is assessed as having an emergency need for rehousing, as assessed by the Exceptional Needs Panel, they will receive one direct offer of suitable accommodation.

Whilst we will look to rehouse in the tenant's preferred areas, if none are available or that area is not deemed safe by the panel, we will offer the next suitable available property. This could be any social housing property, anywhere within the Lancaster district area.

If they do not feel that the property they are offered is suitable for them, they have 7 days from the date they are offered the property to request a review of the offer. This will be reviewed by the Exceptional Needs panel.

If it is decided that the property was not suitable, another direct offer of a suitable property will be made. If the applicant rejects this offer there will not be any further direct offers of property made. Their application will be reassessed and they will be placed in the appropriate band.

## 4.14 BAND A APPLICANTS WHO ARE NOT HOMELESS OR GIVEN EXCEPTIONAL NEEDS STATUS

If applicants have been placed in Band A due to other emergency housing needs they will either have the option to bid on properties for a two week period before receiving a direct offer or they may just receive one direct offer of suitable accommodation. This will be explained to the applicant in writing when they are placed in this Band.

If they do not feel that the property they are offered is suitable for them, they have 21 days from the date they are offered the property to request a review of the offer.

If it is decided that the property was not suitable, another direct offer of a suitable property will be made. If the applicant rejects this offer there will not be any further offers of property made and the applicant will be removed from Band A. Their application will be reassessed and they will be placed in the appropriate band.

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## 5. Review Process

An applicant has a right to request a review if:

- They have not been accepted onto the Lancaster City Council Housing Register
- Their application has been removed from the Lancaster City Council Housing Register
- They disagree with how their application has been assessed and/or the band they have been placed into.

To request a review the applicant will need to put this in writing within 21 days of receiving our written decision. The applicant will need to give the reasons why they believe an incorrect decision has been made. If an applicant is unable to put their point across in writing, they can request a meeting with a senior officer.

The review will be undertaken by a senior officer who was not involved in making the original decision and will take account of information provided by the applicant. They will notify the applicant of the decision within 56 days of receiving the request.

Following the conclusion of a review, applicants will be notified of their right to apply for a judicial review on any point of law. Applicants will be notified of their right to make a complaint to the Local Authority, if they remain dissatisfied upon conclusion of any internal complaints investigation and their right to ask the Local Government & Social Care Ombudsman or the Housing Ombudsman to investigate claims of maladministration.

LANCASTER CITY COUNCIL ALLOCATION POLICY

Draft

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## Appendix A

### LOCAL LETTINGS PLAN – INDEPENDENT RETIREMENT LIVING ACCOMMODATION

#### BACKGROUND

We have a number of properties, which are currently designated as Independent Retirement Living schemes. Independent Retirement Living accommodation offer self-contained homes with regular contact from a Scheme Manager during working hours and the reassurance of 24 hour emergency personal alarms. Some of the schemes also offer communal lounges and other facilities for the benefit of tenants.

#### ALLOCATION CRITERIA

To be eligible for an allocation of one of these properties' applicants will need to meet the following criteria:

- The applicant or their partner will need to be aged over 60 and be able to demonstrate that they would benefit from the key aspects of sheltered accommodation. They will need to complete an additional application form, which will assess their need and suitability for the service.
- If a member of the household has a history of anti-social behaviour or unspent convictions, then they may be rejected if there is concern that their activities will affect other residents in the scheme.
- If a member of the household has support needs, they will only be accepted with a recognised support package and they will need a history of previous positive engagement.
- Applicants will need to be able to live independently and not have a requirement for specialist health services, personal or nursing care which cannot be met in a community-based setting.

Please note, where necessary, supporting information for applicants will be sought from a wider range of agencies/sources than usual.

Normal exclusion criteria will still apply as outlined in the allocation policy.

#### UNDER OCCUPATION

Under occupation for these properties may be considered where there are no suitable applicants who meet the additional criteria. In these circumstances we may refer the applicant(s) for a financial assessment to ensure the tenancy is affordable.



# LANCASTER CITY COUNCIL ALLOCATION POLICY

## REVIEW OF POLICY

This policy will be reviewed on an annual basis by the Housing Allocation Review Steering Group to monitor its effectiveness.

Draft

# LANCASTER CITY COUNCIL ALLOCATION POLICY

## Appendix B

### LOCAL LETTINGS PLAN – SENSITIVE LETTINGS

#### BACKGROUND

We occasionally have properties where there is a need for a sensitive let. This can be for a number of reasons such as a history of serious anti-social behaviour in property or due to the location of the property. These can be approved by the Principal Housing Manager and are closely monitored.

#### ALLOCATION CRITERIA

To be eligible for an allocation of one of these properties applicants will need to meet the following criteria:

- The main applicant will need to be over the age of 30 (unless they are in full time (minimum 35 hours per week) employment)
- No member of the household can have a history of heavy drug or alcohol over the previous 12 months
- If a member of the household has a history of anti-social behaviour or unspent convictions then they may be rejected if there is concern that their activities will affect the local neighbourhood.
- If a member of the household has support needs they will only be accepted with a recognised support package and will need a history of previous positive engagement
- Applicants will need to provide two appropriate tenancy references.

Please note, where necessary, supporting information for applicants will be sought from a wider range of agencies/sources than usual for previous anti-social behaviour, arrears etc;

Normal exclusion criteria will still apply as outlined in the allocation policy.

#### UNDER OCCUPATION

Under occupation for these properties may be considered where there are no suitable applicants who meet the additional criteria. A financial assessment will be undertaken to ensure that the tenancy is affordable for the tenant.

#### REVIEW OF POLICY

This policy will be reviewed on an annual basis by the Housing Allocation Review Steering Group to monitor its effectiveness.

LANCASTER  
CITY COUNCIL

*Promoting City, Coast & Countryside*



# Homes Strategy 2020-2025

## Foreword from Cabinet Member

I am very pleased to commend this strategy document to residents in Lancaster district and in particular the members and officers of Lancaster City Council. The document brings together a full overview of the housing achievements of the last strategy with aspirations of the current council administration and the new requirements of our Local Plan and government strategy.

The context in which this strategy has been written has changed hugely since the last document was written. We now take into great account factors that include the effects of flooding, rising air pollution, extremes of weather, and the desire for this district to become carbon neutral by 2030. The Covid-19 lockdown is reflected in the changing need for indoor and outdoor space and for greater attention to housing quality, especially for older people and for those in private rented accommodation. Community links have been hugely strengthened by the lockdown experience and we now see listening to the community voice as a very significant influence in decisions about new homes.

New housing continues to be important in order to meet the undersupply of social and affordable housing. However, this document also recognises the urgent need for retrofitting current homes for thermal efficiency both in social housing stock but also in the high number of privately owned homes with low EPC rating. Workplace skills in this sector are low everywhere and the strategy will support extra jobs, apprenticeships and the skilling of the council workforce in order to reach climate change objectives more quickly and stimulate the local economy.

Providing homes is more than a roof over someone's head and this strategy develops the city council's long standing commitment to support the health and the social benefits of our housing expressed through new extra care schemes, regeneration of private and social housing in areas suffering from anti-social behaviour, community-led schemes and specialist accommodation for vulnerable young people, those with disability, veterans and ex homeless people.

The city council has never stood alone in providing homes for those in need in this district. It has always worked with developers, Registered Providers and other agencies including the county council to provide housing of all types and tenures. We expect these relationships to continue and strengthen through the Local Plan and the Local Plan Review. However the strategy also acknowledges the council's need to provide leadership and excellence in building standards, in retrofitting and in letting properties for affordable rent so I welcome the discussion of the establishment of a council-owned trading company to allow us to achieve these aims.

Many thanks are owed to our Strategic Housing officer and many in the Housing and Planning teams for the production of this excellent document. It maps a way forward that is exciting and innovative and deserves the widest support.

Councillor Caroline Jackson, Portfolio Holder for Housing

## Contents

<b>1. Introduction</b> .....	<b>3</b>
<b>2. Strategic Context</b> .....	<b>4</b>
<b>3. Local Context</b> .....	<b>7</b>
<b>4. The Lancaster Housing Market</b> .....	<b>9</b>
<b>5. Achievements at a Glance</b> .....	<b>18</b>
<b>6. Housing growth regeneration priorities and climate change</b> .....	<b>19</b>
<b>7. Regeneration Priorities</b> .....	<b>27</b>
<b>8. Summary of the council’s housing and regeneration ambitions/standards</b> .....	<b>33</b>
<b>9. Our Homes Vision</b> .....	<b>34</b>
<b>10. Affordable Housing Growth</b> .....	<b>35</b>
<b>11. Improving Housing Quality</b> .....	<b>41</b>
<b>12. Promoting Independent Living</b> .....	<b>54</b>
<b>13. Promoting Independent Living</b> .....	<b>58</b>
<b>13a Lancaster City Council Homelessness Strategy 2020-2023</b> .....	<b>58</b>
<b>13b. Creating Sustainable Communities</b> .....	<b>68</b>
<b>13c. Improving Health through Housing</b> .....	<b>77</b>
<b>13d. Meeting the Needs of Older People</b> .....	<b>83</b>
<b>14. Implementation Delivery and Monitoring of the Housing Strategy</b> .....	<b>90</b>
<b>Glossary</b> .....	<b>91</b>

## 1. Introduction

1.1 Lancaster City Council's Homes Strategy sets out the strategic direction for housing activity in Lancaster district taking account of the identified housing need and supply alongside the quality of new and existing housing stock, by establishing a strategic framework which contributes positively towards the district's growth.

1.2 Lancaster City Council's Ambition plan sets out the vision and priorities to allow Lancaster district to thrive as a vibrant regional centre in the north of England and by ensuring it is a great place to live work and visit. The council's objective is to care for and improve the lives of our residents and diverse communities across the district and, in particular to protect those who are the most vulnerable. Whilst being in the midst of the national and global impacts of the Covid-19 pandemic, and accepting that the full effects and implications are not yet known, the council must continue to set its priorities and objectives for the district for the next five years, accepting that many of its plans and ambitions are predicated on a number of funding sources being available to bring them into fruition.

1.3 In January 2020, the council re-affirmed its priorities: -

**A Sustainable District** achieving net zero carbon by 2030 by implementing a series of measures which include waste management, increasing sustainable energy and decreasing energy consumption, working collaboratively towards an accessible and inclusive low transport system, supporting communities to be resilient to flooding and the wider effects of climate change and increasing biodiversity

**An Inclusive and Prosperous Local Economy** supporting development of new skills and access to employment to reduce inequality within a more environmentally sustainable local economy, increasing more sustainable supply chains and using our land property finance and procurement to benefit local communities.

**Happy and Healthy Communities** supporting wellbeing and ensuring local communities are engaged involved and connected, addressing health and income inequalities, improving mental wellbeing and loneliness, seeking early intervention approaches, developing housing to ensure residents of all incomes are comfortable, warm and can maintain their independence, improving access to cultural and leisure activities as well as access to good quality neighbourhoods, parks, beaches and open space.

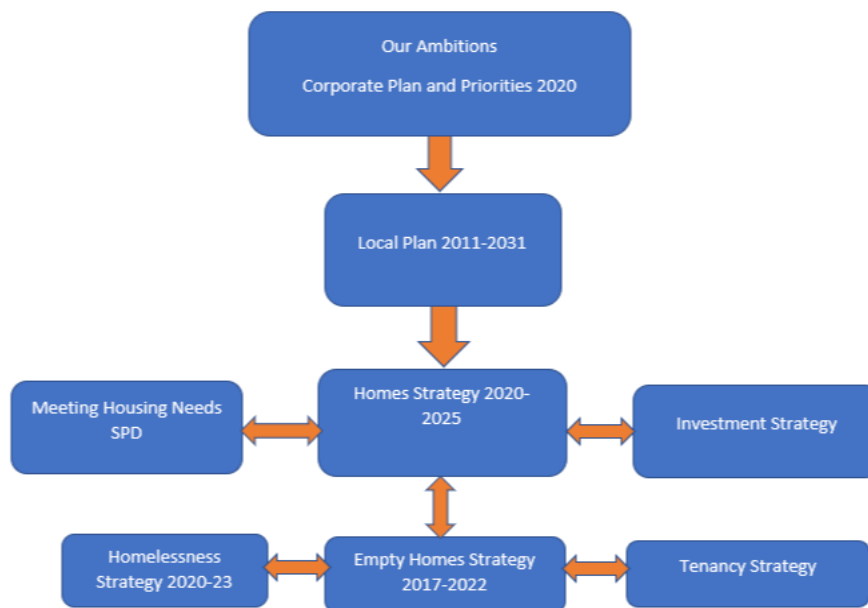
**A Co-operative Kind and Responsible Council** listening to communities and treating our residents with respect, working in partnership with local residents communities and partners, delivering excellence through customer focussed services, working to improve service delivery and operations of the council, providing value for money and ensuring the council is financially resilient and sustainable.

1.4 This is an exciting period for Lancaster district. The Eden North Project is gaining momentum with initial feasibility funding being provided by Lancaster City Council, Lancashire County Council and Lancaster University, in principle agreement has been secured around site acquisition, extensive consultation has been taking place with local communities and a plan/vision for the project has been established. Lancaster City Council has submitted a bid to the Future High Streets Fund to lever in significant investment funding towards strategic regeneration and infrastructure. The 2020 Budget announcement also confirmed that through a bid made by Lancashire County Council, Lancaster district has

been successful in securing Housing Infrastructure Funding to deliver the reconfiguration of Junction 33 of the M6 Motorway.

## 2. Strategic Context

- 2.1 Housing has a critical role in helping the Council achieve its vision and priorities linking directly to the Local Plan by making sure there is a sufficient supply of good quality housing to meet the needs and requirements of our district population. Increasing the supply of affordable housing is fundamental to this, and the council has already developed a range of planning and housing policies that helps us to grow the existing affordable housing portfolio across the district, as well as ensuring that new homes are built to better space standards and can be adapted more easily to meet the changing needs of our diverse communities.
- 2.2 In 2019 the council approved its Capital Strategy which is a key component of the Medium- Term Financial Strategy, supporting and informing the Council’s vision and key priorities. It sets out how the council determines its priorities for capital investment alongside a long-term financing plan. There are clear linkages between the Capital Strategy and the Homes Strategy in terms of investment opportunities that could present themselves if the council seeks to implement a programme of housing and regeneration priorities and these will be considered further in Chapter 7 page 31.



### National Policy Context

- 2.3 Since the last Housing Strategy was published in 2012, there have been a series of national policy changes which have directly impacted on housing. The thrust of government policy was initially set out in Laying the Foundations: A Housing Strategy for England published in November 2011 whereby the coalition administration sought to increase the supply of housing nationally: -

- A series of incremental reforms to the Planning system - with more to come in later (<https://www.rtpi.org.uk/media/5036/priorities-for-planning-reform-in-england.pdf>)

- Accelerating house building through a number of measures and providing access to loan finance for building and construction projects as well as infrastructure funding.
- Offering incentives for home ownership such as First Buy and Help to Buy and the Right to Buy extension (which was subsequently put on hold).
- Implementing changes affecting the social and affordable housing sector including the continuation of the Shared Ownership and Affordable Homes Programme (SOAP).
- Bolstering the private rented sector through Build to Rent finance, providing funding to tackle rogue landlords and the establishment of a new Private Rented Sector Taskforce.
- Offering financial incentives to Local authorities through New Homes Bonus payments for dwelling completions and additional bonuses for affordable housing completions and bringing empty homes back into use.
- Planned measures to address quality, sustainability and design of new homes, noting no major changes have come to fruition in the intervening period other than mandatory changes to Building Regulations, and a new duty for local authorities to maintain a Self-Build and Custom Build Register and the outcomes of the future homes standard are still awaited.
- The National Design Guide published in 2019 to help shape the delivery of well-designed places and communities that are beautiful, successful and sustainable, how this can be achieved in practice and should form an integral part of developing new housing.

2.4 As part of central government austerity measures, a series of welfare reforms have been implemented through the state benefits system which has directly impacted on housing affordability including caps to Housing Benefit payments benchmarked at the Local Housing Allowance rate for private rented sector tenants and the Single Room Rent for single people under the age of 35, targeting under-occupation of the social housing stock through the bedroom tax, changes to other welfare benefits including Council Tax Benefit, Employment and Support Allowance, Disability Living Allowance /Personal Independence Payments, changes to State Pension entitlement, Community Care Grants and Crisis Loans, the implementation of the Benefit Cap, changes to Support for Mortgage Interest payments and the transition towards Universal Credit.

2.5 The impact of the welfare reforms manifested in many households experiencing significant financial hardship coupled with increases in energy costs also giving rise to increased levels of fuel poverty. Furthermore, in the light of cuts to Supporting People funding reducing the low level support services and interventions for households that fall below statutory service thresholds, the cumulative impact upon social housing providers has been to try and bridge that gap in terms of providing the necessary support that enable residents to sustain their accommodation and bolster homeless prevention services.

2.6 The Housing and Planning Act 2016 intended to provide a new statutory framework for the delivery of starter homes. The Act defined starter homes as new homes costing up to £250,000 (£450,000 in London), to be available at a minimum 20% discount on market value to eligible first-time buyers. The legislation included provisions to introduce a general duty on planning



authorities in England to promote the supply of starter homes, and a specific duty to require a minimum number or proportion of starter homes on certain residential development sites. To prepare the way for increasing capacity for low cost home ownership products, under the leadership of David Cameron, the government also withdrew grant funding to support the development of social/affordable rented homes this has directly impacted on the number of affordable housing completions achieved in Lancaster district, with affordable housing completions reducing year on year since 2017/18 and only 41 achieved in 2019/20.

- 2.7 Under Theresa May's administration, the government reinstated affordable homes grant to support rented tenure and also re-introduced grant to support social rented units for areas which were deemed to be in the greatest need. The methodology used to measure need meant that relatively few local authorities in the North West would benefit from this change in policy including Lancaster.
- 2.8 Since then the Government have moved away from Starter Homes and is now consulting on First Homes. The First Homes model seeks to provide a more flexible form of low-cost home ownership where local authorities may be able to set the level of discount appropriate for their area. The model also seeks to provide a discount in-perpetuity, rather than the initial 5-7 year period that was initially suggested in the Starter Homes product.
- 2.9 Whilst the council recognises that the First Homes product could provide a more suitable form of intermediate affordable housing to meet the local need, its success will be dependent upon how much flexibility local authorities can lever to ensure that the right level and mix of affordable housing can still be achieved in the years to come.
- 2.10 **Overcoming Challenges with Opportunities** – Whilst drawing attention to a range of national policy drivers and challenges that have directly affected the need and demand for affordable housing, this has also given rise to Local Authorities thinking differently about how they can directly affect and contribute towards the supply of new housing after a long period of inactivity. This has come about through the setting up of Local Authority Housing Companies. The 2011 Localism Act gives councils the powers to establish their own private companies, enabling them to borrow money more cheaply and avoid government-imposed restrictions. Many councils are using these freedoms as a vehicle to support and deliver housing amongst other things, aligning to their own local needs and priorities and using this as a means of increasing the supply of affordable housing. Furthermore, in 2017 the government relaxed the strict controls of the Housing Revenue Account (the ring fenced account in which housing rents are managed) and abolished the borrowing cap which again provides a further opportunity for the council to allow borrowing to increase the portfolio of housing held and managed within the Housing Revenue Account.
- 2.11 These new freedoms could provide the catalyst to allow Lancaster City Council, for the first time in many years, to commence a programme of house building in Lancaster district, making a strong contribution to the overall and quality of housing to meet a local need, and positively contributing to climate change. The council's ambitions are set out in detail in Section 7 of this Strategy.

### 3. Local Context

#### Lancaster District Population

- Lancaster has a population of 142,500 people. The district has a higher percentage of working age people than the regional or national averages, with 63.3% of people, compared to 62.5% across the North West, and 62.9% nationally.
- The presence of two universities in the city reflect the larger than average rates of people aged 15-24 but the district is also a popular place for older people to retire with higher than average people aged 65 and over (1.9% more than the regional average).
- Unemployment at 4.5% is broadly in line with the regional (4.4%) and national averages (4.3%)
- Lancaster has a higher white population than the Lancashire average, with 95.6 of the population compared to a county average of 92%.
- Lancaster has the 29<sup>th</sup> highest population of Gypsy/Irish traveller people of any district in the country (326 in total), with 331 people identifying within this ethnicity, considerably higher than any other authority in Lancashire.
- At the 2011 census the average household size in the district was 2.2 people, slightly below the County average of 2.3 people.
- The district has a negative natural growth rate i.e. there are more deaths than births, however, in recent years this has fluctuated.

#### Economy, employment prospects and skills

- The district is the 125th most deprived out of 326 in England 2015 IMD, however, this has declined from 133rd in 2010.
- Average gross full-time wages of residents in the district are £512.3 (£26,640 per annum), lower than both the regional (£514.5 per week) and national levels (£552.7 per week)
- GCSE attainment is similar to that of the County average, in 2015/16 'Attainment 8' measures for the average score in Lancaster district was 50.0. This was ahead of the average of 49.7 for the Lancashire County Council area.
- There are estimated to be around 17,000 higher education students in the district.
- Approximately 35.9% of the district's population are qualified to NVQ level 4 (degree level), compared to 34.5% for the North West and 38.6% nationally.
- Out of work claimants are higher within the district at 3.0% of residents aged 16-64 compared to 2.8% for the North West and 2.2% for Great Britain.

#### Health and wellbeing

- There are a higher proportion of people living in fuel poverty (13.0% of the population) than the national average (11.1%) broadly in line with the County average of 12.9%. 2016 figures.

- There is a difference of 10.5 years for males and 7.0 years for females in life expectancy between the most deprived areas and the least deprived areas. This compares to a rate of 9.9 for males and 8.2 for females for the Lancashire 12 area (excluding Blackpool and Blackburn with Darwen).
- Under 75 mortality rates are worse than the national average, with 368.5 per 100,000 aged under 75 compared to 333.8 nationally. This compares to 365.2 for Lancashire 12.
- Physical activity rates are higher than the national average, with 74.3% of adults aged 19+ participating in physical activity compared to the national average of 66.0%. This compares to 65.3% for Lancashire 12.
- Under 18 conceptions (21.1 per 1,000 females aged 15-17) are higher than the national average of 18.8 per 1,000. This compares to 22.4 for Lancashire 12.
- Infant mortality is lower than the national average, with a rate of 2.7 per 1,000 birth rate compared to 3.9. This compares to 4.5 per 1,000 for Lancashire 12.
- Excess winter deaths are better than the national average 16.9% (excess winter deaths compared to average non winter deaths). This compares to 18.1% for Lancashire 12.

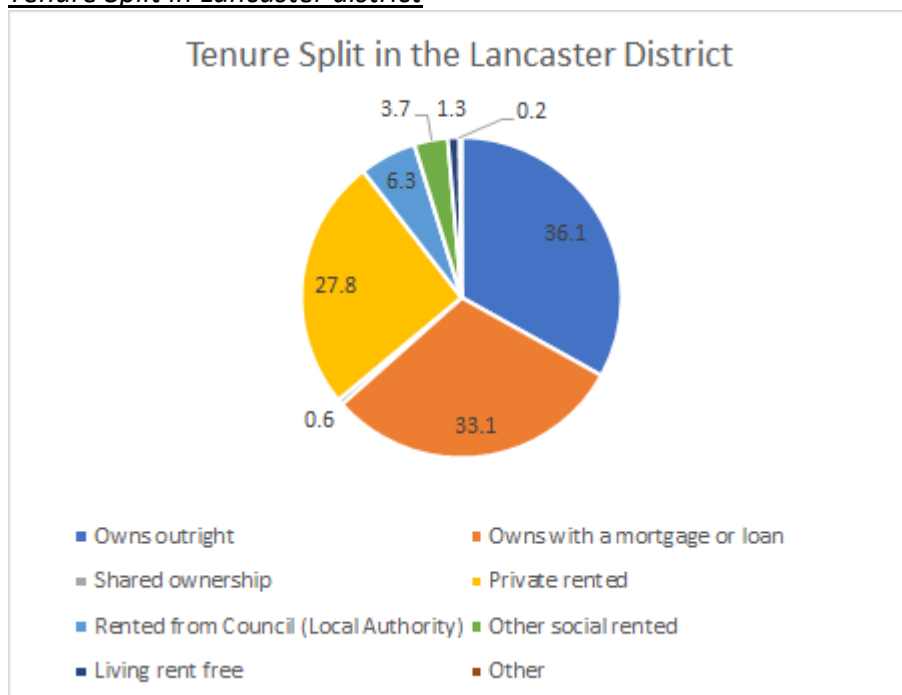
## 4. The Lancaster Housing Market

### The Strategic Housing Market Assessment II

Lancaster City Council commissioned Arc4 to understand a District Wide Housing Needs Survey in 2017, which formed the basis of the Strategic Housing Market Assessment (Part II). Planning Policy Guidance requires that housing needs be assessed in relation to the relevant Housing Market Area and to define the geographical area which is most appropriate. The study took account of housing prices, household migration, search and travel to work patterns and boundaries. The study concluded that Lancaster’s Housing Market Area exhibits a degree of distinctiveness measuring median price changes between 2000-2016 and a higher growth compared with other neighbouring authorities and across the region. Post Brexit, it is not yet clear how household and international migration patterns will change across the UK. However, previous studies have consistently identified Lancaster as a self-contained housing market area with over 85% of residents living and working in the district with notable links with South Lakeland, Wyre and Preston in relation to migration and travel to workflows.

- 4.1 Data from the Assessment identified that there was a total of 64,231 dwellings in the district with 60,735 households. Council Tax data from March 2020 indicates that the number of residential dwellings has now increased to 65,695 across Lancaster district.
- 4.2 Three-bedroom homes are the most common in the district representing 39.5% of properties, only 11.2% are one bedroom and 4.3% five or more bedrooms. Larger properties are generally found more in the rural areas whilst smaller properties are found more in the urban parts of the district.
- 4.3 According to the English Housing Survey there is a greater proportion of older properties in the district, with 47.5% being built before 1944, as opposed to 36.9% nationally.

### Tenure Split in Lancaster district



4.4 The mix and type of housing by tenure varies greatly across Lancaster district. Around 20% of owner-occupied properties are detached with only 6% being apartments and maisonettes and by contrast in the private rented sector 9% are detached and some 32% are apartments and maisonettes.

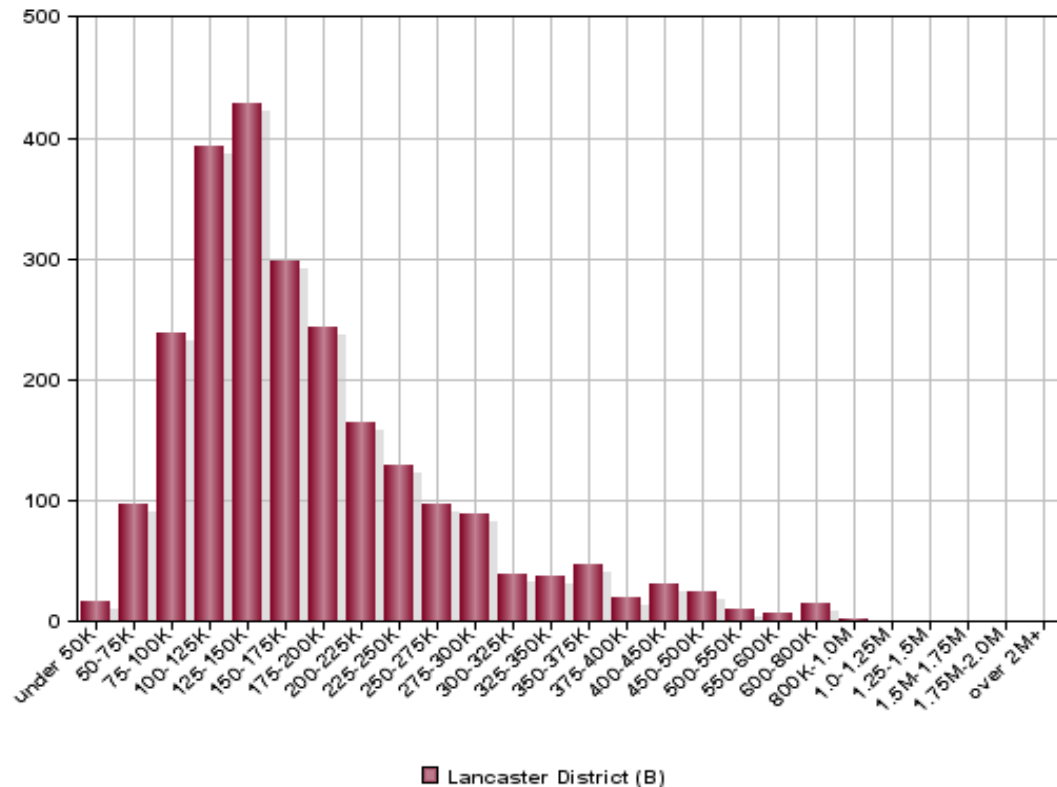
4.5 Of the total residential dwellings across the district, 69% are houses, 15% are apartments and maisonettes, 14% are bungalows and less than 2% are caravans or park homes. In relation to size, 11% of the existing dwelling stock have one bedroom/bedsit, 30% have two bedrooms, 40% have three bedrooms and 19% have four bedrooms.

4.6 The Council is a stock retaining authority, represented by 5.6% of dwellings being local authority owned, lower than the national rate of 6.7% but higher than the County average of 2.2%.

4.7 There are 858 long term empty homes (March 2020) in the district which represents less than 2% of dwelling stock. The number of second homes in Lancaster district is 593 (Claire to confirm if this is district figure or of empty homes).

*Graph of residential property sales in 2018*

**Turnover in 2018**



**Note**

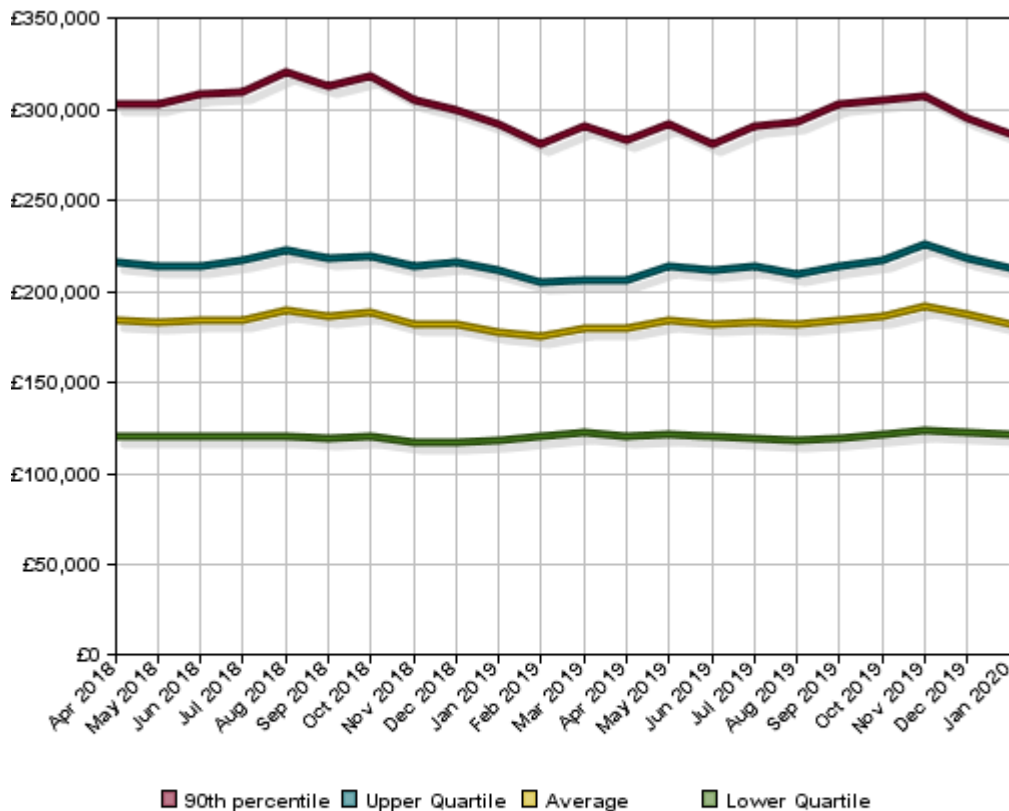
The chart shows the number of residential sales in the area by price band using data from HM Land Registry

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**Key Facts – Property Prices (based on sales and valuations over period Jan-March 2020)**

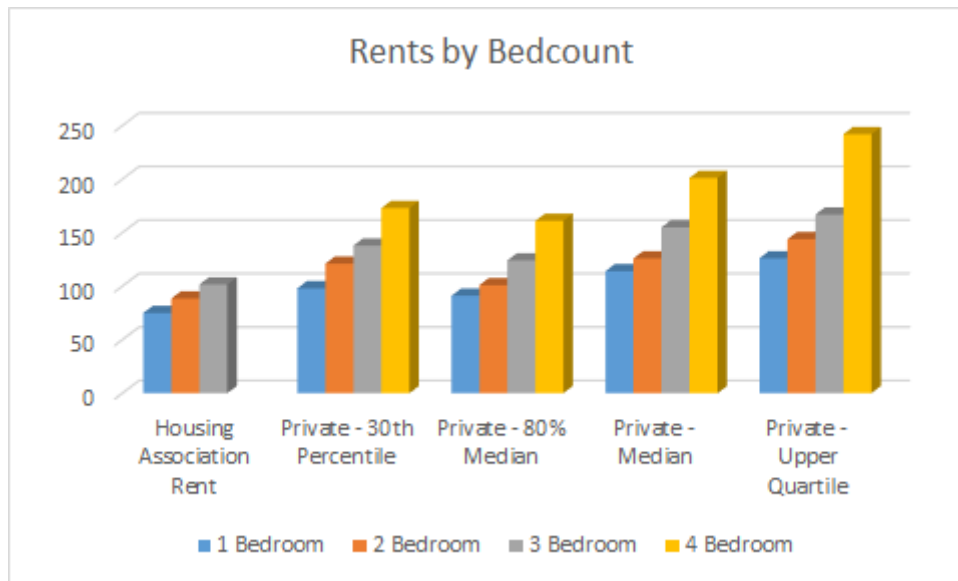
- The average house price in the Lancaster District is £196,200 compared to a regional average of **£208,800**. Average house prices are 6 times higher than average single income in Lancaster
- The number of bedrooms is a key determinant of price, current average prices in the district by bedroom count and property type are as follows:
  - 1 bedroom flat - **£90,300**
  - 2 bedroom flat - **£118,600**
  - 2 bedroom house - **£144,200**
  - 3 bedroom house - **£178,000**
  - 4 bedroom house - **£268,600**

**Pricing levels over time**



**Note**

The chart shows the average property price over time for all types of housing in the area selected. It compares the lower quartile house price to the average price, the upper quartile price and the price at the 90th percentile over time. Small sample sizes can distort the price over time in some areas. The data for this analysis is based on data from Hometrack's Automated Valuation Model.

Rent Levels in the Lancaster districtHousing Affordability

- 4.8 The Strategic Market Assessment suggests that around 6000 households are in need of affordable housing (10% of the population) utilising the government's prescribed methodology to calculate affordable housing need.
- 4.9 The assessment predicts that Lancaster district's population will increase by 6% by 2033 and over the next few decades there will be a marked increase in the number and proportion of residents aged 65 and over (from 28,500 in 2017 to 37,000 in 2033).

## Assessment Recommendations

- 4.10 That new housing provision should align to the needs and aspirations identified in the study across sub-areas and that new housing development should contain a wide mix of house types and sizes across tenures to meet local need and support economic growth.
- 4.11 Going forward, a tenure split of 55% social/affordable rented and 45% intermediate tenure is suggested.
- 4.12 That the range of housing options available to older people needs to be diversified with action taken to increase the availability of accessible and adaptable homes and specialist homes for the elderly.
- 4.13 That strategic challenges exist in reducing the level of vacant dwellings and improving the quality of existing dwellings to achieve better thermal efficiency and modern standards.

**3 times income**

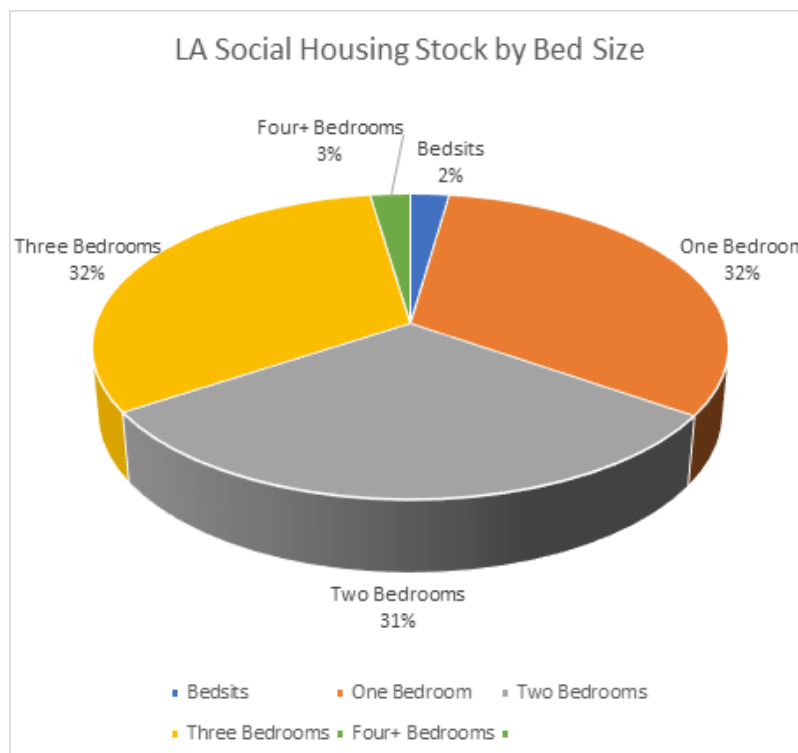
	<b>Lancaster District (B)</b>
	Percent of households priced out of market
<b>FTB households - Flats</b>	33.57%
<b>FTB households - Terraced houses</b>	52.38%
<b>FTB households - Semi-detached houses</b>	60.20%
<b>FTB households - Detached houses</b>	84.57%
<b>Owner occupier - Flats</b>	33.57%
<b>Owner occupier - Terraced houses</b>	43.71%
<b>Owner occupier - Semi-detached houses</b>	60.20%
<b>Owner occupier - Detached houses</b>	77.29%

**Note**

This table shows the percentage of households priced out of the market in the area. The analysis differentiates between house types and whether or not the purchasers are first time buyers. This is a modelled figure which is derived from the house price and income assumptions in the 'graph' section of this analysis. The figures displayed are simply derived from incomes and house prices and do not account for the existing tenures of local residents. The house price data is based on data from the Hometrack Automated Valuation Model and the incomes data is supplied by CACI. Further details on these sources are available in the Help and Information section.

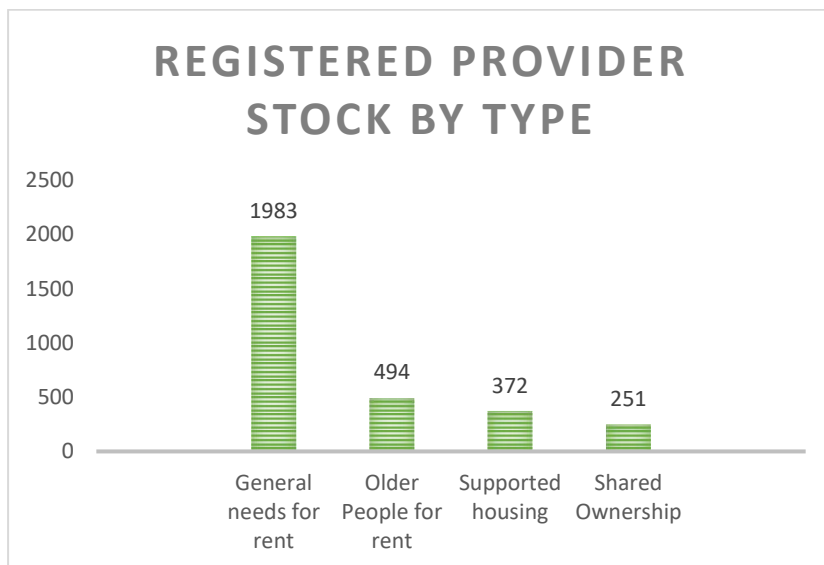
*Social Housing Sector in Lancaster District*

Lancaster City Council is the largest provider of social housing in Lancaster district with a total dwelling stock of **3702** (2019) broken down as follows: -





Registered Provider stock portfolio within Lancaster district is currently **3,100** units (2019) with 35 different organisations owning stock which broken down below: -



Average rent levels – Council Housing Stock

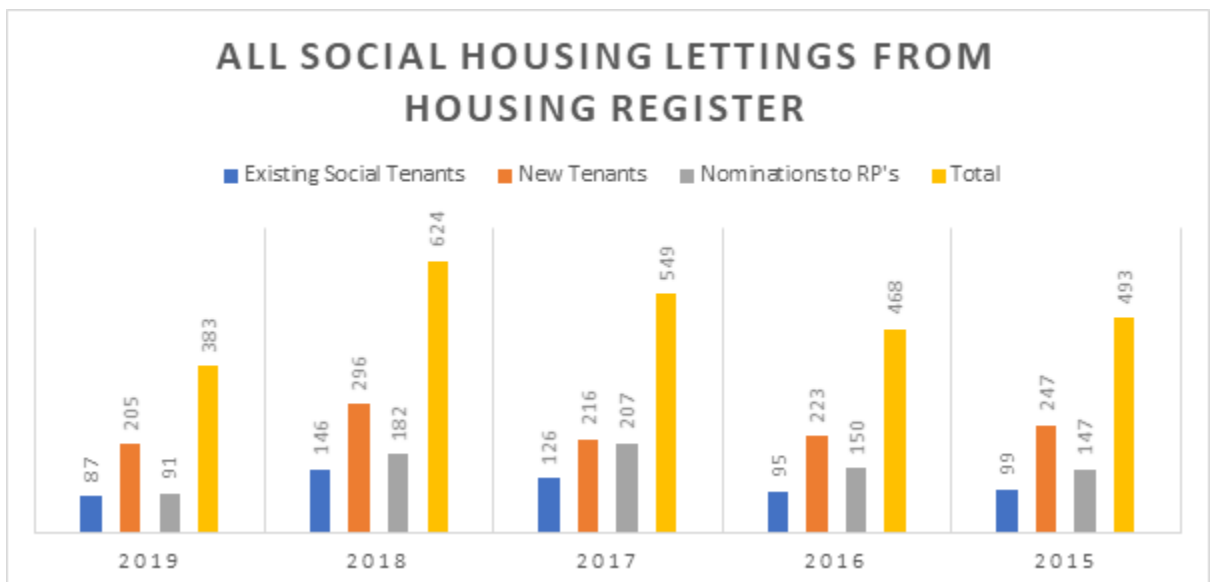
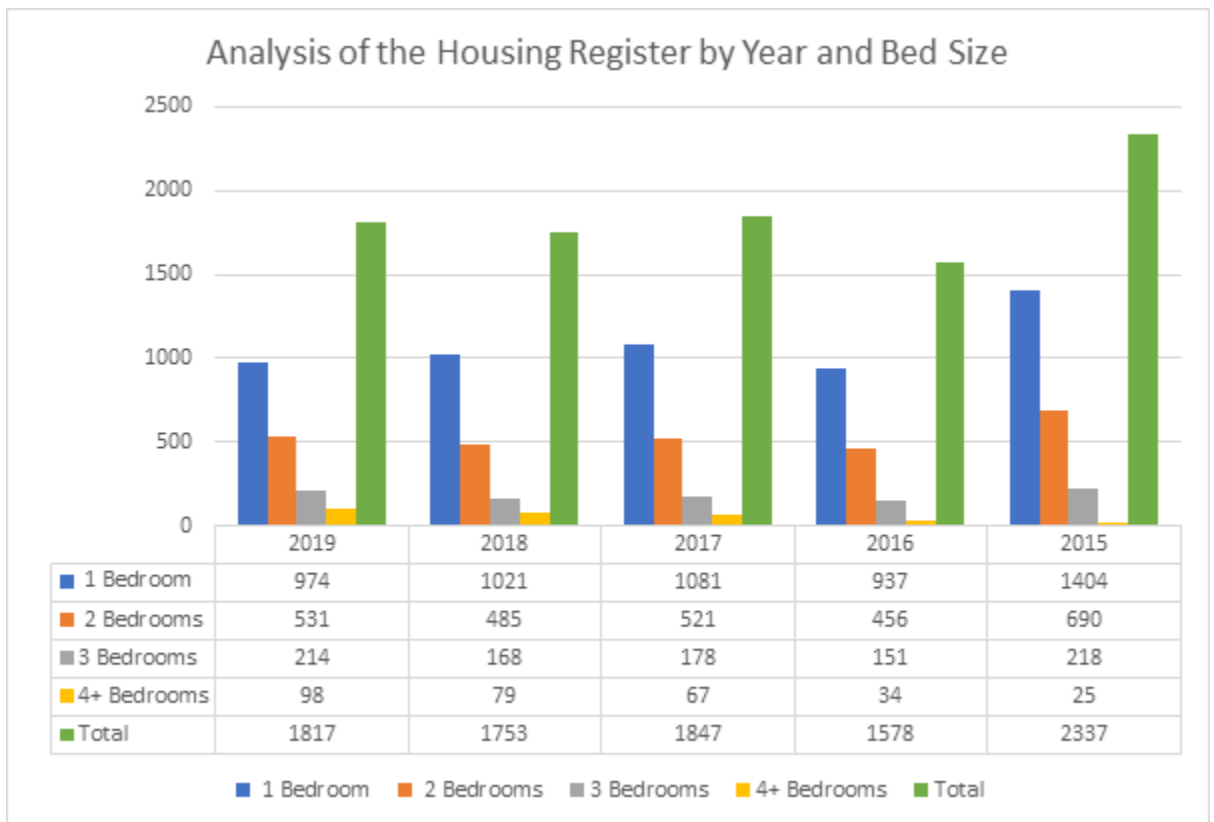
Bedrooms	Average of 2019/20 Actual	Average of 2019/20 Formula
Bedsit	59.17	62.21
1	64.93	69.75
2	69.72	74.82
3	77.33	84.94
4	82.43	93.13
5	87.40	106.32
6	73.77	98.14
<b>Average rent</b>	<b>70.64</b>	<b>76.54</b>

Demand for Social Housing

4.14 The analysis of applicants included on the Housing Register since 2015 confirms that the ratio by bedroom size year on year stays at a consistent trend. The marked decrease in the number of households included on the Housing Register since 2015 was because of a comprehensive review of the Housing Register and typically a percentage of applicants do not respond and will eventually be removed from the Housing Register.

4.15 It is clear from the analysis of the council’s social housing stock and the waiting list data that there is a mismatch between existing supply and presenting need. In recent years, Registered Providers have been encouraged to bring forward schemes which include one bedroom accommodation in response to the historic under-supply and

also the impact of the bedroom tax which has affected all social housing providers although this continues to be a key challenge in levelling out the supply and local need.

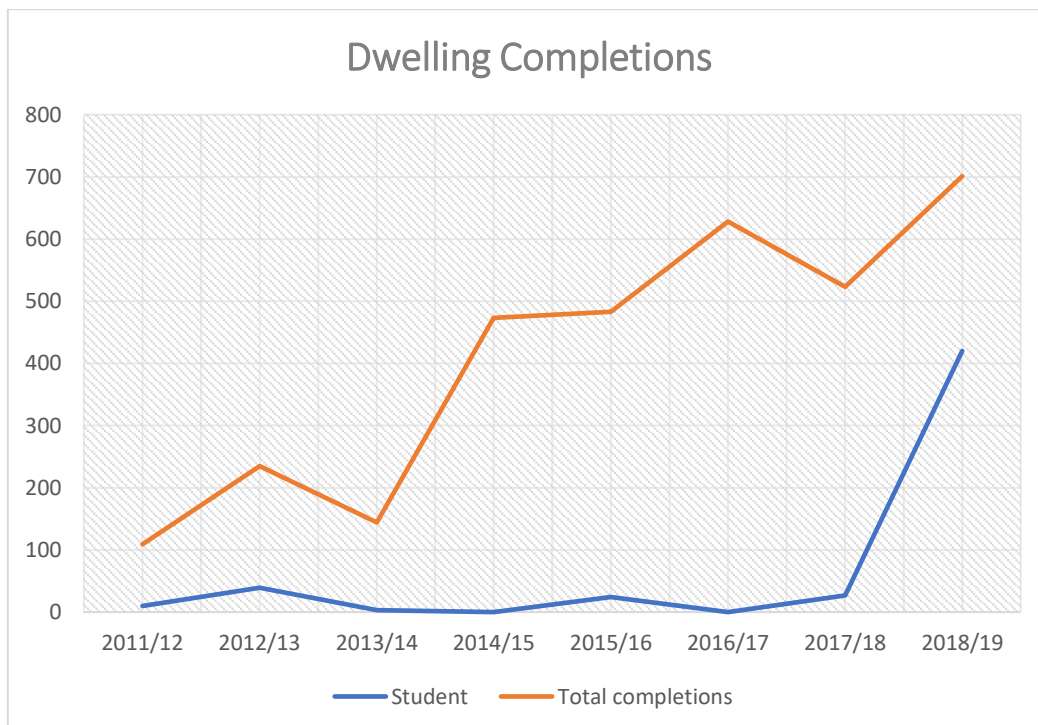


4.16 Annual lettings in the social housing sector in the last five year peaked during 2017 and 2018. This was largely due to the number of new build affordable housing units that were handed over in the period which were 168 and 148 dwellings respectively, and in turn created additional movement within the council’s housing stock when tenants move into alternative social housing stock.

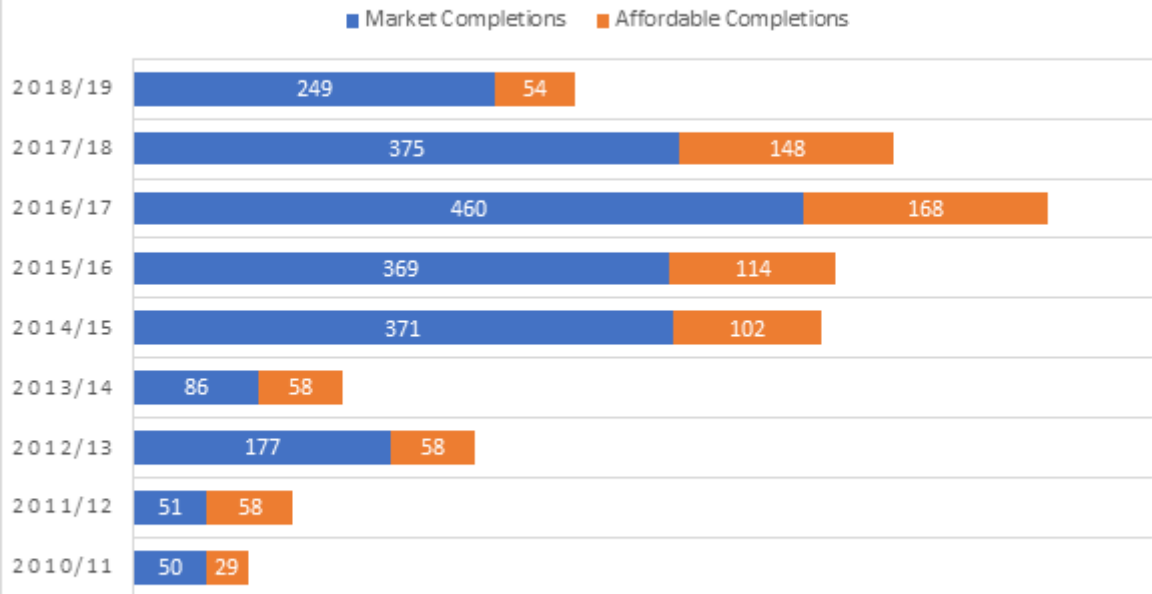
4.17 Since 2019, there has been a notable decrease in the supply of new build affordable housing completions and this is a trend that is expected to continue. The main underlying factors for the reduction is the previous changes to affordable homes programme funding which saw grant funding being channelled into low cost home ownership schemes, and whilst this has now been reinstated, during the intervention period pending the council’s Local Plan full adoption, there have been significant challenges for Registered Providers to identify and secure suitable sites that can deliver new schemes despite the fact that there is a significant appetite from partners to do so. Furthermore, whilst there has been a shift by Registered Providers to diversify their housing offer and increase the supply of low cost home ownership products and market housing, it is fair to say that some local partners have a strong preference to deliver schemes that provide rented units which remains closest to their core values, operational management practices and perceived risks associated with changing housing markets.

Dwelling Completions

4.18 The Housing Land Monitoring Report illustrates the number of new dwellings completed. 3428 new dwellings (including student accommodation) were completed in the district over the period between 2011 to 2019. 789 of these were affordable housing, which is a mixture of affordable completions required as part of market housing schemes (through Section 106 obligations) and schemes brought forward by Registered Providers which were wholly affordable housing with grant funding.



### ANNUAL DWELLING COMPLETIONS BY TYPE



	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
■ Market Completions	50	51	177	86	371	369	460	375	249
■ Affordable Completions	29	58	58	58	102	114	168	148	54

## 5. Achievements at a Glance

5.1 During the Housing Strategy period 2012-2017 the following achievements have been made: -

- 2898 new residential dwellings have been built
- 760 affordable housing completions across Lancaster district
- A new service/facility for women fleeing Domestic Violence was opened
- A new 23 unit supported housing scheme for single homeless people was delivered in partnership with Adactus Housing Group
- A new supported housing scheme for people with learning disabilities was delivered in partnership with Impact Housing
- £760K collected from new developments as financial contributions towards affordable housing
- The council provided grant funding to directly support 6 affordable housing schemes provided by Impact, Great Places, Guinness and Adactus (with 15 units achieving wheelchair standards)
- The council provided 2 sites to support the delivery of affordable housing schemes by Guinness and Adactus
- The council created a new Empty Homes Officer post to take a strategic approach to tackling empty properties in Lancaster district and an Empty Homes Strategy was approved in 2017
- With funding received from central government, the council has directly supported community led housing in Lancaster district, provided funding for two new community led housing schemes, created a dedicated officer resource and set up a sub-regional Community Led Enabling Hub with local authority partners in Cumbria.
- The council has increased its activities around homelessness prevention and set up a new partnership to increase the supply of temporary supported housing for single homelessness people
- Around 500 households rehoused each year (new and existing tenants) either by the council or Registered Providers.
- £700K grant funding was provided to homeowners to make their properties more flood resilient
- Morecambe's West End – a regeneration scheme has been completed at the Phase 1 Scheme at Chatsworth Gardens through a new partnership with Placefirst, with further schemes in the pipeline
- Lancaster Moor North has been completed which has brought back into use the large Listed Annexe Building achieving an outstanding restoration and conversion into residential accommodation alongside a series of new build housing completions and a new retail store was secured as part of planning requirements which has provided a much needed key service in East Lancaster.
- The regeneration of Luneside West has been completed providing a mix of new market and affordable housing. After a long period of inactivity and uncertainty, development was unlocked through a range of central government funding, private sector funding and £4m Growing Places funding, a new scheme has been implemented at Luneside East which is currently under construction.

## 6. Housing growth regeneration priorities and climate change

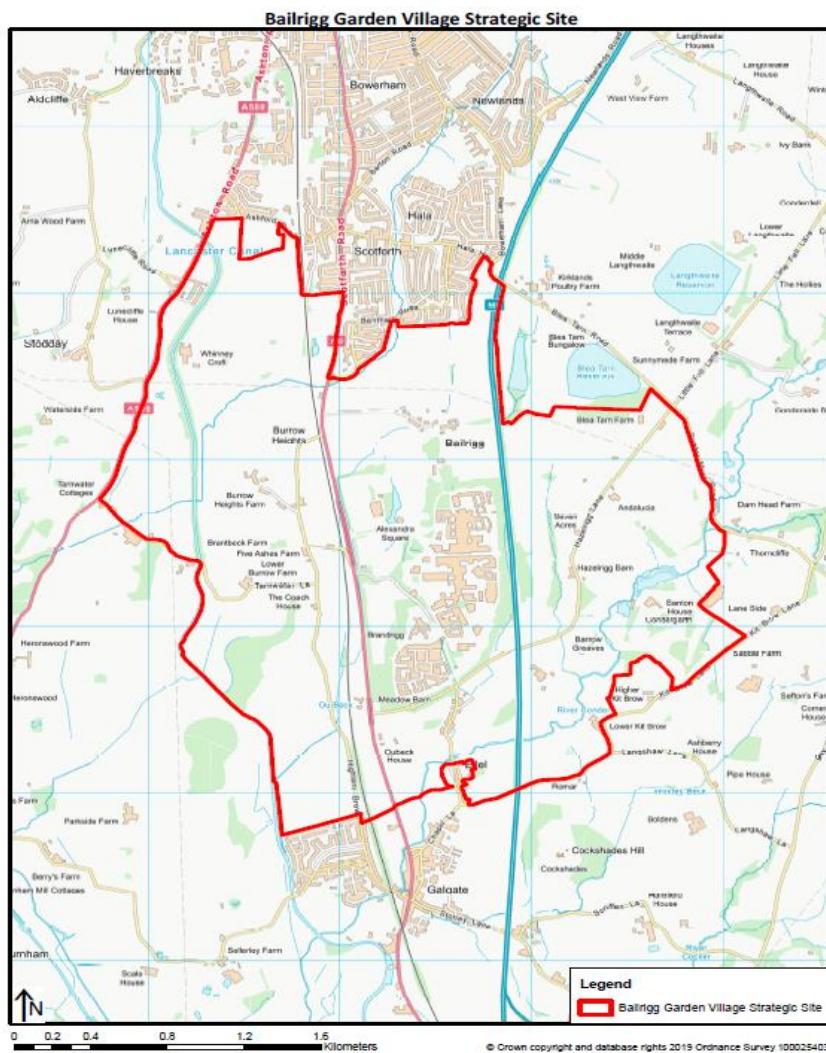
- 6.1 The Lancaster District Local Plan sets out plans for regeneration and growth of the district. It includes measures to ensure housing growth is planned and delivered in a sustainable way, secures opportunities for regeneration and plans for infrastructure.
- 6.2 The Housing Strategy and the Local Plan are intended to work together to manage housing and ensure that local needs are met. Both rely on the same evidence, most notably, the Strategic Housing Market Assessment (SHMA). The Local Plan sets out the overall development planned for within the district; and the Housing Strategy provides more detail around the housing needs of local communities. The planning process is one of the most important tools that the council has in making sure that new homes in the district meet the district needs. It seeks to ensure that new development provides affordable homes of an appropriate mix of tenures, which are designed in a way to meet people's actual needs, in terms of accessibility and the number of bedrooms.
- 6.3 Whilst not a formal planning document and consequently not part of the Statutory Development Plan, the Housing Strategy will be a material consideration in planning decisions. The 'Supplementary Planning Document – Meeting Housing Needs' and the 'Affordable Housing Practice Note' set out in more detail the expectation of affordable housing provision.

### The Delivery of Housing

- 6.4 The Local Plan consists of the:
- [Strategic Policies and Land Allocations Development Plan Document](#) (SPLADPD);
  - [Development Management Development Plan Document](#) (DMDPD);
  - [Morecambe Area Action Plan Development Plan Document](#); and
  - [Arnsdale and Silverdale Area of Outstanding Natural Beauty Development Plan Document](#).
- 6.5 The SPLADPD provides the spatial vision and plan for the future of the district and how it will be delivered. It also identifies the land to meet future development needs and land that should be protected for its environmental, social and economic importance. The DMDPD sets out a series of planning policies that are used to determine planning applications.
- 6.6 The Local Plan seeks to ensure the delivery of 10,440 new homes between 2011/12 to 2030/31. 2,595 of these homes had been completed by April 2018. The delivery of new housing through allocations in the Local Plan cannot fully address the objectively assessed need of around 620 homes per year due to constraints in the area. These constraints include areas liable to flooding, environmental designations and highway/accessibility factors. The Local Plan includes the release of land in the Green Belt.
- 6.7 The Local Plan focuses new development in sustainable locations. These consist of the main urban areas of Lancaster, Morecambe, Heysham and Carnforth and a number of 'Sustainable Settlements' which include rural villages with a range of services and public transport links. New houses in other locations will only be supported if it can be demonstrated that the development will enhance the vitality of the local community and meet an identified and specific local need.
- 6.8 The plan allocates four strategic housing sites, Lancaster South including Bailrigg Garden Village (Policy SG1), East Lancaster (SG7), North Lancaster (SG9) and Lundsfield Quarry, Carnforth (SG11). Together they will provide in the region of 5,380 homes. Bailrigg Garden Village will be a new settlement to the south of

Lancaster. Policies SG1, SG7, SG9 and SG11 include criteria against which development will be assessed, including a number of site-specific requirements. A Masterplan and Area Action Plan will be produced to provide the parameters and guide development at 'Bairrigg Garden Village'. These documents will set the policies with regard to the type and tenure of housing and the requirement for affordable housing. It is not anticipated that development within the 'Village' will commence until these documents are available. Policies H1 and H2 allocate a number of smaller sites for housing in Lancaster, Heysham and in the larger villages.

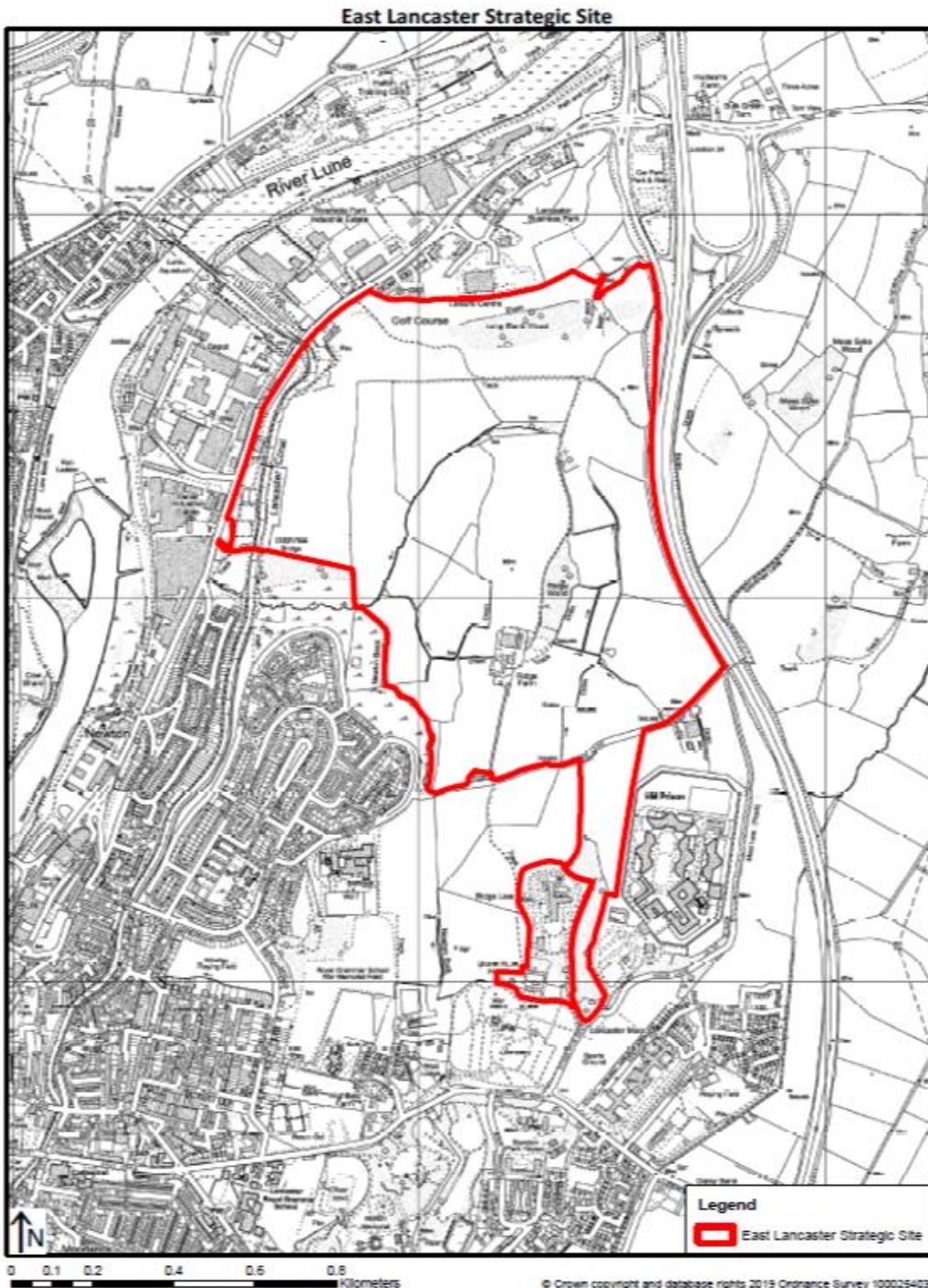
6.9 The sites at north and east Lancaster, Carnforth, the smaller sites allocated in the plan and any windfall sites within the urban areas and 'Sustainable Settlements' will be expected to provide a mixture of housing types and tenures in accordance with the Local Plan.





6.10 It is anticipated that the overall allocations policy for the entire area identified as the Lancaster South Broad Area of Growth will define which areas will be developed (and for the purposes of housing numbers, an initial estimate of 3,500 dwellings has been assumed) and the allocations are likely to include:-

Residential Development	Specialist Residential	Local Centre
Community Facilities	Public Open Space	Area of Separation / Green Belt
Environmental Designations	Transport Corridors	Landscape Designations

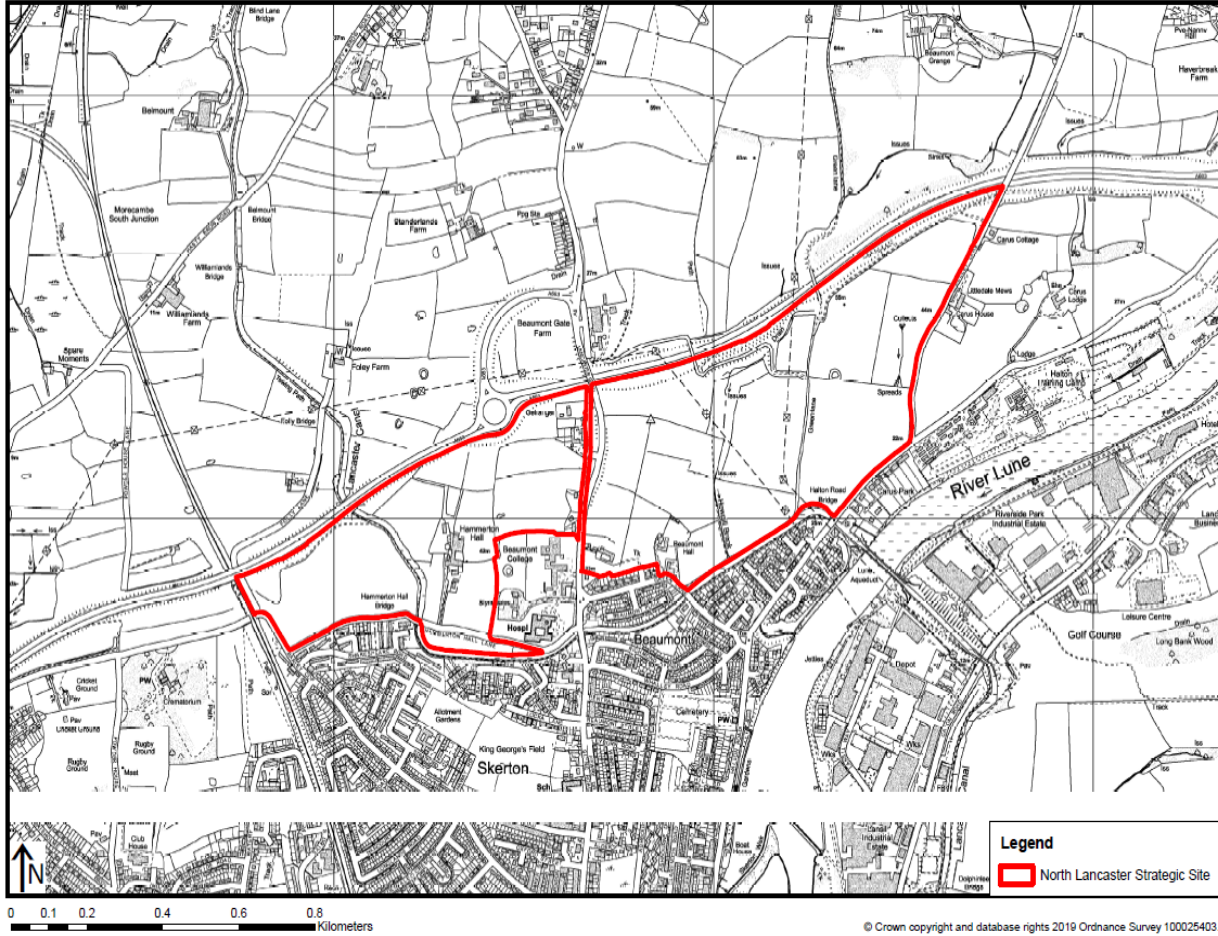


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<b>900 residential dwellings</b>	<b>30% affordable housing</b>
<b>Relocation of Lansil Golf Club</b>	<b>Primary School</b>
<b>Local Centre</b>	<b>Country Park</b>
<b>Cycling/Walking Linkages</b>	<b>Public Transport</b>

**North Lancaster Strategic Site**



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<b>700 residential dwellings</b>	<b>Affordable housing</b>
<b>Extra Care Scheme</b>	<b>Primary School</b>
<b>Local Centre</b>	<b>Employment Land</b>
<b>Cycling/Walking Linkages</b>	<b>Public Transport</b>

6.11 The Arnside and Silverdale Area of Outstanding Natural Beauty Development Plan Document provide details for the area. The plan allocates a number of small sites for development. The plan addresses the special landscape and provides policies for the determination of application.

#### Neighbourhood Planning

6.12 Neighbourhood planning gives town and parish councils the opportunity to prepare, with the community they represent, a planning document for their area. There are 2 adopted Neighbourhood Plans at Wennington and Wray with Botton. There are also 8 Neighbourhood Plan Area Designations where the parish or Town Council is working towards a plan. This type of plan can provide for housing to meet local needs and add include specific policies on housing need and affordability.

#### Housing Growth and Climate Change

6.13 Climate Change is a key priority for Lancaster City Council and in January 2019, a Climate Emergency was declared by the Authority, details of which are as follows: -

*“Lancaster City Council has already committed to reducing carbon emissions to zero by 2050, but the recent IPCC report shows it is imperative that this target is reached much sooner. Lancaster City Council can play its role. Business as usual is clearly no longer an option. We need local wisdom to increase our resilience and to prepare for climate changes already in the system. According to the Intergovernmental Panel on Climate Change 1.5c report, published in October 2018, humanity has 12 years for ambitious action from national and sub-national authorities, civil society, the private sector, indigenous peoples and local communities to deliver rapid and far-reaching transitions in land, energy, industry, buildings, transport and cities is needed to turn this around, so we can avoid reaching a tipping point where we no longer have the ability to avoid extreme weather events. It is vital that rural communities play their part in reducing carbon emissions. Bold climate action can deliver economic benefits in terms of new jobs, new income streams and localising wealth generation; as well as improved well-being for people locally and worldwide.”*

In declaring the emergency, Members called on the Council to undertake nine actions. These can be read in more detail via the full Council papers. However, of significance to the plan-making system was the second objective, which stated that the Council should:

*‘Support the setting up of a Climate Change Advisory Board which involves Councillors, residents, businesses, experts from the two universities and other relevant parties. Over the following 6 months the board will revisit and update the 2010 Lancaster city Council Climate Change Strategy and help the Council develop a new carbon budget, taking into account both production and consumption emissions and set a target date to:*

- *Make the Council’s activities net-zero carbon;*
- *Consider systematically the climate change impact of each areas of the Council activities;*
- *Increase local resilience to climate impacts already in the system;*
- *Maximise local benefits of these actions in other sectors such as health, agriculture, transport and the economy; and*
- *Support and work with other relevant agencies toward making Lancaster District zero carbon within the same timescale.*

6.14 At the time the declaration was made, the Local Plan was at an advanced state in terms of its preparation and therefore the declaration came too late to influence the direction and approach taken in the plan, as this had already been submitted to Government for Examination. Members had already provided a clear direction that they wished to see an immediate review of the Local Plan to address matters of climate change in a more detailed and comprehensive manner. This is a key aim of the Local Plan Review Action Group (LPRG), which was established and Terms of Reference agreed in October 2019. Five key ambitions have been set out: -

AMBITION 1	<b>ACHIEVING LOW/ ZERO CARBON HOMES &amp; IMPROVING THE EXISTING HOUSING STOCK</b> Setting of Districtwide Low Carbon Targets The Spatial Distribution of Development Energy efficient: Standard in New Development (Zero Carbon Homes) Heritage Conservation considerations
AMBITION 2	<b>REDUCING CAR USE AND INCREASED AVAILABILITY OF PUBLIC/ GREEN/ ACTIVE TRANSPORT</b> Cycling, Walking and modal Shift Ultra-low emission vehicles Air quality
AMBITION 3	<b>REGENERATION</b> Prioritising brownfield development
AMBITION 4	<b>MINIMISING FLOOD RISK</b> Water management, drainage and flood risk
AMBITION 5	<b>INCREASING ON-SHORE WIND POWER GENERATION/ RENEWABLE ENERGY</b> Renewable energy Green Infrastructure

6.15 A set of objectives were then devised from these ambitions, which have been agreed by LPRG and have formed the basis of the Local Plan review process. A climate change review focused evidence base will also be produced, and work has begun on this. As part of the plan making process, significant consultation and stakeholder engagement will also take place and shape the overall content of the plan review. The first stage of this is the scoping stage and public consultation on this will take place between 25th September until 20th November 2020. Further information and progress so far on the Local Plan review can be found at <http://www.lancaster.gov.uk/planning/planning-policy/about-local-plan>

6.16 Specifically, in the context of housing and climate change, the government has recently undertaken consultation on the “Futures Homes Standard<sup>1</sup>” and may seek to set national energy efficiency standards in new housing. If the government do not proceed with this, there could be an opportunity for Lancaster City Council to formulate its own standards as well as exploration and implementation of suitable models for retrofitting of existing housing stock and exploration of

<sup>1</sup> Consultation on this ended in February 2020 and the outcomes of this are anticipated to be announced by Government in Autumn 2020.

decentralised heating systems on strategic housing sites. To further explore these opportunities, Lancaster City Council has created a People's Jury on Climate Change, a pioneering approach where local residents are selected to represent the diverse population of the district. Engagement sessions took place in early 2020 and, following a short break due to the covid-19 pandemic, the sessions resumed virtually. The culmination of the People's Jury will be that it produces its own set of recommendations for the city council to consider. However, the council's ultimate ambition will be that new housing being delivered by the council will make a positive contribution towards climate change mitigation and opportunities to provide zero carbon homes will be fully explored. This also provides opportunities to develop new homes using MMC (Modern Methods of Construction) which often align to standards such as Passivhaus utilising off-site solutions and timber frame construction which can result in less time spent on site, delays due to bad weather and more control over engineering standards. Whilst there are some risks associated with MMC, Homes England has been encouraging partners to develop and use MMC since 2018 and provided some initial funding to deliver a pilot scheme. MMC has been linked to Homes England's new Affordable Homes Programme (Published September 2020) although it is not yet clear whether it will be a mandatory requirement or form part of the due diligence process when assessing grant applications.

## Flooding

- 6.17 On the 5<sup>th</sup> December 2015, as a result of Storm Desmond, 55,000 dwellings lost power when the electrical substation was submerged in flood water and 252 homes within Lancaster District were flooded. A further 436 homes were affected by flooding in 2017 following extreme downpours (7cm of rain fell in 24 hours). Many more were affected by impacts on access or services. Flooding causes a considerable amount of distress, because of damaged homes, loss of personal possessions and as people need to move out of their home while it is repaired. The bacteria and virus within flood water can continue to damage homes and pose a hazard to health long after a flood. A lack of affordable insurance means that some of our poorest communities are affected for the longest periods.
- 6.18 The Environment Agency and Lancaster City Council have worked together on the Caton Road Flood Management Scheme which will improve protection to 40 homes. The Environment Agency is now exploring measures that could reduce flood risk to properties along Burrow Beck, including improving the water flow at pinch points such as culverts and sections that have been narrowed by development. In Galgate they are looking at ways to reconfigure the existing flood defences so reduce flooding to properties on Main Road. The EA have also supported and funded the Lunes Rivers Trust in implementing Natural Flood Management measures in the areas upstream of these communities. The Lancaster City Surface Water Management Plan will recommend measures to minimise flooding in and around Lancaster City centre. The City and County Council will work to implement the recommendations with the support of United Utilities and the Environment Agency.
- 6.19 The City Council will explore ways in which to make properties more resilient to flooding, such as the inclusion of flood barriers, raising the height of electric and other services above flood levels and water resistant, easily cleanable surfaces. Where possible, measures will be included within future planned maintenance programmes and we will keep under review areas/housing stock that could be particularly at risk of flood. Landlords will also be encouraged to make properties resilient to protect tenants. Residents in areas at risk of flooding are encouraged to sign up to the Environment Agency's Flood Warning. This will give residents, time to prepare for flood events, to install flood barriers and move belongings upstairs where possible. £700K grant funding has been provided by Lancaster City

Council to those homeowners previously affected by flooding to make their properties more flood resilient.

6.20 The Local Plan contains policies which focus new homes in the areas which are at the least risk of flooding. Where new houses are built, they must include measures to ensure that they do not worsen flooding elsewhere. The Local Plan Climate Change Review will consider whether the policies can be enhanced to improve the flood mitigation which takes place as part of new development and improve the resilience in new properties.

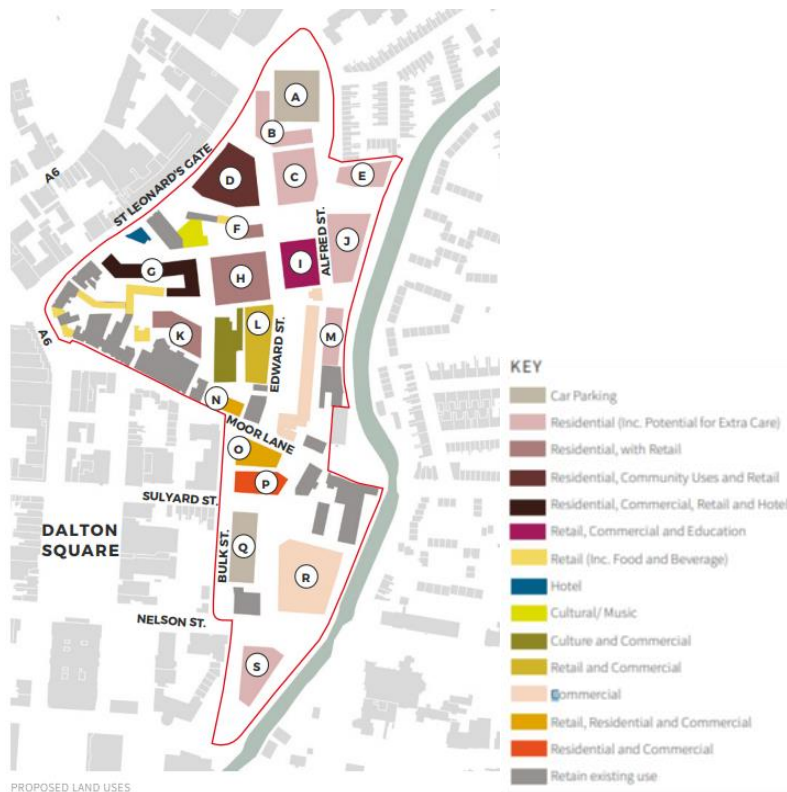
### *Impact of Climate Change upon Mental Health and Wellbeing*

6.21 Research undertaken by the Scottish Government found that impact of flooding can have serious impacts upon Health and Wellbeing, both short term and longer term, particularly upon more vulnerable groups, children, older people, those who live alone, people with pre-existing stressful life events or medical conditions. Increased stress can impact upon home life and relationships, anxiety and low mood, tiredness and feeling overwhelmed, as well as the upheaval associated with being in temporary accommodation and issues with building work. Those most negatively affected were people who had pre-existing mental wellbeing problems. Climate change can affect physical and mental health linked to air quality (indoors and outdoors) with increasing traffic and more time spent indoors, hotter drier summers, and whether the right balance of heating, air tightness and ventilation can be achieved to prevent harmful pollutants and micro-organisms.

## 7. Regeneration Priorities

### Priority 1 - Canal Quarter

- 7.1 Previously known as the Canal Corridor North, the council’s aim and vision is to redevelop the area to create significant and wide-ranging economic benefits to the city and the wider district.
- 7.2 The council is taking a fresh approach to developing the site through a Master Plan. Unlike previous schemes, the new approach will see less reliance on retail and envisages a new mix of uses including housing and business opportunities with arts and culture at its heart.
- 7.3 The public, businesses and organisations will be at the centre of the developing the new scheme. In January 2020 the council undertook consultation on the Strategic Regeneration Framework (SRF) for the Canal Quarter (which is ultimately intended to be adopted as a Supplementary Planning Document) which seeks to establish a set of design and development principles to guide future investment over the next 15-20 years. The design and development principles underpinning the SRF include sustainability, land use, connectivity and movement, approach to public open space and embracing heritage as well as providing indicative illustrations of suggested land uses across the site.
- 7.4 With the council as a major land holder, this provides a new and exciting opportunity for the council to consider how it can directly contribute towards the residential element of the proposed scheme. It is still to be determined what the right balance of uses will include and very detailed and thorough viability appraisals will need to be carried out testing out a whole range of different scenarios, and in relation of the residential element, the type, standard and tenures of housing that can potentially be achieved.





Morecambe Town Centre

7.5 A bid for the Future High Streets Fund has been submitted to support the regeneration of Morecambe Town Centre. The funding will support the delivery of a regeneration programme that would bring wide ranging improvements and deliver a mixed-use scheme including commercial, retail, leisure and residential development opportunities. The residential element of the scheme would be another opportunity for the council to invest in housing delivery and increase its existing portfolio. Announcements for the Future High Streets Programme are currently expected by November 2020.

Morecambe's West End

7.6 Morecambe West End is a longstanding regeneration priority which has been benefitting from a range of central government and private sector funding for the last twenty years. The historic housing market data for Morecambe's West End highlighted an over-supply of poor quality and unsavoury management practices of Houses in Multiple Occupation which was the primary focus of the development of the West End Masterplan. The data showed an over-supply of cheap one-bedroom accommodation which was often a magnet for vulnerable and marginalised single people and in relation to tenure mix, the area had a much higher proportion of private rented stock than the rest of Lancaster district. One of the biggest challenges is the high number, and often absentee, landlords operating in the West End which presents challenges for the Local Authority in dealing with neighbourhood management and tenancy related issues.

7.7 The last Housing Strategy drew attention to the original West End Masterplan objectives which were either completed or nearing completion is 2012. These are briefly summarised as **West End Road and Clarendon Road** bringing about the removal of large Houses in Multiple Occupation and remodelling those properties by decreasing the size and creating outright sale and shared ownership units, helping to balance the housing market. Adactus Housing Group completed 23 units of affordable housing on **Marlborough Road** which was a mix of houses and apartments. Two out of a three phased housing project on **Bold Street** were completed using a combination of council funding and Regional Housing Pot central government funding which allowed the implementation of a facelift scheme to existing villa terraced houses and extensive refurbishment including the removal of one storey.

7.8 Chatsworth Gardens – former housing exemplar scheme failed due to market crash. A revised scheme needed to be explored. A successful bid to the Homes and Communities Agency provided “Cluster of Empty Homes” funding acted as a catalyst to the formation of a new partnership between Lancaster City Council and Placefirst, an organisation managing a portfolio of high quality market rented homes across the North of England, offering tenants improved spacious energy efficient homes and a direct professional landlord service.

7.9 The Chatsworth Gardens scheme taken forward was formulated in two distinct phases matching the physical presentation of the terraced housing – later named West End 1 and West End 2. West End 1 remodelled 29 long term empty guest houses creating a collection of 51 refurbished townhouses and apartments blending the old with the new – retaining original historic features combined with contemporary fittings. The £5.7m development has transformed a key area into a range of aspirational family homes set around a new landscaped courtyard. West End 1 completed in 2016.

7.10 Plans for West End 2 were submitted in 2017 seeing 23 long term former guest houses being extensively refurbished to create 45 modern homes providing a mix of two and three bedroom houses and apartments and following approval of the scheme, the project commenced on site and is still currently being completed.



Chatsworth Gardens – West End 1

7.11 Bold Street (Phase 3) – 17x two and three storey terraces of very poor quality and structural unsound residential properties and 3 x commercial units were demolished by Lancaster City Council in the last strategy period at a point where mainstream regeneration funding had been withdrawn. Building on the success of the Chatsworth Gardens projects, Lancaster City Council is embarking upon another partnership with Placefirst which, this time, will see a new build development being created which will continue to increase the portfolio of good quality private rented accommodation in Morecambe’s West End. The proposed Bold Street scheme will deliver 42 new homes which will be a mixture of 21 x one and 21 x two-bedroom apartments to be let at market rents.

7.12 Frontierland site – the last Housing Strategy confirmed that an outline permission in 2009 was granted for a mixed-use development of predominantly residential with some leisure and retail development. Then in 2014 and 2016, applications were made and subsequently approved for a retail led scheme with restaurant, pub and hotel provision on the site. However, development has not commenced on the site and the planning permission has now lapsed. The site has always been seen as being significantly important, and given its proximity to the proposed Eden North, no more so than now. A mixed-use development is still envisaged and a proposal that is of suitable quality and one which seeks to appropriately captures the potential arising from Eden North.

### **Priority 2 – Morecambe**

7.13 Whilst recognising that the area has considerably benefitted from large-scale investment and regeneration funding previously, the previous programmes of funding available to support regeneration initiatives ceased by 2011. Notwithstanding this and in order to continue the momentum of interventions already made, Lancaster City Council is keen to explore what potential exists to deliver a housing programme in Morecambe’s West End, and one which not only seeks to increase the choice of good quality affordable housing in the area, but a programme which is developed working in partnership with the existing



community. A number of positive links have already been established with community groups as a platform for further engagement and feasibility work that will allow the council to explore options and investment opportunities.

### **Priority 3 – Mainway Estate**

7.14 Within the council's existing social housing portfolio is the Mainway estate in north Lancaster. The estate is on the west side of the river Lune to the north of Skerton Bridge. One tower block (Park House), two medium rise blocks (Lune and Derby House) and flats above shops (Captains Row) are to the south of Skerton Bridge. The estate currently consists of:

- 2 x 11 storey tower blocks: Bridge/Skerton House
- 1 x 8 storey tower block: Park House
- 15 x 3&4 storey apartment blocks of five different types
- Derby, Lune House: Four storey maisonettes each over two floors
- Captain Row: Three storey of flats above shops
- Church, Kiln, Miller, Stewart House: three storey flats
- Acre, Greenwater, Shards House: Four storey maisonettes each over two floors
- Ellershaw, Greg, Fleming, Frankland, Rigg House: three storey flats
- The Mainway estate is 1960's Wimpey no-fines concrete construction which was over clad in the 1990's with Struthern insulated render. The property mix currently consists of 54 x two-bedroom maisonettes, 159 x two- bedroom apartments and 44 x one-bedroom apartments.

7.15 As part of fulfilling the landlord function and meeting statutory obligations to keep properties in good repair, the council continuously keeps its housing stock under review and undertakes a programme of capital and responsive repairs on all existing properties. In 2019 the council commissioned a series of structural survey work on Mainway estate to robustly test the structural integrity of the existing apartment blocks. Although the surveys confirm that the blocks are currently structurally sound, the council will need to take preventative steps to improve and maintain the existing apartment blocks in their current form.

7.16 The council could undertake a programme of external refurbishments across the estate which would meet the immediate need to ensure properties continue to be safe secure and fit for purpose for a further 25 years. However, the council would like to consider whether a more comprehensive regeneration programme could be undertaken on Mainway which could potentially deliver some dramatic improvements to the whole area and by providing homes in a surrounding environment that are likely to meet the aspirational needs of our existing tenants. The council is fully committed to extensively consulting existing tenants and understanding their experience of living in the area, tenants wishes, views and expectations, and this will then formulate the regeneration programme undertaken for Mainway. Authority to consult existing tenants, residents and stakeholders has already been approved by Cabinet in July 2020 and is now underway.

### **Priority 4 – Ridge Square**

7.17 This is a small mixed tenure scheme which consists of commercial properties including two retail units, a community centre on the ground floor and 8 x first floor deck access residential apartments above, 5 of which are in the ownership of the HRA and 3 sold under right to buy and with the council granting a lease on the retail units. The construction type is dated and the design of the square has lent itself to recurring issues with anti-social behaviour. Residents of the first-floor apartments feel vulnerable due to the existing concrete staircases to each property. As the Ridge is a hilly estate the access on either side is steep. There are garages to rent behind the two main blocks which gives the opportunity to increase the developable area.



7.18 Planned maintenance of the council owned properties is scheduled in the next 5-8 years. In order to consider a more comprehensive scheme, the council would need to conduct detailed consultation and undertake a full options appraisal to understand the true costs of a regeneration programme and how this could be achieved and one which can retain the existing key services for the local community.

**Other Housing/Regeneration Opportunities and the council's Capital Investment Strategy**

7.19 The Council is currently reviewing its Capital Investment Strategy, which was previously adopted in 2019. The underlying purpose of the Investment Strategy is to generate financial returns that will enable the council to deliver its agreed priorities and bridge the gap of reducing levels of central government funding. The new policy will take account of a wider number of considerations that align to key priorities as well as profiling the risk of investment proposals and the types of investments have been grouped into:-

- Regeneration activities - which could deliver benefits, improvements or development of an area through balanced acquisition, retention, and management of good quality investments and contributing to regeneration outcomes
- Investments Delivering a Social Return- this is a broad category to enable support for a wider range of investments and may include housing or climate change initiatives.
- Operational Investments – that sustain the day to day operational delivery of council services
- Other Investments – which fall outside of the above but which may be considered.

7.20 The proposed Morecambe Property Acquisitions are a clear example of where social value can be achieved. As well as increasing the choice and standards of housing in Morecambe, good housing creates wider benefits such as tackling health inequalities and increasing life expectancy. Other wider benefits for the council can also be achieved in the operational costs associated with dealing with anti-social behaviour, fly tipping etc as a result of creating more settled and sustainable communities where residents take more ownership of their homes and communities.

7.21 There are clear linkages between the Capital Investment Strategy and the Homes Strategy which recognises that the council can seek to generate a return by investing housing development and housing

acquisitions and that the returns can be blended with mixed use schemes or help to cross subsidise other housing objectives. Schemes outside of those already identified in the Homes Strategy could provide a good financial return for the council but should be benchmarked against the council's main objectives i.e. they will positively contribute to meeting a local housing need using the intelligence and housing market data available, the location and types of properties will allow the council to act as an effective landlord in terms of the quality, the space standards and management standards provided, and offer potential to positively contribute towards climate change either through influencing the design standards and thermal performance. Clearly these standards could impact on the level of return generated but this has to be balanced with other objectives which are being met but will still blend well with other commercial investments being made that may generate a higher return.

## 8. Summary of the council's housing and regeneration ambitions/standards

### **New build**

- Schemes are developed using the National Design Guide to create well-designed places and communities that are beautiful successful and sustainable and contribute to the health and wellbeing of residents
- The council will aim to build zero carbon homes as part of its identified housing and regeneration priorities
- All new homes will meet Nationally Described Space Standards
- The council will seek to exceed the requirement of 20% of new homes meeting Building Regulations M4(2) accessibility standards wherever possible
- The council will have regard to Secured by Design Standards
- New build homes acquired by the council should meet a minimum of EPC\* B with scope to increase to EPC A through future investment programmes

### **Acquisitions of existing housing and retrofitting**

- Properties acquired by the council should either meet EPC C or be capable of achieving EPC C through a fundable retrofitting programme and contribute to the health and wellbeing of residents
- Retrofitting of council housing stock will seek to bring all properties up to a minimum of EPC\* C
- Planned refurbishments will seek to achieve Secured by Design Standards

\*EPC ratings are expected to be reviewed and any changes to the ratings system should still achieve or exceed the minimum ratings set out. Higher standards to those outlined may be required if changes in central government guidance take place.

## 9. Our Homes Vision

9.1 Effectively meeting affordable and social housing need, promoting independence and creating happy, healthy and sustainable communities to make Lancaster district a great place to live.

9.2 Our vision is that all residents in Lancaster district will be living in:

- **good quality affordable homes**
- **homes with appropriate levels of support**
- **safe and secure communities and neighbourhoods**

<b>Affordable Housing Growth</b>	<b>Maximising the amount of affordable homes available to rent and buy</b>
<b>Improving Housing Quality</b>	<b>Improving the quality and energy efficiency of homes, particularly in the private sector and reducing the number of empty homes</b>
<b>Promoting Independent Living</b>	<b>Minimising homelessness through greater focus on prevention and supporting vulnerable residents to live independently</b>
<b>Creating Sustainable Communities</b>	<b>Creating confident and sustainable communities through effective management of neighbourhoods and tackling anti-social behaviour, domestic abuse and crime.</b>
<b>Improving Health through Housing</b>	<b>Promoting healthy lifestyles, reducing health inequalities, tackling poverty and supporting people to meet health needs through housing options</b>
<b>Meeting the Needs of Older People</b>	<b>Ensuring that the right housing options are available which allow older people to remain active and independent in their homes and communities</b>

## 10. Affordable Housing Growth

10.1 One of the biggest priorities for Lancaster district is to provide enough quality and accessible homes to meet the districts growing population, whilst protecting the environment and respecting community identity. The need for affordable housing is a key issue identified in the Local Plan.

10.2 The Strategic Market Assessment (Housing Needs Survey 2018) suggests that around 6000 households are in need of affordable housing (10% of the population) utilising the government's prescribed methodology to calculate affordable housing need:-

Households in need by sub-area			
Sub-area	No. Households in need	% Households in need	Total no. households
Carnforth & Millhead	275	10.4	2632
Ellel	213	11.3	1888
Heysham	454	9.0	5028
Kellet and Upper Lune Valley	140	7.1	1967
Lancaster Fringes	516	8.3	6232
Lancaster North	1056	17.2	6155
Lancaster South	1603	9.6	16631
Morecambe	906	7.9	11478
Morecambe West	785	13.5	5836
Overton	123	11.5	1073
Silverdale and Warton	114	6.3	1815
<b>Total</b>	<b>6185</b>	<b>10.2</b>	<b>60735</b>

Source: 2017 Household Survey

10.3 The council has developed a suite of policies and practices to secure and maximise opportunities to increase the supply of affordable and social housing within Lancaster district whilst ensuring that new developments provide the right type and size of housing across tenures.

### Type and Size of New Housing Development

10.4 Policy DM1: - New Residential development and Meeting Housing Needs promotes balanced communities and proposals which meet evidenced housing need. It seeks to ensure that new development provides a diverse mix of house types, sizes and tenures. The table below provides an indicative approach to mix across the district. There will however be factors, such as specific needs or conditions which may change the mix appropriate for a site.

Property Type	Market (%)	Affordable (%)
House (2 bedrooms)	20	30
House (3 bedrooms)	35	20
House 4+ bedrooms	25	5
Bungalow	10	10
Flat/apartment (may include 1-bedroom houses)	10	35
Total	100	100

The Standard of Housing

10.5 Policy DM2: Housing Standards has been introduced to ensure that new homes are built to a standard which will enhance quality of life. The provision of an appropriate amount of living space within new homes is an important element of good housing design and a pre-requisite for basic living. Potential residents of new homes should be provided with enough space for their basic daily activities and needs. This will include space for the furniture they need, the storage of personal possessions and room to prepare food conveniently and to socialise with friends and family. If homes are to have a long life, they must offer functional and adaptable spaces that meet the needs of families, children, older people and people with health conditions or impairments.

10.6 Policy DM2 requires that all new homes are built to the Nationally Described Space Standards and that 20% of all new homes (20% of both the affordable and market homes on a site) are built to meet the Building Regulation Requirement M4(2) (accessible and adaptable homes).

The Delivery of Affordable Housing

10.7 Planning policies set requirements for the provision of affordable housing within development sites. These requirements are to ensure affordable housing is provided to meet the needs of the district and to ensure it is integrated into development to provide balance communities and must be owned/managed by Registered Providers.

10.8 The requirement for affordable housing provision within development is summarised for each housing market area in the table below:

<b>Lancaster, Carnforth and Rural West (the wards of Ellel and Bolton &amp; Slyne)</b>			
Greenfield	15 units and over	On-site	30%
Greenfield	10-14 units	On-site	20%
Brownfield	10 units and over	On-site	20%
<b>Morecambe, Heysham and Overton</b>			
Greenfield	10 units and over	On-site	15%
<b>Rural East (Halton-with-Aughton, Kellet, Lower Lune Valley, Upper Lune Valley, excluding the Forest of Bowland AONB)</b>			
Greenfield	10 units and over	On-site	40%
Brownfield	10 units and over	On-site	30%
<b>Forest of Bowland (Policy DM6)</b>			
All sites	2-5 units	Financial contribution	50% in lieu of on-side provision
All sites	6 units and over	On-site	50%
<b>Arnsdale and Silverdale AONB (Policy AS03)</b>			
All sites	2 units and over	On-site	50%

Types of Affordable Housing

10.9 Affordable Housing is generally categorised into two main types: intermediate affordable housing and social housing. The council's existing planning policy require that on new developments requiring on-site affordable housing detailed on Table 8.2, the affordable housing is provided as 50% intermediate housing and 50% social housing (either affordable rented or

social rented units). This ensures that the tenure provided on each development will meet the widest range of need but also contributes positively to the creation of sustainable communities and neighbourhoods.

## Intermediate Housing

10.10 Intermediate housing includes different types of affordable home ownership provided through national government initiatives or local planning policy requirements aligning to the specific needs of that district. In Lancaster district, shared ownership has been deemed the most suitable form of intermediate housing, because it provides the scope and flexibility to align to the lowest income requirement of any other form of intermediate housing.

10.11 There have been other forms of low-cost home ownership initiatives provided by central government used to stimulate home ownership, but these have typically only benefitted the first purchaser i.e. the Help To Buy Scheme which provides an equity loan of up to 20% of the market value and falls outside the definition of affordable housing. However, the government has undertaken national consultation on the First Homes scheme, as a more suitable replacement to Starter Homes which were never implemented. The consultation in late 2019 suggests that First Homes are akin to discounted market sale units, but unlike Starter homes, would provide a discount in-perpetuity each time the property is sold on to a qualifying household. The model could provide scope for local authorities to set the level of discount that should apply aligning to local need and affordability. If there is a mandatory requirement for Local Authorities to implement first Homes (as was mooted with Starter Homes) then the council will need to overhaul the existing affordable housing policy and carefully assess the impact of setting the level of discount alongside the types /amount of affordable housing that can be provided.

10.12 Lancaster City Council will continue to work in partnership with Registered Providers to bring forward schemes which include or are exclusively shared ownership. In most instances, schemes require grant subsidy through Homes England (previously known as the Homes and Communities Agency or HCA) Homes England is the government agency responsible for the regulation of Private Registered Providers and the main provider of grant subsidy and funding to accelerate housing delivery and affordable housing. Bids to Homes England's Affordable Homes Programme generally require the support of the Local Authority. Since 2010, 526 affordable housing completions have been directly supported with a form of grant subsidy.

## Affordable Housing for Rent

10.13 The main form of affordable housing in Lancaster district is social rented housing, with Lancaster City Council as the biggest landlord with around 3700 properties in its portfolio, and around 2500 properties owned and managed by Registered Providers for rent (general needs and housing for older people combined).

10.14 In 2011, the government amended the definition of social housing to make way for their affordable rent product. Unlike social rents which are typically set at around 50% of market rents, in order to reduce the level of grant subsidy required to support new affordable housing schemes, affordable rents can be set at up to 80% of market rents. In order to ensure that they remain affordable to people in need of social housing, the rents are normally capped at Local Housing Allowance rates – the threshold set for housing benefit payments by property size and entitlement. As a result of these changes, there are now very limited opportunities to bring forward social rented units with affordable rent being the default position.



10.15 Lancaster City Council has well established strategic links with Registered Providers operating across Lancaster district and robust nomination agreements in place to ensure that social housing vacancies let through the council's Housing Register will best meet a local need and that consistency is provided in terms of security of tenure, the standard of accommodation and the management service offered. Given the continued need and demand for affordable/social rented tenure in Lancaster district, the council will continue to support and strengthen partnerships with Registered Providers to increase the supply and availability wherever possible.

10.16 Up until 2010 Registered Providers were typically providing social housing in the form of family housing. However, in the last decade and through continuous dialogue with the council, measures have been taken to increase the supply of social housing available for single people. This was particularly important to manage the impact of welfare reform although as the demographic of the Housing Register analysis continues to evidence that there is a considerable under-supply.

#### New Council Housing

10.17 In 2014, Cabinet approved reports to investigate options to bring forward new build council housing in Lancaster district. An exercise was undertaken to identify potential sites on council owned land. Although several sites were initially identified, only two of the original sites were deemed suitable, allowing further detailed feasibility work to be carried out. Activity then stalled because of potential government changes/risks posed around the management of the Housing Revenue Account, perceived risks associated with statutory Right to Buy, a temporary suspension of grant funding to support the provision of social housing, planning issues and the degree of local support.

10.18 The council's new administration remains very committed to bringing a programme of new build council housing forward utilising the council's borrowing headroom and any external subsidy that can be drawn down to support schemes to assist with affordable housing and infrastructure. In order to increase our portfolio of social and affordable housing, early indications suggest that the council can comfortably borrow around £25 Million to invest in new build schemes and regeneration programmes. Furthermore, the council can also make use of prudential borrowing through the General Fund and set up a housing delivery vehicle such as a Local Authority Trading Company (LATCo) as a means of generating development funding to bring forward mixed tenure schemes offering a wider range of housing tenures. The benefits of doing this is that the surpluses generated will allow cross-subsidy and offers better potential to deliver a wider range of benefits such as the level of affordable housing, and enhancing the quality and standard of new development with most holistic outcomes and which will contribute positively to climate change. However, these investment plans are not limited to new build schemes. In some areas of the district it is equally important to identify suitable measures and interventions to improve the quality of existing housing and improve the range and choice of housing across the district to meet the widest possible need. The council may also wish to consider the merits of acquiring stock sold under the statutory Right to Buy scheme as a means of increasing its portfolio of housing. A pre-requisite to raising the capital and implementing this programme is that collectively schemes will be self-financing with whatever degree of subsidy can be levered in to improve development viability.

Community Led Housing/Self Build

10.19 In 2016/17 Lancaster City Council received £770K Community Housing Fund – a direct award from Central Government given to local authorities most effected by second homes ownership to help promote and develop community led housing. Community led housing can be described as local communities playing a lead role in addressing their housing needs by providing affordable homes which they own or manage. Community led housing is a particularly effective model for delivering affordable housing “in perpetuity” as it sits outside of the statutory Right to Buy scheme.

10.20 Lancaster City Council embraced this opportunity positively by initially undertaking consultation and engagement with Parish Councils and Neighbourhood Plan Groups, working with specialist advisers, creating a dedicated officer post to work directly with community groups, and by working with partner local authorities in Cumbria to set up the Cumbria and Lancaster Community Enabling Hub.

10.21 Lancaster City Council has been directly supporting and has provided grant funding for two new community led projects on Mill Lane in Halton. Senior Co-Housing Group Ltd is seeking to build 20 homes for older people which is 14 homes for sale and 6 affordable homes. Lune Valley Community Land Trust is working in partnership with South Lakes Housing (a Registered Provider) to bring forward 20 affordable homes on the adjacent site which will include a mix of property types and sizes to meet local need. Both proposed schemes will provide zero carbon homes subject to obtaining planning permission later this year and will complement the existing Lancaster Co-Housing development which was built to Passivhaus standards.

10.22 Lancaster City Council is also exploring options to deliver a community led housing project in Morecambe’s West End having engaged positively with community groups over the last 6-9 months. Further work is required to investigate a suitable community led model and to establish the objectives and scope of what could potentially be achieved, although the ultimate aim is to improve access to good quality affordable housing in the area to meet a local need. The council is also willing to explore a community led model within the residential element of the Canal Quarter Scheme. To date, no existing community groups have been identified but this will be considered further as part of the engagement and consultation undertaken as part of developing the options.

10.23 An important adjustment to the council’s affordable housing policies is the requirement that all new affordable housing must be provided by Registered Providers. Local Plan adoption, the requirement will be relaxed recognising community groups as a legitimate body for the delivery and management of affordable housing.

Self-Build

10.24 The Self Build and Custom Housebuilding Act 2015 requires Councils to have a register of those who wish to acquire a plot for a self-build or custom-build dwelling. The Council holds a register of potential interest in self or custom build plots across the district. Planning Practice Guidance clarifies that evidence of demand from the registers should inform Local Plan policies, supplemented by other evidence.

10.25 At present both evidence from the register and evidence from the Strategic Housing Market Assessment (Part II) indicates limited demand within the District for self and custom build

housing. The evidence indicates in general a wide search area across the District as well as a desire for larger properties of three or more bedrooms. The Assessment also identified that those who do have a desire for self or custom build housing are generally on high incomes.

10.26 Whilst suitable opportunities may exist for larger self or custom build properties to be constructed, the thrust of the policy is to support opportunities for individuals or groups of individuals that wish to build their own homes as a more affordable means by which to access home ownership.

10.27 Planning applications for self, custom or community-led housing, built by individuals or groups of individuals for their own occupation will be supported by the Council where they are located in sustainable locations. The Council will seek to identify plots for self and custom build housing where the need is clearly identified via the Self Build Register. The Council will support proposals from community groups seeking to provide affordable housing units and who will implement their management and lettings arrangements (providing these meet a local need and comply with other relevant planning requirements and policies).

## 11. Improving Housing Quality

### *Private Sector Housing Stock*

11.1 Improvements in the private rented housing stock continue to focus on Morecambe's West End, which has been a well-established regeneration priority, and which continues to address some of the worst housing conditions in the district, balance the housing market and increase the choice of tenures available in the area.

11.2 The private rented sector represents around 20% of the housing market in Lancaster, and with increasing barriers around affordability and access to deposits for newly forming households unable to buy their own home outright, it is likely to be a growing sector. Lancaster City Council had delivered a range of measures to encourage and promote responsible renting but will also use enforcement and legal powers to deal with poor property conditions and management standards.

11.3 Mandatory Licensing already exists for houses in multiple occupation (HMO), and the government recently broadened the definition of HMO's in 2018 to include properties let to 5 or more people or 2 or more households, and also applies to blocks of purpose built flats where there are up to two flats in the block and one or both are occupied as a HMO. Around 480 properties are currently licensed by Lancaster City Council.

11.4 Selective Licensing is a scheme which allows a local authority to introduce licensing conditions to all other private rented housing within a designated area. Selective licensing can only be introduced if certain conditions are present, such as low housing demand, the area experiences significant and persistent problems around anti-social behaviour and some or all of the private sector landlords are failing to adequately manage anti-social behaviour within their tenancies. Selective Licence can be applied for up to a five-year period and can only be renewed with permission from the Secretary of State. A Licensing Fee normally applies.

11.5 Lancaster City Council undertook extensive consultation in 2017 regarding the proposed designation of Harbour and Heysham North wards, which contain the highest proportion of private rented accommodation in the district. The main objectives were: -

- To improve the housing conditions within the designated area which would contribute to improving the health and wellbeing of tenants and reducing the number of complaints
- To identify a named individual who was responsible for the properties and thereby creating a comprehensive database of private rented sector stock within the area
- Reduce anti-social behaviour within the designated area
- Target rogue landlords and creating a level playing field with clear and consistent standards being applied
- Contribute towards the council's Empty Homes Strategy

11.6 711 responses to the consultation were received, with around 80% of the responses being from tenants and homeowners and 11% were landlords/managing agents. The consultation findings concluded that tenants and homeowners were supportive of the implementation of Selective Licensing although some tenants had concerns about the wider implications and potential repercussions if the scheme went ahead and a fee applied, such

as rent increases and seeing an increase in eviction notices etc. However, the vast majority of residents felt that Selective Licensing would benefit the area. In contrast, landlords were generally unsupportive, particularly around a licensing fee being applied, and that good landlords could effectively be subsidising poorly performing landlords and viewed it as a tax on good landlords.

11.7 The findings were reported to Cabinet. Members at the time decided not to proceed with the implementation of Selective Licensing and instead wanted the council to undertake further engagement with landlords and where necessary apply targeted enforcement action for a period of 18 months before a further report was brought back to Cabinet, and instead approved a refreshed Housing Standards Enforcement Policy in December 2018 which took account of regulatory changes and additional powers that local authorities can use to tackle rogue landlords including civil penalties which includes Rent Repayment Orders, Banning Orders and the operation of a database for rogue landlords and property agents. A further report will be taken back to Cabinet in 2020/21 to seek clarification from members on whether further consultation should be undertaken around options to implement Selective Licensing.

- The Private Sector Housing Enforcement Policy aims to:
- improve the standard of homes in the private sector
- assess local housing conditions
- reduce the number of properties with serious risks to health and safety
- reduce the number of vulnerable households living in non-decent homes
- improve the energy efficiency and warmth of homes and to help reduce fuel poverty
- improve standards in private rented accommodation
- improve the standards in HMOs (houses in multiple occupation)
- work closely with private sector landlords towards improving conditions and the standard of management of private rented housing to meet the council's statutory obligations

11.8 Each year, around 200 Category One Dwelling Hazards are identified and resolved through the intervention of the council's Housing Standards Team. Lancaster City Council successfully bid for government funding to tackle rogue landlords in 2019. The funding is intended to provide local authorities with additional resources in increase capacity and create new digital tools. The funding has allowed Lancashire authorities to create a training programme for existing enforcement staff across the Lancashire region. The first round of training has been provided and this has increased the skills and knowledge of staff as well as creating a platform for best practice and shared learning across local authorities in Lancashire. A further programme of training is planned for 2020/21.

11.9 In order to encourage positive relationships between the council and private sector landlords, a Landlord Forum was set up some years ago and is currently in operation. The council was instrumental in establishing this and taking the strategic lead. This has reaped some benefits and in recent years, although some tensions that had arisen within the sector as a result of the roll out of Universal Credit, allowed these to be managed. Recent attempts have been made to encourage landlords to run their own forum, and some further

support may need to be provided by the council to explore and set up a web-based Forum which may attract better engagement and participation.

### Public Health Act/Public Protection

11.10 Under the Public Health Act 1936 our Public Protection team have the powers to deal with our most vulnerable residents living in private rented accommodation. They assist residents who have been identified as living in “Filthy and Verminous” conditions through referrals from GP’s, Social Workers, Hospital Discharge Teams and Community Care providers.

11.11 With their powers under the PHA 1936 the council is able to serve notice on tenants and their landlords, when their premises are deemed to be in such a filthy and unwholesome condition as to be prejudicial to health. This allows the property to be cleaned up, which can potentially give the tenant a fresh start and a more positive outlook.

11.12 Public Protection Officers then work alongside several other agencies and the affected individual to identify what has caused the decline in the state of the property and to get the appropriate help for them, as well as taking steps to stop it from reoccurring. Other agency involvements to help with the ongoing welfare of the individuals highlighted can include Adult Social Care, Mental Health Care, Drug and Alcohol Rehabilitation Teams, LFRS, NWAS, local Policing Teams, Children and Family Wellbeing, as well as various voluntary sector organisations.

### Stock Condition analysis

11.13 Lancaster City Council last commissioned a district wide housing stock condition survey in 2004. This was a comprehensive study and included a sample of physical survey work. Section 8 of the Housing Act 1985 places a duty upon local authorities in assessing the housing needs of its area in relation to housing conditions and the needs of the district. This obligation is primarily been met through the commissioning of a district wide housing needs survey every five years. Whilst the survey seeks to collect data from household responses on property condition and the level of satisfaction with their current home, this should not be relied upon to provide accurate and reliable indicators on the condition of the existing housing stock. More recently, stock condition surveys have been replaced with stock condition modules which draw down a wide range of technical housing data from various sources, and the datasets are periodically refreshed and will provide data on dwelling hazards. Data typically includes dwelling hazards, excess cold, SAP, fuel poverty, disrepair, energy performance data and insulation types, Co2 emissions, EPC data and prevalence of HMO’s (the latter linking directly with both Selective Licensing and Article 4 Direction). The council needs to address this at the very earliest opportunity. Not only would commissioning a district wide stock condition module allow the council to hold a wide range of housing related data that will subsequently identify where necessary interventions should be targeted, but data of this nature is often critical to attract external or central government funding, and will greatly assist operational practices across housing teams.

Fuel Poverty/Excess Cold

- 11.14 Lancaster City council recognises the impact of and importance of tackling fuel poverty across the district which can directly impact on the health and wellbeing of local communities and can result in excess winter deaths for the vulnerable and elderly population. Increasing the energy performance of housing stock can create wide ranging benefits to improve health, improve housing stock, contribute towards tackling fuel poverty and the reduction of carbon emissions.
- 11.15 Within the last Strategy period, work to tackle fuel poverty was progressing well. The North Lancashire Affordable Warmth Partnership formed in 2011 (representatives from NHS, Lancashire County Council, district councils delivery partners/third sector organisations) creating an Affordable Warmth Statement and Action Plan, and a steering group was set up in Lancaster to create a district action plan. Because of a combination of cuts to funding and staff changes, both groups ceased operating. However, a number of crucial links were well established and continue through the Lancashire Energy Officer Group and through collaborating working, the Cosy Homes in Lancashire scheme (CHiL) which launched in 2014 leveraging in Warm Homes Funding. Over £10million funding has allowed more than 10,500 residents to save money through energy saving advice and measures across Lancashire. Since 2018, 41 measures have been undertaken in Lancaster district.

Referrals/Measures through CHiL (Cosy Homes in Lancashire) scheme Measures

<b>Loft Insulation</b>	<b>1</b>
<b>Boiler Replacements</b>	<b>21</b>
<b>First-time Central Heating (WHF)</b>	<b>18</b>
<b>Emergency Boiler (WHF Cat3)</b>	<b>1</b>
<b>Total Interventions</b>	<b>41</b>

Funding sources

<b>Central Heating (WHF) Funding secured (£)</b>	<b>£42,026</b>
<b>Emergency Boiler (WHF Cat3) Secured (£)</b>	<b>£1,970</b>
<b>ECO Funding Secured (£)</b>	<b>£32,016</b>
<b>LA Funding Secured (£)</b>	<b>£14,298</b>
<b>Customer / Landlord Contribution Secured (£)</b>	<b>£946</b>
<b>Charity Contribution Secured (£)</b>	<b>£0</b>
<b>CHiL CIC Contribution Secured (£)</b>	<b>£2,657</b>
<b>Total Funding secured</b>	<b>£93,913</b>

### **Green Homes Grant/Retrofitting**

- 11.16 Lancaster City Council was unable to bid for the Green Homes Grant Phase 1 LAD Scheme (with bids due in 1<sup>st</sup> September 2020) as the minimum bid was £500,000 with measures requiring completion by the end of March 2021. Whilst consideration was given to formation of a consortia bid across Lancashire, because some measures are not effective if completed over the winter period (external insulation) and the need to adopt a more strategic approach to effectively target properties and qualifying households, even a Lancashire wide bid could not be supported by all local authorities. It is hoped, however, that a bid can be made for the Phase 2 Scheme with funding available in April 2021.
- 11.17 A critical component of installing measures is undertaking an independent assessment of the property to identify the most suitable type of measures. This is critical to prevent vulnerable householders being given inappropriate advice by speculative contractors, leading to significant problems with the quality and type of measures being installed. To overcome this, the council is investigating the merits of a new Retrofit Advisor post being created. This will likely be for a fixed term period initially to align to the funding opportunities that are available, and to ensure that a strategic approach is adopted which is capable of being delivered across tenures.

### *Student Accommodation Houses in Multiple Occupation and Planning*

- 11.18 There has been a significant increase in the amount of purpose-built student accommodation in Lancaster. 332 student bedrooms were completed between 2018/19 with a further 420 completed in 2019/20. Student completions will increase further with continued development at Bulk Road and Luneside East. Policy DM7 of the DMDPD seeks to ensure that new purpose-built accommodation is located in appropriate locations and does not adversely affect the amenity of communities. It focuses new accommodation on campus or within or directly adjacent to Lancaster City Centre.
- 11.19 Lancaster University has set up Lancaster University Homes which is the official accreditation scheme for student housing in Lancaster, operated by Lancaster University and backed by Lancaster council, the student unions and the University of Cumbria. Students attending one of the Universities in Lancaster are encouraged to choose accredited properties where stringent checks are in place and high standards of management and maintenance take place.
- 11.20 The proliferation of Houses in Multiple Occupation (HMOs), in particular the concentrations within some areas of Lancaster and Morecambe, has an adverse impact upon the amenity of residents. Policy DM13 of the Development Management DPD is being introduced to control the increase in HMOs and their concentration. The policy will prevent the introduction of additional HMOs where the concentration will exceed 10% within a 100m radius of an application site. The Council has also produced a Residential Conversions and Houses in Multiple Occupation Supplementary Planning Guidance which includes standards for the accommodation and facilities provided.
- 11.21 The conversion of dwelling houses to small HMOs (3-6 occupiers) does not require planning permission. The increase in small HMOs cannot be controlled at present. To address this, the Council is taking action to introduce an Article 4 Direction (of the Town and Country Planning - General Permitted Development Order 2015) to remove this permitted



development. If Article 4 Directions comes into effect all conversions of dwelling houses to HMOs will be controlled by policy DM13. The quantum of HMOs within areas of Lancaster also creates an unfortunate ancillary, visual impact. The properties used as HMOs often display To Let Boards for prolonged periods, creating an unacceptable degree of clutter and an adverse visual effect along terraced streets. The introduction of advertisement controls through Article 7 Direction will seek to reduce this clutter and improve the appearance of these areas.

Cladding and Fire Safety

11.22 A joint initiative between Lancaster City Council and the Fire Service has previously been undertaken in 2017 to identify issues with cladding and fire safety, a number of fire safety measures have been implemented, and as matters have developed with cladding nationally, further inspections have taken place with issues highlighted and improvements planned where problems have been identified.

11.23 Capita has been assisting with the council compiling a list of external wall materials on high rise buildings, as required by Government (Building Safety Programme). A comprehensive list of properties across the district has been compiled of various height and risk in preparation for expected regulatory changes. The proposed new regulatory regime is designed to change every step and stage of the design, construction and occupation of a building, including its operation and lifecycle. Officers will also respond to future national policy changes which develop from the Building Safety Bill, Fire Safety Bill and Hackett Review.

Empty Homes Work/Social Lettings Agency

11.24 When Lancaster City Council re-affirmed its housing and regeneration priorities in 2011, one of the priorities identified was to tackle empty homes. A new temporary officer post was initially created in 2013 to allow the council to take a more strategic approach to tackling empty homes creating a dedicated resource to compile comprehensive and reliable data on empty homes and to use a range of methods, tools and incentives to bring empty homes back into use. The Empty Homes Officer post was made permanent in 2017 and a refreshed Empty Homes Strategy 2017-2022 was approved by the council.

11.25 Many of the objectives identified in tackling empty homes were being achieved through sub-regional partnership between Preston, South Ribble and Lancaster City Council was formed with Methodist Action North West, who were successful in securing empty homes funding through the Government's Affordable Homes Programme (Empty Homes – Communities Groups). The empty homes scheme allowed Methodist Action NW to provide financial assistance to refurbish empty homes. The refurbished properties were then leased to Methodist Action for a minimum of 5 years and subsequently offered to the council's Housing Options Team to refer people in housing need creating a new social lettings agency for Lancaster district. The social lettings agency also allowed other private sector landlords to participate in the scheme albeit the leases were for a shorter period, thus increasing the supply of housing available to people who presented to the council in need of rehousing or facing homelessness.

11.26 The initial scheme utilising the empty homes funding from central government was completed in 2015 with 12 empty homes being brought back into use in Lancaster district. Although the sub-regional partnership ended, Lancaster City Council continued to work with Methodist Action NW bringing empty homes back into use through council funding and a further 10 properties were brought back into use whilst maintaining the social lettings agency for both Lancaster and Preston City Council. However, in August 2019, the partnerships came to an end when Methodist Action went into liquidation and immediately wound up their operations. The council is actively pursuing alternative schemes to continue the pro-active work already achieved on empty homes. Since the officer post was created in 2013, a total of 459 empty homes have been brought back into use with officer intervention.

11.27 It is vitally important that the council also identifies a replacement social lettings agency. With such limited supply of social housing provision in Lancaster district, the private rented sector plays a crucial part in meeting the district's housing needs, and a social lettings agency offers the potential to ensure all properties meet reasonable standards of repair and are free from hazards, the rents are affordable for the end user and can provide more certainty for the tenant rather than a conventional private sector tenancy. This must be seen as a key priority for Lancaster City Council.

#### Grassland Management Strategy

11.28 Critical for the district's recovery from Covid-19 and instrumental to the well-being of our district's residents is the importance of access to good quality amenity space. The council is currently preparing a new Grassland Management Strategy which will seek to enhance biodiversity and aesthetic value, improve workload planning and create a financial saving across public realm.

#### ***Social Housing – Lancaster City Council***

11.29 Lancaster City Council is a stock retaining authority with 3702 properties held within the Housing Revenue Account (HRA) and is the largest social housing provider in the district. The HRA is a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities (under the powers and duties conferred on them in Part II of the Housing Act 1985 and certain provisions of earlier legislation). It is not a separate fund but a ring-fenced account of certain defined transactions, relating to local authority housing. The main items of expenditure included in the account are management and maintenance costs, major repairs, loan charges, and depreciation costs and the main sources of income are from tenants in the form of rents and service charges.

11.30 The Localism Act abolished the previous housing subsidy system replacing it with a self-financing model. In 2012, the council took on just over £31M of debt when the current subsidy arrangements ceased allowing for greater financial autonomy. That said, as part of a series of welfare reforms and austerity measures, the government imposed a mandatory 1% rent reduction upon social housing landlords. Then, in October 2017, the government announced its intention to set a long-term rent deal for both local authority landlords and

housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to CPI plus 1 percentage point from 2020, for a period of at least five years. Clearly these recent rent controls place additional pressures on social housing providers to maintain their Business Plans, keep their housing stock maintained to the required standards and provide neighbourhoods that people wish to live in.

11.31 In 2010, the government set the minimum standard that all social housing must meet the decent homes standard, which means homes: -

- must be fit for human habitation
- they must be in reasonable state of repair
- they must have reasonably modern facilities
- provide a reasonable degree of thermal comfort

11.32 All dwellings owned and managed by Lancaster City Council's Housing Revenue Account (HRA) already met the decent homes standard but the council set its own Lancaster Standard to maintain its stock above that of the decent homes standard and has adopted "Decent Homes Plus" which is maintained through a pre-determined capital programme and provides a commitment that tenants will be properly consulted and have a degree of choice about planned works such as kitchen layouts and finishes. The renewals cycle is sometimes more frequent than that of the decent homes standard and the scope of works are more comprehensive including environmental improvements and a home security policy. Since 2010, capital investment of the council stock has averaged £4M per year which has included kitchen and bathroom replacements, external refurbishments, re-roofing, window replacements, boiler replacements, septic tank renewals, rewiring, lift replacement and sheltered scheme improvements. The council also has its own dedicated budget for adaptations to council stock which is circa £300K per annum.

#### Mainway Regeneration

11.33 The regeneration of Mainway estate, as referred to earlier in this strategy, is also a key priority and costs expected to be considerable. Whilst the council will still seek to provide the maximum level of investment possible across its existing housing stock, as the Lancaster Standard was introduced some time ago, it would seem timely to review the standard in consultation with tenants and the District Wide Tenants Forum to review its appropriateness and deliverability.

#### **Social Housing and Climate Change**

11.34 A series of energy performance measures have been carried out incrementally on sheltered housing schemes summarised below:

#### Solar Panel Installation

- In 2012, a 26.5-30kWp roof mounted PV system was installed on Beck View, Kingsway, Ripley and Glebe Court. The combined PV systems have the capability to generate approximately 96,000kWh of power per annum, which is the equivalent of the annual electricity demand of 24 average domestic properties. The generated

power is used within the communal areas of the building to power many areas, such as the laundry, lift and lighting systems.

- Due to a reduced demand on the grid, the combined Solar PV reduces CO2 emissions by approximately 68 tonnes per annum and generates a Feed-In Tariff revenue of somewhere in the region of £33,600 per year.

### LED lighting system

- An annual smart LED lighting programme was commenced in 2014 to sheltered schemes which provides substantial energy and maintenance savings compared to the previous lighting system. The sensor controlled, crisp bright white light emitted from the new fittings brightens up the communal corridors, stairwells and lounge areas as residents move around the building, and also 'dull-down' to 10% energy efficient background lighting when the sensors do not pick up any movement.
- The new lighting system is expected to deliver more than 80% energy savings on the previous system. This coupled with the reduced maintenance costs will be a huge decrease in the running costs of lighting to all sheltered schemes.

### Lift replacements

- The new energy-conserving lift installation program commenced in 2013 and has now been completed to all sheltered schemes. It is designed to be up to 75% more energy efficient than conventional systems with non-regenerative drives. The excess energy generated when the empty lift is going up, and when the full lift is going down is turned into electricity and is reused by other systems within the building.
- The lift is also fitted with LED lighting, which again reduces energy consumption and lasts up to 10 times longer than conventional fluorescent lamps, meaning more energy savings and less downtime.
- The advanced, automatic switch-off mode, when there's no passenger demand for the lift, makes LED lighting up to 80% more efficient than conventional lighting options.

### Boiler Replacements/Solar Thermal Improvements

- All sheltered schemes have recently had their inefficient boilers replaced with high efficiency condensing boilers that fully modulate to meet the demand required. In addition to this, two hot water cylinders were replaced with smaller, highly insulated, high recovery cylinders, this means re-heat time is vastly increased so less stored water is needed. The cylinders were also fitted with a dual coil to allow for future fitting of a solar thermal system. The plant room pipework was altered and insulated to reduce heat loss within this area. Thermostatic Radiator Valves were replaced throughout the scheme, which allows for greater control of the system and in-turn, higher efficiency.
- Solar Thermal tubes have also been fitted on the south-facing boiler room roofs to Beck View and Ripley Court – solar energy heats the water in the panels via evacuated tubes which in-turn heats the water in the recently installed cylinders

reducing the amount of gas needed to raise the temperature of the water to the desired level.

## Whole House Improvements

- The council has undertaken a series of pilot projects to measure the practicality, cost and effectiveness of measures to improve thermal performance in advance of planned works for a major refurbishment of 60 properties in Beaumont avenue and Hill Road. The aim of the pilot is to assess what specification delivers the most cost effective improvement in thermal performance in conjunction with the planned renewal of doors and windows, re-plastering and essential repairs to the building fabric, which are the drivers for the project.

11.35 Major voids at 30 and 1 Mount Avenue presented the opportunity to carry out the pilot scheme. Energy improvement measures were developed on an elemental basis and assessed using commercial EPC criteria. However, because of existing cavity wall and adequate roof insulation and the age of existing windows, some measures such as insulated plasterboard would only yield marginal improvement. With the deep knowledge of the building fabric, a range of effective thermal improvements were specified which included: -

- Full electric re-wire with new distribution boards to 18<sup>th</sup> edition, USB sockets, energy efficient LED lightbulbs and external security lights.
- Full renewal of plumbing system
- New plaster to all internal walls
- New radio-linked smoke & heat alarm system (Grade D1, Category LD2) with control switch and CO detection
- New 'A' rated double glazed windows
- New energy efficient composite front and back external doors
- New 'A' rated condensing Combi boiler and complete central heating system with room thermostat & TRV's
- New electric focal point fire with surround & mantelpiece
- Installation of insulation and draught-proofing under all timber floors whilst renewing floorboards
- Upgraded insulation to roof spaces
- New insulated loft hatch
- Installation of insulated plasterboard to all sloping ceilings
- New humidity-controlled heat recovery extract fans in both kitchen and bathroom
- New bathroom suite including shower & wallboard
- New modern design kitchen units & worktops with upstands and splashback behind cooker space
- New vinyl flooring to kitchen & bathroom
- New skirting boards, door frames, architraves and 6 panel grained internal doors
- Fully decorated upon completion



11.36 Air tightness often causes the biggest challenge in creating thermal efficiency. Air tightness tests were conducted at 1 Mount Avenue by a certified engineer under controlled conditions. Prior to refurbishment the property was tested at 15, the lowest recordable rating. Following the refurbishment by RMS and its contractors, the property is significantly improved and achieved a 10 rating, the minimum standard for a new home. Due to Covid-19 no further properties will be completed in the current financial year, with 20 planned for next year.

Climate Change Action Plan

11.37 Since the council declared the Climate Emergency in January 2019, work has been taking place to examine the extent to which the council's direct activities contribute towards the district's carbon emissions and in November 2019, the council approved a Climate Change Action Plan to allow the council to become net zero carbon by 2030. This primarily focuses on changes to operational services and the council's direct estate (excluding council housing). However, the Action Plan sets a requirement that more details plans are to be developed to show the indirect actions the council will take including the council housing stock and the need to review the capital programme to ensure that repair and maintenance programmes are prioritised to reduce carbon. Any measures considered will need to be affordable both in terms of the installation costs borne by the council, the running costs for the end user and taking account the age and condition of the existing housing stock. However, the recent pilot projects have allowed the council's Repairs and Maintenance Team to increase their capacity and knowledge to undertake, supervise and manage energy efficiency works and to develop those skills further in devising suitable retrofitting systems. Whilst this is an evolving project a cost benefit analysis must always be undertaken to understand the value, benefits and impact on the council's capital programme.

Disposals Policy

11.38 Less than 100 existing council properties have been rated at EPC E or below. These are typically due to their age, construction type and constraints such as conservation areas requirements. In instances where the combined value of the property and retrofitting is not cost effective, on a case by case basis, the council may consider disposing of properties if and when they become vacant. This is only envisaged in a very small number of cases, and whereby the proceeds of sale can be recycled into new build schemes or to acquire more suitable properties. The council will be developing a policy around disposals and acquisitions of stock held in the HRA.

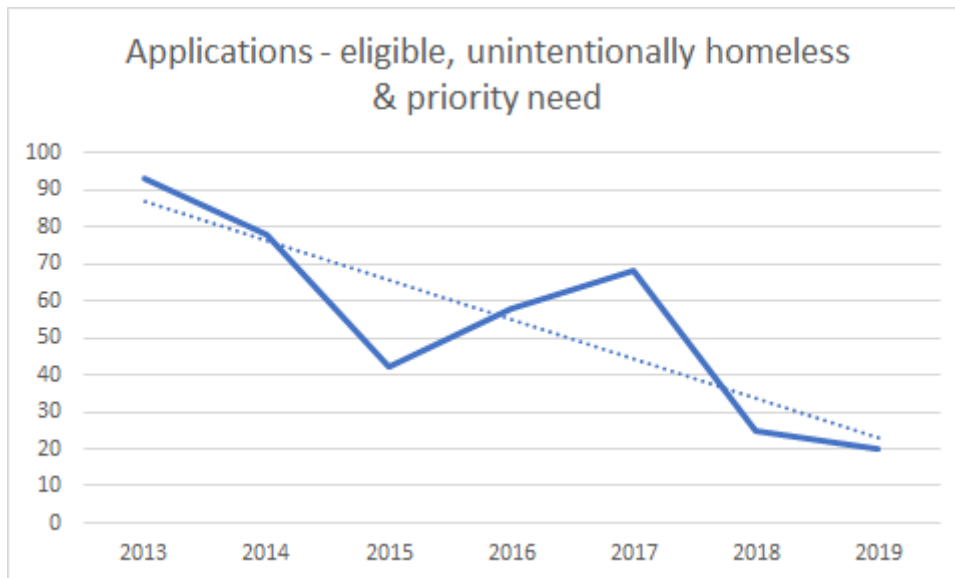




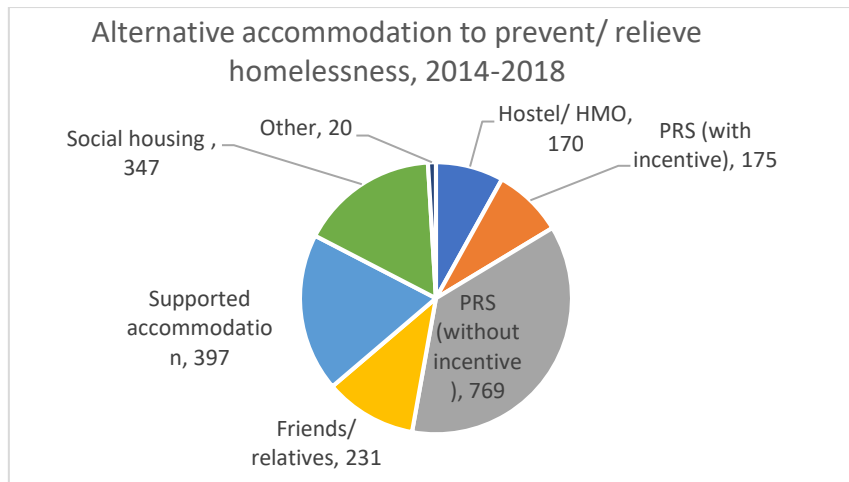
## 12. Promoting Independent Living

### Homelessness: - Rough sleeping/Prevention/support/actions for those experiencing homelessness

- 12.1 When the previous Housing Strategy was produced in 2012, significant progress had been achieved to reduce the number of statutory homeless acceptances which has remained fairly consistent in the intervening period. However, it should be stressed that the prevention and reduction of homelessness remains a constant challenge for Lancaster City Council even though additional staff resources have been provided to focus on homelessness prevention and outreach services and more recently external funding through successful bids to MHCLG to bolster and develop homelessness services.
- 12.2 Analysis of P1E data from the previous five years shows that there has been an overall downward trend in households presenting who are owed a duty under the Housing Act 1996 section 193. Over 50% of those owed a duty continue to be single adult males.



- 12.3 A total of 1066 people were supported to stay in their previous homes in order to prevent homelessness; 2109 were helped to find alternative accommodation to prevent or relieve homelessness.



- 12.4 In relation to the national policy context, a series of changes have had a direct impact on households being threatened with or experiencing homelessness. Lancaster district became a Universal Credit (UC) full service area in July 2016; with evidence suggesting that the implementation of UC has reduced the willingness of private sector landlords to accept people on benefits and that delays with UC payments has led to increased evictions as a result of arrears. Furthermore, the freezing of the Local Housing Allowance (LHA) rates from 2016 suggests that the gap between average rents and the LHA reduces the affordability of decent quality accommodation in the private rented sector for those dependent on benefits. This is a particular issue for the majority of those aged 35 and under who are only entitled to the Single Room Rate of the LHA.
- 12.5 Furthermore, changes to primary legislation came about through the Homelessness Reduction Act 2017 (which came into effect in April 2018) which widened the duties of local authorities, who are now required to provide certain types of advice and support (but not necessarily accommodation) to all individuals or households who are homeless or assessed as being at risk of homelessness within the next 56 days. The national Rough Sleeping Strategy 2018 also sets out the government's vision for halving rough sleeping by 2022 and ending it by 2027.
- 12.6 In relation to the local context, the strategy has already drawn attention to the fact that Lancaster district has a lower level of social housing than the national average with strong housing markets operating many areas and across tenures which puts pressure on low income households finding suitable accommodation without requiring some support or intervention provided by the local authority.
- 12.7 Lancaster City Council commissioned a Homelessness Review in 2014 which set out six key objectives detailed below: -
1. Preventing Homelessness
  2. Developing the Council's Services
  3. Facilitating Effective Multi-Agency Working
  4. Developing the Private Rented Sector
  5. Addressing 'Inward Migration' and Rough Sleeping
  6. Monitoring Performance and Keeping Abreast of Changes in Legislation and Policy

12.8 Significant progress has already been made in relation to these objectives briefly summarised below

Preventing Homelessness	<ul style="list-style-type: none"> <li>• Housing drop-in sessions have been set up in a number of different locations across the district.</li> <li>• CAB outreach surgeries implemented at both Town Halls.</li> <li>• Roll out of the Duty to Refer requiring other public bodies and partner agencies to inform the council of those at risk of homelessness.</li> </ul>
Developing the Council's Services	<ul style="list-style-type: none"> <li>• Significant increase in the provision of supported housing in Lancaster district since 2014: -</li> <li>• Oak Tree House – 23 bed space facility for single homeless households</li> <li>• Women's Refuge – 6 bed space facility for women fleeing domestic violence with increased provision planned</li> <li>• Shared housing for young people (7 units)</li> <li>• Temporary supported housing at Aldcliffe Road/Portland Street (12 units)</li> <li>• Walter Lyon House – recovery housing service for people with a history of substance misuse</li> </ul>
Facilitating Effective Multi Agency Working	<ul style="list-style-type: none"> <li>• Housing and Offender Protocol/Joint Working Arrangements for Homeless 16/17-year olds/ Homeless in Hospital Protocol aligned with Duty to Refer and Rough Sleeper/ Complex Needs Panel merged with the Royal Lancaster Infirmary Frequent Attenders/ Mental Health multi-agency meetings</li> </ul>
Developing the Private Rented Sector	<ul style="list-style-type: none"> <li>• Rent Deposit Scheme and rent in advance payments made introduced for all those experiencing homelessness (regardless of priority need from the Homelessness Prevention Grant. Discretionary Housing Payment used to cover rent in advance and deposit.</li> <li>• Extension of the accommodation finding service</li> <li>• Commissioned Pre-Tenancy training</li> </ul>
Addressing 'Inward Migration' and Rough Sleeping	<ul style="list-style-type: none"> <li>• The City Council has funded 6 spaces on the cold weather provision at Aldcliffe House</li> <li>• A number of successful bids from the MHCLG Rough Sleeper Initiative to fund: <ul style="list-style-type: none"> <li>○ Rough Sleeper Outreach Worker with bespoke budget</li> <li>○ Rough Sleeper Navigators and Supported Lettings Officer (Rapid Rehousing Pathway)</li> <li>○ Funding for Trauma-informed counselling for adverse childhood experiences (ACEs)</li> </ul> </li> <li>• By the end of May 2020, rehoused 37 individuals who were sleeping rough or in shelters as part of the Councils COVID 19 response.</li> </ul>

Monitoring Performance and Keeping Abreast of Changes in Legislation and Policy	<ul style="list-style-type: none"> <li>• Understanding the impact of the Homeless Reduction Act following implementation and taking further action to prevent and relieve homelessness</li> </ul>

- 12.9 In 2019 Lancaster City Council commissioned the independent social research consultancy Imogen Blood & Associates (IBA) to conduct a Homelessness Review which involved relevant partners, including statutory partners, voluntary sector and specialist providers, and people with lived experience. The Review considered the relationship of the wider policy context and links to the council’s corporate policy framework, reviewed data on current levels of homelessness, its causes and the profile of those experiencing homelessness and reviewed activities to prevent homelessness and to provide support and/or temporary/settled accommodation to those experiencing homelessness.
- 12.10 Between February and June 2019, IBA collected and analysed a wide range of data in order to inform the recommendations for the Action Plan which included research conducted by peer researchers with 30 people who had experienced homelessness in a range of settings including day centre, supported housing and temporary accommodation, a professional stakeholder event, data collection from supported housing providers, analysis of local authority homelessness statistics H-CLIC and P1E data collated and published by MHCLG

## 13. Promoting Independent Living

### 13a. Lancaster City Council Homelessness Strategy 2020-2023

- 13.1 The LCC homelessness Strategy 2020-2023 identifies 3 key priorities and that will help us address homelessness in the district
- 13.2 Preventing homelessness at key transitions:
- Improving our first contact services
  - Greater promotion of our services through partnership work
  - Providing a smooth transition from hospital/prison/care settings to home
- 13.3 Tackling rough sleeping and supporting people out of homelessness
- Enhancing our outreach services
  - Build a network of support
  - Evaluate and improve our services
  - Develop a range of accommodation and support to meet the needs of our homeless residents
- 13.4 Improving access to settled housing
- Facilitate access to the private and social rented sector
  - Increase provision and standards

#### Preventing homelessness at key transitions

- 13.5 The Homelessness Reduction Act (HRA) 2017 which came into force in April 2018 placed new legal duties on local authorities so that everyone who is homeless or at risk of homelessness gets access to meaningful help, irrespective of their priority need status, as long as they are eligible for assistance. This aimed to ensure that local authorities across England were focused on preventing and relieving homelessness for all, alongside the provision of housing under their statutory obligations as defined in the Housing Act 1998.
- 13.6 HRA brought in the following key measures:
- An extension of the period ‘threatened with homelessness’ from 28 to 56 days – this means a person is treated as being threatened with homelessness if it is likely they will become homeless within 56 days
  - A duty to prevent homelessness for all eligible applicants threatened with homelessness, regardless of priority need
  - A duty to relieve homelessness for all eligible homeless applicants, regardless of priority need
  - A duty to refer – public services will need to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless
  - A duty for councils to provide advisory services on homelessness, preventing homelessness and people’s rights free of charge
  - A duty to access all applicants' cases and agree a personalised plan

- 13.7 The introduction of HRA meant a number of system and administrative changes within the homelessness team and minimal central government funds were made available to implement the changes; subsequently, Lancaster City Council's Homelessness Team experienced a drop in outcomes over the 2018 period. 2019 has seen outcomes improve and plans for the next three years will enable the council to fully embrace the aspirational principles of the HRA.

#### **Improving our first contact services**

- 13.8 Over the next 3 years we will develop our initial contact services both in-house and through outreach to ensure that anyone facing homelessness is aware of their rights, knows what help is available and that our staff are adequately trained and resourced to deliver an excellent quality of service. To do this we will:
- Review the **homelessness team structure** and processes, including an internal audit of a sample of prevention cases and Personal Housing Plans. Restructure the service if required and provide training and resources where needed.
  - Upgrade our **housing management software** so it is fully compatible with MHCLG H-CLIC system and start monitoring statutory work in more detail
  - Fund and deliver a **flexible floating support service**, this service will provide outreach to prevent tenancy/ family breakdown as well as to support resettlement. We envisage this service to provide both one-off and ongoing support as needed.
  - Offer all our customers the opportunity to provide **feedback** on their experience of our service and this will be regularly reviewed by service managers with 'you said, we did' responses on our notice boards and website.
  - Review our **website** alongside our customers to ensure it offers the most accessible, up to date and helpful initial contact information for people facing homelessness from a range of circumstances.
  - Deliver a social lettings agency either in-house or through trusted providers, to increase and enhance the PRS provision to those on Universal Credit

#### **Greater promotion of our services through partnership work**

- 13.9 We recognise that we cannot solve homelessness alone, our partners are key to ensuring we reach each and every individual in the district who is at risk of homeless. To do this we will:
- Increase awareness of **Duty to Refer**: through promotion, training and feedback to partner agencies: raise awareness that people at risk of homelessness should present at the earliest opportunity.
  - Seek 'duty to refer' champions from key partners and meet with them regularly to review referrals and evaluate progress.
  - Develop a marketing plan to raise awareness about the role of the Housing Options team to citizens and other professionals
  - Raise awareness about housing options and the HRA with young people and families in schools, and with colleagues in education, health and children's services. Refresh and extend the pool of **accredited mediators** recruited under the last strategy and work in partnership to promote and target their offer to people of all ages asked to leave by family / friends.

- Promote greater awareness of **Alternative Payment Applications (APA)**. Partnership work with advice agencies and LCC Housing Enforcement to challenge poor/ illegal practice

#### **Providing a smooth transition from hospital/prison/care settings to home**

13.10 Individuals leaving prison, hospital or the care system are at a significantly increased risk of homelessness whilst also being some of our most vulnerable people in housing need. LCC is committed to ensuring all those leaving prison/hospital or the care system, are prevented from becoming homeless. Through the closer working arrangements between the council and health leads, the arrangements for hospital discharge were reviewed to align to the duty to refer for patients who may be homeless or sleeping rough or may not be able to return to their previous home. As a result of the University Hospitals of Morecambe Bay NHS Foundation Trust covering South Cumbria and Lancaster the key contracts for each responsible housing authority have been clearly identified in a new protocol.

13.11 In order to deliver our commitment, we will:

- Continue with and review the recently established **multi-agency prison pre-release panel**.
- Develop or revise specific protocols with all institutions for preventing and reporting homelessness on discharge/ release
- Recruit a **health link worker** to further improve joint working with health professionals and improve access to a range of housing options and advice for patients, including those experiencing domestic abuse, older people, etc.
- Explore opportunities to embed homelessness prevention in **Integrated Care Communities** roll out, e.g. to raise awareness of homelessness, identify those at risk early on, and develop recovery initiatives in the community

#### Tackling rough sleeping and supporting people out of homelessness

13.12 Despite increasing numbers of people presenting on the streets all over England, Lancaster has been able to keep rough sleeping numbers fairly consistent with street count figures ranging from 4 to 8 since 2014. The Coronavirus pandemic presented both challenges and opportunities for those sleeping rough and LCC responded quickly by providing housing to 22 individuals in a matter of days. The challenge now for our teams will be to ensure those housed are supported to maintain their housing whilst meeting the needs of those who newly present on the streets.

#### **Enhancing our outreach services**

13.13 To ensure we continue to provide support to those recently housed as well as those who newly present on our streets we will:

- Continue the re-launched LCC **Outreach service** which provides a rapid response to **end rough sleeping** for those with a local connection, and support those with no local connection to re-connect where possible.
- Continue our regular **drop-in sessions** at the YMCA, West End Impact, Probation and in supported housing services.

- Recruit **Navigators and Supported Lettings Officers** with MHCLG funding to provide additional support and a more flexible approach for those with more complex needs.
- Explore the **feasibility of a high-fidelity Housing First offer** (non-time limited support alongside ordinary housing, based on principles of choice, harm minimisation and linking into healthcare and other relevant services) for this cohort. Draw on good practice and learning from MHCLG pilots.

#### **Build a network of support**

13.14 To provide the most effective, sustainable, person-centred offer to individuals who presents in need, we must ensure all support services in the district and beyond work together cohesively and are clear and transparent about what they can and can't offer. To support this, we will:

- Map existing directories of support and services which might be relevant to those facing homelessness.
- Improve the **sharing of information about services** for professionals and citizens (online, regular homelessness forum meetings)
- Work in partnership with the County as it reviews the supported housing offer, including for care leavers, veterans and people with autism.
- Set up a multi-agency working group to scope feasibility of/ draft and agree a **common assessment form** which is GDPR-compliant

#### **Evaluate and improve our services**

13.15 To ensure our services continue to evolve to meet the needs of those who present on our streets we will:

- Commission **Psychologically/ Trauma Informed/ Adverse Childhood Experiences training** as widely as possible across the local homelessness system, using MHCLG funding
- Conduct a Homeless Health Needs Assessment, leading to an evidence-based action plan.
- Better strategic coordination of the response to rough sleeping between statutory, VCS and business sectors:
- Establish and work to shared goals
- Reduce activities which might duplicate or be counter-productive
- Identify areas where the VCS/ business offer can best supplement current provision, e.g. the social integration of those moving into independent accommodation
- Work with housing support providers and VCS to support and build a lived experience forum to feed into and advise future strategy and service development.

#### **Develop a range of accommodation and support to meet the needs of our homeless.**

13.16 We recognise that investment in our accommodation and support provision is necessary to continue to meet the specific needs of those who are homeless as well as offer a sustainable package of support to help them maintain their accommodation. To achieve this the council will:



- Open a new 23 bed **refuge** for those who have experienced domestic abuse, including six spaces for people with complex needs
- **End all use of B&B by year 2**, by increasing prevention activity and access to a range of leased, hostel, and supported lodging accommodation.
- Continue plans to develop a **multi-agency one-stop hub** for complex needs/rough sleepers in partnership with CGL/Inspire. (At Feb 2020, capital secured – planning applications submitted)
- Fund and deliver a **flexible floating support service**, which can support resettlement. This should be able to offer one-off or ongoing support as needed.

#### Improving access to settled housing

13.17 Providing access to affordable and secure housing is paramount to our homelessness strategy. The homelessness review identified a number of challenges our residents face when trying to access affordable housing, these are:

- Welfare reform – landlords being resistant to accepting universal credit, under 35's on reduced housing benefit rate and the bedroom tax
- Financial barriers – lack of deposits or fees, insecure work or lack of work
- Local housing market – lack of affordable housing options, much of the stock in the city goes to students and the PRS market in Morecambe is often poor quality

13.18 Despite these challenges, there is much that is positive to build on in Lancaster and Morecambe, including:

- LCC's ongoing ownership and direct management of a considerable amount of diverse housing stock
- Local Registered Providers (i.e. housing associations) who are developing in the area and may be interested in further partnership working with the council in relation to Housing First, leased Temporary Accommodation, etc.
- Synergy with the council's Empty Homes strategy which has already generated some new lets for previously homeless households
- A strategic commitment to the development of affordable housing through the Housing Strategy, which is in the process of being renewed.

13.19 To improve access to settled housing we will:

#### **Facilitate access to the private and social rented sector:**

- Continue funding the **Calico Accommodation Finder offer** and explore a more **robust rent bond offer** within this.
- Explore the feasibility of a **new Social Lettings Offer** for Lancaster and Morecambe. Explore within this the feasibility of a managed shared offer for under 35s.

#### **Increase provision and standards:**

- Review within the new LCC Homes Strategy the potential for an initiative to bring **empty homes** back into use for those in need of affordable housing (e.g. using Empty Homes Grants with conditions to rent at LHA rates after work completed).
- Take a more strategic approach to the provision of student housing in Lancaster district, working collaboratively with the two Universities and existing student

housing providers, and make use of existing planning powers to control applications that seek to provide more student housing in residential areas.

- Re-consider the introduction of the **selective licensing** scheme in Morecambe's West End, assessing (and where necessary mitigating) likely impact on supply of affordable housing for those experiencing/ at risk of homelessness
- Ensure the needs of homeless singles, couples and families are considered throughout the **new LCC Homes Strategy**, through the **forthcoming Allocations Policy review**, and through **continued work and monitoring within the RP Strategic Partnership Meetings**.

#### Impact of Covid-19 and Homelessness

13.20 A National campaign called "Everyone In" began in March 2020 to bring all rough sleepers indoors as a direct response to the need to control the spread of Covid-19 and protect those most vulnerable within our community from contracting the virus. Lancaster City Council has engaged fully with the Lancashire Resilience Forum, a group of organisations that are working together to prepare and respond to emergencies in Lancashire. At an early stage the LRF Sub-Group (Homeless Cell) was established to create a robust strategic framework to manage rough sleeping across the county which was a collaboration between the Lancashire Homeless District Housing Leads, Public Health Leads, NHS, CCG's, Police - Partnerships Officer, Lancashire Fire and Rescue and the ICC's. The primary aim of the sub-group was to identify the health needs of all rough sleepers across Lancashire and create health pathway action plans for each district within the County to include local arrangements for COVID care and COVID protect by making available self-contained accommodation available for homeless and those discharged from a hospital setting with no fixed abode. As a direct result of the joint collaboration between housing and health during the lockdown and the commitment from all the key partners to maintain and mainstream the joint working and improved outcomes for rough sleepers and those recently accommodated, the Lancaster Homeless Health and Wellbeing Sub-Group was also set up: -

- To coordinate a multi-agency response to COVID and the longer term health consequences of the pandemic for people who are rough sleeping, homeless or temporarily housed across the Lancaster District, bringing local authority (housing, social care and public health), local NHS partners and the criminal justice service together.
- The focus of this group is to develop a bespoke health pathways to improve access to health services and improve the health of the homeless population, recognising that other groups, particularly the Homeless Advisory Group and Homelessness Forum, are working on the wider housing, economic and welfare issues.

13.21 Lancaster City Council took immediate action to bring all rough sleepers indoors utilising a range of vacant council housing stock, supported housing and hotel accommodation. Sustaining rough sleepers in those settings is a constant challenge and through the sub-group, a very strong and effective partnership has been created through weekly Multi-Disciplinary Team Meetings which has provided rapid access to GP appointments and referrals to other health and wellbeing services.

13.22 A Homelessness Advisory Group was established in May 2020 (chaired by the Housing Portfolio Holder and is a partnership which includes other elected members representing Lancaster and Morecambe wards, council officers, supported housing providers, the

Constabulary's Partnerships Officer, Lancaster BID, third sector organisations and faith group) and a Lived Experience Sub-Group was subsequently formed in June 2020. Both groups were created as our response to the work undertaken as part of Everyone In campaign for organisations supporting the homeless/rough sleeper community to come together and work in a more streamlined collaborative way to respond to the pandemic. Initially a mapping exercise was undertaken of all available services and resources so these could be best deployed where needed initially focussing on the immediate need to bring rough sleepers indoors, but also to plan for post pandemic recovery to prevent people from returning to the streets.

- 13.23 As part of the mapping exercise, the council committed funding to deliver a new intensive floating support service to housed rough sleepers which seeks to support people to remain in accommodation and not return to the streets. This intensive floating support service for ex rough sleepers and new rough sleepers is intended to work alongside the councils rough sleeper Outreach Service, it is the council's intention that they should be delivered with sufficient integration that service users accessing them experience them as a cohesive service offer.
- 13.24 This new service will provide a support service tailored to the individual as appropriate, allocating service users a named key worker who will engage and support the service user placing them at the centre of their individual support plan. The service provider will work creatively to enable service users to engage with other specialist services and will build relationships with partner agencies to ensure effective referrals and joint work to ensure health, rehabilitation and development needs are met. The funding initially committed by the council will allow the service to be provided for a six-month period, and it may be extended further. A tendering process was undertaken in July 2020 and the new contract has recently been awarded to Calico Group.

**Funding Opportunities**

- 13.25 Following a pledge from government to increase the support to local authorities with the next stage of the Covid-19 rough sleeping response, in July 2020, the next steps Accommodation Programme was launched providing opportunities for both revenue and capital funding required to increase the existing supply of housing and support services for rough sleepers over the next four years.
- 13.26 Bids for the Phase 1 funding had to be submitted by 20th August 2020, with a requirement to spend the funding by the end of March 2021. To this end, Lancaster City Council had submitted a bid for revenue funding only and has been awarded £192K funding. The award takes account of the direct costs to the council for provision of temporary accommodation for rough sleepers, funding for winter provision, funding to set up the Help2Rent Landlord Incentive Scheme to increase access to private rented accommodation to house rough sleepers, additional funding to facilitate timely moves from supported housing and funding that allows the council to extend the new intensive floating support service.
- 13.27 In future bidding rounds, the council will be seeking to secure funding for longer-term move-on accommodation as well as revenue funding to provide the necessary support packages which are critical to tenancies being sustained.
- 13.28 Whilst it is critical that the council drives forward the district's recovery from the pandemic, the economic downturn is expected to bring a national increase in homelessness. The

eviction ban on tenants has been extended and landlords must now provide six-month's notice with some limited exceptions.

Housing Options/Housing Register

- 13.29 Lancaster City Council introduced a new Choice Based Lettings Scheme in 2011 called "Ideal Choice Homes" as a means of advertising and letting social housing vacancies (all council housing and an agreed proportion of Registered Provider vacancies). On a weekly basis, properties are advertised, and all eligible housing applicants can bid for properties, having been registered and prioritised through a banding scheme. This system then allows housing applicants to see how they are ranked when bids are placed. Choice based lettings schemes are widely recognised as being fairer and more transparent and provide a greater degree of choice to people included on the Housing Register.
- 13.30 The council is currently reviewing its allocation policy. Going forward, the council is seeking to extend the functionality of the Ideal Choice Homes scheme by including other forms of housing, such as the private sector and all forms of affordable housing and is seeking to make the system more user friendly and interactive. The council is also considering the merits of having a dedicated shop unit to have a more prominent high street presence for the Choice Based Lettings Team.

**Housing Related Support**

- 13.31 The last Housing Strategy focussed on the Supporting People Programme which was a partnership between Lancashire County Council and the 12 lower tier authorities across the county. The SP Programme funded both accommodation based tenancy support such as supported housing, sheltered housing, refuges and hostel accommodation as well as floating tenancy support which could be delivered to people across tenures who were in need of and qualified for the service. Due to significant funding reductions within the SP programme, Lancashire County Council had to reduce the number of services it could fund through the Programme and in order to safeguard some of the existing supported housing services across Lancashire, the floating tenancy support had to be discontinued. This led to a considerable gap in options to provide tenancy related support to enable vulnerable households to maintain a tenancy and prevent homelessness. Many social housing providers have needed to respond to some degree by re-modelling their service offer to tenants as a direct response to the cuts, in order to provide mechanisms to allow the support to continue. Although this typically means that shorter term interventions are in place rather than a support package that could have previously been provided for up to two years.
- 13.32 Lancaster City Council created a new Household Intervention Service with two new officer posts being created in 2017 and then a further post created in 2018. The team support council tenants who are referred by the Housing Option Team, Estate Managers or the Income Management Team. The service is designed to assist with straight forward tenancy set up, debt issues, supporting tenants involved with multi-disciplinary teams and working with tenants who have complex needs i.e. chaotic lifestyles, mental ill health including issues around hoarding and substance misuse issues. The support will remain in place for as long as it will be required although there is an expectation that the level of support will reduce over time and taper off. The Household Intervention Team members normally support around 20 clients at any one time. The creation of this type of support has been invaluable and has directly resulted in tenancies being sustained that would otherwise fail and has

positively impacted on rent collection. A new Energy Advice officer post is also planned within the Council Housing Service to support tenants by providing advice on heating systems, budgets and energy tariffs and advice on new energy measures and initiatives.

### **Training and Employment**

- 13.33 In order to achieve an inclusive and prosperous local economy, the council can play a leading role in improving access to educational attainment, raising aspirations and address skills shortages in Lancaster district.

#### Employment and Skills Plans

- 13.34 In the context of housing and other forms of development, the council has recently implemented a requirement for major developments to include an Employment and Skills Plan (ESP) as a requirement of planning permission working closely with the Construction Industry Training Board (CITB). The council has also attained CITB's National Skills Academy for Construction status and has established a suitable framework/toolkit to assist in the implementation of this through a Supplementary Planning Document and working with Calico Enterprises as a delivery partner. The ESP seeks to ensure that wherever possible, local labour/local suppliers will be used during the construction phase and that local people will be provided with the opportunity for training and apprenticeships.

Full details of the Employment and Skills SPD can be found at:

<http://planningdocs.lancaster.gov.uk/NorthgatePublicDocs/00929302.pdf>

#### Green Skills

- 13.35 Delivery of the Green Skills agenda is another potential growth area in the light of the climate emergency and the national economic recovery from Covid-19. The Government has recently announced a package of funding through a National Green Homes Grant Scheme which seeks to tackle the worse performing dwellings rated at EPC E or below. The Green Homes Grants will largely focus on primary measures such as different forms of insulation, heat pumps and solar thermal. Higher levels of grant (£10K) will be means tested to low income households who are homeowners with £5K available for all other households including social housing tenants. A critical element of delivering suitable measures is accessing local contractors who meet the required accreditations for measures (either Trustmark or PAS2035) and there is a clear role for the council to provide the necessary advice support and infrastructure to make use of the funding available and to create the local labour force needed. A number of staff employed by Lancaster City Council's Repairs and Maintenance Team are already trained in Domestic Energy Assessments with scope to become Retrofit Assessors, training to create an in-house team to become qualified installers is being investigated as well as partnerships with local contractors for deep retrofitting schemes. Undertaking retrofit assessments across all tenures could be critically important to ensure local residents are given impartial advice and directed towards the most appropriate measures.

#### Links with training providers

- 13.36 A number of social housing providers have established links with a range of organisations that provide practical support to help people access training and employment. This is a key function of the local supported housing providers in Lancaster district and forms part of the pathway plan developed for each resident. Local providers include Inspira providing

certificates in construction, H&S and CSCS cards. PHX Morecambe provide vocational training and functional skills in Maths and English and More Positive Together/Calico provide a Lancashire wide scheme which provides employment skills through a mentoring programme primarily targeting young people aged 16-24. The scheme also links directly with employers to match suitable candidates with job vacancies. Volunteering opportunities are normally arranged through CVS or through established links with local organisations and supported housing providers are also delivering their own in-house solutions through their existing staff teams such as interviewing skills, help with CV's and running themed activities such as DIY/painting etc. Some existing partners such as Jigsaw Homes have an Employability Team working alongside Neighbourhood Management staff and supported housing staff but delivering solutions to residents in general needs tenancies.

#### Kickstart

- 13.37 The government have recently announced the Kickstart programme which can be used to create new six-month job placements for young people (16-24) who are currently on Universal Credit and at risk of long-term unemployment. Job placements should support the participants to develop the skills and experience they need to find work after completing the programme. It is expected that a high percentage of young people benefitting from the scheme progress into employment, in many cases with the employer offering the job placement. Alternatively, they may progress into a traineeship or apprenticeship.
- 13.38 The job placements created with Kickstart funding must be **new jobs**. They must:
- be funded by the Kickstart Programme grant and would not exist without this funding
  - be paid from the grant money for the 25 hours per week on National Minimum Wage for their age group (employers can pay a higher wage and pay for more hours)
  - a minimum of 25 hours per week, for six months
- 13.39 Clarion Futures are leading a specific Kickstart in Housing programme working with housing providers across the country to provide opportunities for young people to gain real and valuable experience within housing organisations. The Council is committed to support this initiative within its Housing Services alongside over 100 other organisations, with job placements due to begin from November 2020.

#### Smart Technology and Digital Connectivity

- 13.40 To keep up with the fast pace of technology, having an inclusive IT infrastructure will greatly contribute to creating inclusive communities where residents are engaged and empowered and have access to the same life chances and opportunities. The council is already exploring linking their buildings and sites using full fibre connections. For social housing providers, not only is this important in relation to improving the quality of life of residents, but the use of smarter technologies can also bring cost efficiencies, operational efficiency and enhanced fire safety measures benefitting tenants and landlords. Lancaster City Council as the largest social landlord has already begun upgrading equipment in sheltered schemes by replacing analogue equipment so that all schemes are digitally enabled and provision of free Wi-Fi access. The benefits of this include: -
- More options for tenants to self-manage their contact, for example there is now an "I'm OK" button which they can self-activate if they will not be in for the Scheme Manager visit/contact supporting independent living.

- The units themselves are very simple to use and tenants have easily transitioned to them.
- More ability for multiple users to contact the Control Centre at once from a scheme which helps with call management.
- More flexibility to link different technology enabled devices including telecare.
- Scheme Managers have more ability to work remotely from the scheme & manage contacts. This is not a replacement for home visits but will complement it.

13.41 Further work is also taking place with Lancaster University and local partners to explore modern Internet of Things technologies, with the aim of developing sensors that can improve the quality of life for our residents whilst preserving their privacy. The council also wants to explore the use of modern technologies to support meeting our strategic goals around the Climate Emergency and Improve our customer services offering to give our residents access to the services they need.

### **13b. Creating Sustainable Communities**

#### **Safe and Secure Neighbourhoods**

- 13.42 The council plays a fundamental role in achieving community cohesion through a range of activities. Planning for new homes seeks to provide neighbourhoods that meet the needs of the widest possible range of residents with social and affordable housing being integrated into market housing schemes. In design terms, the development management team regularly consult the Designing Out Crime Officer at Lancashire Constabulary. There are also very well-established links and close partnership working with the Lancashire Constabulary's Partnerships Officer who is consulted on proposals that may impact upon community safety within neighbourhoods, the City and Town Centres. This is particularly relevant for new housing services that seek to meet the needs of vulnerable groups. Ideally the Constabulary would like to see a requirement that all new housing complies with Secured by Design standards – these standards are sometimes required as part of the planning process but it is not a mandatory requirement for all new residential housing at the present time. However, the council can give a commitment that its own new housing and regeneration projects will seek to comply with the standards and will work closely through existing channels at key stages of development proposals and will work with Registered Providers partners to adopt the standards where this isn't being done already.
- 13.43 In October 2014, following a collaborative bid formulated by Lancaster City Council and Lancashire County Council, funding was secured under the Transformation Challenge Award (TCA). The aim was to focus on addressing poor quality housing stock in the private rented sector, and tackling underlying health needs of residents to deliver improved outcomes through a range of partnerships linking public sector programmes (Better Care Together, Prevention and Early Help for Children Young People and Families, Integrated Wellness Service, Early Response and Morecambe Regeneration) through smarter use of data systems to inform strategic planning, and developing improved pathways to support. The project activity was intended to be in Morecambe, based in three wards – Harbour, Heysham North and Poulton. All three areas have high concentrations of private rented sector (PRS) housing.
- 13.44 In order to bridge a gap between statutory nuisance and Police intervention, a new Anti-Social Behaviour Team was established in 2018, utilising funding from Transformational Challenge Award, Lancaster City Council and Morecambe Town Council. Whilst the initial focus was Morecambe, the ASB Team is now a mainstream function within Lancaster City

Council's establishment with 2 full time officers and a seconded PCSO. The Team cover a wider geographical remit which includes neighbourhood management issues, working with the two Universities to prevent and detect crimes against the student populations, Public Space Protection Orders in the City Centre, County Lines/ drug related crime and activities, Closure Notices, detection and prevention of youth crime and developing initiatives such as the new Youth Shelter with Wi-Fi access in Morecambe.

#### Community Connectors

- 13.45 In 2019 the council created a new Team of three Community Connectors. The aim of this service is for the community-based team to bring Lancaster City Council closer to residents who live and work within the district, and actively contribute to the council's key ambition of supporting healthy and happy communities. The community connectors have already engaged with a wide range of communities and organisations across the district to listen to resident's views about council services, to support communities to engage with each other and promote community work and activities as well as providing practical support. Each community connector has their own geographical area covering Central and South Lancaster, Morecambe and Heysham and Skerton and Rural areas.

#### Gypsies and Travellers

- 13.46 In 2017, Lancaster City Council commissioned a new Gypsy and Traveller Accommodation Assessment (GTAA) to identify the accommodation needs of Gypsies and Travellers and Travelling Showpeople in Lancaster district. The overall objective was to form a clear evidence base to inform the development of planning policies relating to Gypsy, Traveller and Travelling Showpeople. The study was commissioned in the light of regulatory changes made in the Planning Policy for Traveller Sites in 2015 which altered the definition of Gypsies and Travellers. The full report can be found at <http://planningdocs.lancaster.gov.uk/NorthgatePublicDocs/00909789.pdf>
- 13.47 The exact population of Gypsies and Travellers in Lancaster district is not known. However, the 2011 Census identified 112 households that considered themselves to be White: Gypsy or Irish Traveller, of these 14 households living in a caravan or other mobile or temporary structure and 98 households living in bricks and mortar accommodation.
- 13.48 The study found that out of a total of 82 existing permitted Traveller pitches in Lancaster district provided across one council owned site and 18 privately owned sites mainly providing permanent pitches, with some temporary or transit pitches. This represents the largest provision in the whole of the county. Visits were made to all sites with a number of interviews conducted concluding that 57 pitches were occupied by Gypsy and Traveller households, 12 pitches were vacant on one permitted site and 8 were unoccupied having been reserved for family members only and 5 occupied by non-Gypsy and Traveller households.
- 13.49 Using standard methodology to calculate future requirements, the study calculated that there was a need for 8 additional pitches up until the period 2031. Since the study was published, a further two pitches have been granted permission, and the council has undertaken two separate call for sites and assessed sites nominated using the published criteria for new Traveller sites. Of the sites nominated, none were found to be suitable. Another limiting factor is that some of the existing site owners have an aspiration to expand



their current provision, but due to existing sites now falling within Flood Zone 3, this cannot be supported.

- 13.50 A multi-agency practitioner group chaired by Lancashire County Council had previously been established, represented by a number of city council staff, adult social care and health representatives, schools, fire service and police. The group was initially set up to improve the engagement with the Gypsy and Traveller communities. Unfortunately, due to reduced officer capacity the meetings have needed to be postponed although the possibility of a county wide meeting was being considered rather than a district focus.

Mellishaw Caravan Park

- 13.51 In November 2019, the council approved the transfer of the existing Mellishaw Traveller Site from Lancashire County Council to Lancaster City Council. This was due to the county council declaring the site as surplus as part of a budget saving exercise approved on 5<sup>th</sup> September 2019. The potential transfer of the site to a third party was considered by the city council to leave existing residents in a vulnerable position. The site was also identified as being in need of major re-investment to the amenity blocks, sewerage and electricity infrastructure. The cost is estimated at £1.2M and in January 2020, Full Council authorised a programme of capital works to be phased over a four-year period with full engagement planned with existing residents to agree suitable design and layouts.

Domestic Violence

- 13.52 Since the last Strategy was prepared, a six-bed refuge was commissioned for women fleeing domestic violence. This was commissioned through the Supporting People Programme in an existing building in Lancaster district. Whilst a welcome addition to specialist services in Lancaster, due to the nature and size of the building it could not provide level access accommodation or accommodate women with complex needs. The provider Safenet expanded the service by providing some additional safe homes for victims whose needs were better suited to an independent setting and this has included a male-only provision for up to two people.
- 13.53 Earlier this year, Safenet have expanded their Service again into a much larger facility in Lancaster district, which is a 20-bed scheme, providing a safe setting for up to five women with complex needs and for up to 15 families. This has proved possible through a mix of central government funding and Lancashire County Council. The original 6-bedroom refuge has been retained and will form part of a number of settings for women fleeing violence and may be used as move-on accommodation from the new facility.
- 13.54 Through the council's homelessness funding, a 'Sanctuary' and 'Haven' service is offered which provides a range of security works and equipment to the homes of 'at risk' clients suffering Anti-Social Behaviour and Domestic Violence, for victims who wish to remain in their current home rather than move to alternative accommodation.
- 13.55 The increase in provision is extremely timely in the light of Covid-19 which has seen a marked increase in the level of incidents of domestic violence nationally and arguably the ability to refer women with complex needs into a suitable service will clearly meet an identified gap. As the new service only opened in June 2020 it is too early to analyse any trends or patterns, but worth noting that given the nature of Refuge provision, unlike other services no local connection criteria applies to allow flexibility and to ensure that a place of

safety can be identified for victims which sometimes involves moving well away from their existing home area. A limiting factor, therefore, is that women who wish to remain in the district without a local connection will experience difficulties in accessing a full range of move-on options given the shortage of social housing vacancies locally.

### **Refugees and Asylum Seekers**

- 13.56 There are three main schemes through which Lancaster City Council is involved with the assistance of asylum seekers and refugees, and another which is administered by Lancashire County Council.
- 13.57 Lancaster City Council chair a multi-agency forum which meets regularly to bring all the partners involved in the schemes together.

### **Refugee Resettlement Programmes**

- 13.58 There are two resettlement schemes for Refugees: Lancashire County Council has primarily been the lead authority on both these schemes, and funding from central Government for each person accommodated accompanies both schemes.
- 13.59 The Syrian Resettlement Programme: Lancashire gave a commitment to welcome 500 Syrian Refugees.
- 13.60 The Vulnerable Children Resettlement Scheme: Lancashire gave a commitment to welcome 75 people under this scheme (this includes children and their families).

This gave a total of 575 persons to be placed across Lancashire over a 5-year period.

- 13.61 In 2017, Lancaster City Council agreed to accept ten families who arrived on two dates. Five families were resettled from each programme, coming from Syria, Sudan and Iraq. The first six families arrived in July 2017 and then a further four in September 2017. The families have been housed in a combination of council housing, Registered Provider stock and private rented accommodation. The Council prepared the houses and provided furniture and decoration. A further five families were accepted in 2018 and a further five families are expected this year and will be housed in the private sector.
- 13.62 Lancaster City Council tendered the integration support work. A local organisation, Global Link, who had experience working with refugees were awarded the contract. Intensive support was provided for the first two weeks by a combination of paid workers and volunteers supervised by Global Link, with the assistance of interpreters provided by Lancashire County Council. Their responsibility was to settle the families into their accommodation, help them register with GPs, the benefits system etc. etc. After the first two-week intensive orientation, a paid caseworker was allocated to the family (five families per caseworker) for a 24-month period. Their responsibility is to help the families integrate into society and to promote independence. All over 18s are provided with nine hours per week English lessons, and all under 18s are in education.
- 13.63 The programme paid for a full-time interpreter for 12 months, and access to additional interpretation as required.
- 13.64 Both resettlement programmes are fully funded by the Home Office through Lancashire County Council. This funding is for a five-year programme which will reflect the changing needs of the families. Medical care is not funded by this part of the programme, but the

Clinical Commissioning Group (CCG) are able to access additional funding. A few of the families resettled in Lancaster have very complex medical needs, so there will have been a resource implication for the CCG.

#### **The Asylum Seekers Dispersal Scheme**

- 13.65 In July 2015, the Home Office embarked on a widening dispersal programme with the Local Authorities that had not previously been engaged in supporting the dispersal of Asylum Seekers.
- 13.66 Serco were awarded the contract by the Home Office to provide accommodation for asylum seekers. Lancaster agreed that Serco could source a maximum of 30 properties in the Lancaster City Council district, which equates to approximately 150 people.
- 13.67 The Asylum Seekers Dispersal Scheme has been ongoing in Lancaster since October 2015. Serco find accommodation in the private sector then consult with the Local Authority and police on standards and suitability. Currently there are 35 properties in use.
- 13.68 The Home Office contract support to the residents, but additional support is provided through the voluntary and faith sector by organisations including Global Link, Lancaster and Morecambe City of Sanctuary, and RIAS (Refugee Advocacy Information and Support Service). This included a period of intensive support to help a person find their way in Lancaster as well as offering access to drop-ins; activities such as sports, games, crafts; English lessons; and social activities. This provision of support is becoming more challenging for the voluntary sector as numbers increase, and because of the complexity of some situations. Any reduction in support from the voluntary sector will have an impact on statutory services. Access to mental health services is a regular issue raised at the multi-agency forum.
- 13.69 Once an asylum seeker receives a decision from the Home Office on whether they are able to stay in the country and granted Refugee status, they are given 28 days to vacate their Serco accommodation. If the decision is positive, then they can access the usual Housing Options and Benefits Services. If it is a negative decision, then the Home Office have a procedure in place. The number of decisions, and whether they are positive or negative is changeable. Where people receive a positive decision then choose to stay in Lancaster and seek assistance from the Housing Options Team, there will be a resource implication. The short time period of 28 days to vacate the property (as defined by Government) does not always allow enough time to find suitable accommodation. This is a problem nationally. During the pandemic, there was a cessation of evictions but this has recently been resumed. There is a strong push from the Home Office for participating local authorities to increase the existing provision further. The biggest perceived risk in doing so is whether there will be further increase in applications for rehousing with competing demand.
- 13.70 Some excellent partnerships have been created locally with some private sector landlords providing designated short-term accommodation for single Refugee households who may not be owed the full rehousing duty through current homelessness legislation.

#### **Communities Together**

- 13.71 In 2012, the Lancaster District Communities Together Group was established which was a formation of the diverse faith groups which came together to build relationships and share

experience with the aim of improving community cohesion, having a sense of belonging and inclusion.

- 13.72 In 2019, ahead of the preparation of the new Homes Strategy for Lancaster district commencing, the members of the Communities Together group were consulted. A questionnaire was developed to establish if specific groups had any particular housing needs or requirements that needed to be captured. The group will be re-consulted before the final version of the document is adopted.

### **LGBT**

- 13.73 Whilst the law aims to protect people from discrimination on the basis of sexual orientation or gender identify, people who consider themselves to be lesbian, gay, bisexual or trans often find themselves as an invisible minority and their needs and challenges still too often go unrecognised. Many feel isolated and live with mental health issues, addiction, homelessness or are victims of hate crime. It is likely that as a group they are under-represented in the social housing sector and that some of the LGTB could experience barriers in accessing suitable housing. The UK is an increasingly diverse place to live and our understanding of diversity is developing with the UK becoming a more tolerant place to live and less tolerant of discrimination, particularly by young people.
- 13.74 A key issue in the context of provision of housing services is that they can gain the trust of specific groups and provide a high quality service, whose staff teams include people from the LGBT community and where customers feel welcome and confident they will receive a high quality service fair treatment and has a zero tolerance policy towards homophobia, biphobia and transphobia and hate incidents.
- 13.75 Out In The Bay is a community organisation working with and representing the LGBT community in Lancaster district offering support with health and wellbeing, drug and alcohol issues, sexual health and support people with mental health issues providing both one to one support and group settings. Out In The Bay also raise awareness and provide training to a range of organisations. Some initial engagement has taken place to explore options to create a community led housing scheme for the LGBT community in Lancaster district to provide housing and a degree of support to people who experience difficulty in accessing mainstream housing and would like the opportunity to live in a mutually supportive setting.

### **Young People**

- 13.76 A very well-established partnership has existed between Lancashire County Council and Lancaster City Council for many years. This has taken the form of a strategic partnership through the former Supporting People Commissioning Board leads and longstanding operational links between the Children's Social Care Teams, the Housing Options Team and supported housing providers in the form of a Young People's Housing Panel. The Panel will consider the most appropriate intervention for each young person referred, which can be crisis led where a young person is homeless or threatened with homelessness or planned moves for care leavers.
- 13.77 In the context of the supported accommodation sector being unregulated, the ability to commission quality accommodation for young people in the right location at the right time is often challenging. It is a key aim of all partners to ensure that young people have a wide range of accommodation and support options available to them.

13.78 There are a number of designated services for young people summarised below:-

Commissioned Services (Block Contract)

<b>Scheme</b>	<b>No of Bed spaces</b>	<b>Type</b>	<b>Support Provider</b>
<b>Morecambe Foyer</b>	<b>25</b>	<b>5 crisis/4 x 5 clusters Shared – 24 hr staff</b>	<b>Barnardos</b>
<b>Dallam Avenue</b>	<b>4</b>	<b>2 x shared tenancies With visiting support</b>	<b>Barnardos</b>
<b>High Street</b>	<b>7</b>	<b>Shared/24 hr staff</b>	<b>Barnardos</b>
<b>Mariners View</b>	<b>11</b>	<b>Self-contained with visiting support</b>	<b>Jigsaw</b>

13.79 Lancashire County Council also commission placements under spot-purchase arrangements via the regional purchasing system. Supply in the local area is very low with only one provider (of a total of 47 in the North West region) delivering services in the district and limited to the Morecambe and Heysham areas.

13.80 A new shared house at Coulston Road was also commissioned in 2017 through a partnership between Places for People and Barnardos which is used as move on accommodation for young people who are ready to leave a supported housing setting and are working towards independent living.

13.81 In 2017, the former crisis provision provided at New Road Lancaster (which formed part of the Places of Change Scheme next to the YMCA building) was decommissioned. Whilst a relatively new scheme attracting funding in 2008, the crisis element was physically separated from the main building with different ownerships existing (Adactus owned 10 New Road and secured the Supporting People funding to provide the support element and YMCA own the main building). Whilst it had always been expected that the main hub would act as a hub/community café for the young people, this could not be achieved and in isolation 10 New Road did not provide a satisfactory level of space and facilities for young people.

**Children Looked After**

13.82 Statistical information supplied by Lancashire County Council confirms that over the past three years, there has been a significant increase in Lancashire in the number of young people starting to be looked after who are aged 16-17 years and a 60% increase in the use of supported accommodation services over that period. There were 347 children looked after who were 16/17 within the county. 38 have a primary address in Lancaster district, representing close to 10% of the overall number. Of these, 16 entered block or spot commissioned supported accommodation type services, 11 were moved into fostering placements and 10 went into a form of residential placement. Despite Lancaster being an area that young people want to live in, evidence shows that the district is consistently a net exporter of children looked after, with six placed in Blackpool based services.

- 13.83 Lancashire County Council has a key objective to work collaboratively with partners to develop clearer accommodation pathways for young people and to that ensure that better processes are in place to plan accommodation moves at earlier stage, both short and long-term, with young people. The joint-working approach specifically for care leavers will be formalised in the Care Leavers Housing and Homeless protocols that are currently being developed. Better planning will secure more appropriate accommodation, should reduce the reliance on spot purchase of accommodation and will provide a clearer picture of demand for the different services.
- 13.84 Re-tendering of the existing block contract in Lancaster, Fylde and Wyre is currently underway and contracts are expected to be awarded in 2021. Once the new contracts are awarded, commissioners and housing providers will continue to work collaboratively to agree an action plan for the additional provision required in these districts. However, what is already apparent is that there is a significant lack of move-on accommodation for young people once they are ready to leave supported housing and this will need to be addressed to enable priority access for care leavers and vulnerable young people.

#### **Ex-Offenders**

- 13.85 People with an offending background often prove the most challenging and difficult to place. Local social housing providers have established allocation policies that will exclude people with unspent convictions being able to qualify for inclusion on housing registers, although all housing providers should have their own established processes in place which enables each application to be assessed on its own merits.
- 13.86 After the last Housing Strategy was published, the former ex-offender hostel at Hubert Place, which was owned and managed by Stonham Housing, was decommissioned. The six-bed space supported housing service provided very low-level staffing during office hours and an on-call facility. This directly impacted on the risk assessment undertaken at service entry. When the new service at Oak Tree House, West Road, Lancaster was commissioned providing 23 units of purpose-built accommodation, a range of on-site services and round the clock staffing teams, the Stonham Project closed. Oak Tree House was originally intended to meet the needs of single homeless people over the age of 25, which included people with an offending background. Since service opening, the age criteria was reduced to 18 and above which was primarily to address the cuts to the Supporting People programme and to improve access to supported housing across Lancashire. For the most part, however, residents do have a local connection to Lancaster district. Offender Managers work closely with staff at Oak Tree House in terms of supervision and establishing a programme of rehabilitation.
- 13.87 The Lancashire Strategic Reducing Reoffending Board has sought to develop housing pathways for offenders. A Reducing Re-Offending Task and Finish Group was set up to develop accommodation pathways as a direct response to the report findings of the HM Inspectorate of Probation citing that the lack of accommodation and support for offenders is jeopardising public protection and rehabilitation of offenders. Placing high risk/schedule 1 Offenders is increasingly problematic, and to address this, a commitment has been given by local authorities in Lancashire to create a pool of suitable properties across the county that all districts can potentially access.

- 13.88 In terms of prison release, there is a duty to refer those who will be homeless on release from prison through an early identification notification form. With reasonable notice and engagement with the Housing Options Team before release, every effort will be made to arrange supported accommodation working closely with providers to facilitate this. Little or no notice considerably increases the risk of rough sleeping and re-offending. Within the prison service, in recent years, efforts are made to place in-mates into prison in their local area. This should assist with developing a suitable pathway/discharge plan. Earlier this year, the council engaged in dialogue with staff at HMP Lancaster Farms to discuss options to improve the current operational practices and communication networks in place. Furthermore, Calico Enterprises is exploring a pilot scheme that would provide a guaranteed construction training placement and supported housing offer in Lancaster district for those leaving prison with a local connection, and this is something the council is very keen to develop and implement. There is a need to increase the supply of one-bedroom accommodation, ideally in a dispersed setting, for difficult to place offenders.
- 13.89 Assistance and support is currently provided to assist with accessing move on accommodation. Pre-tenancy training is provided, the council has commissioned an Accommodation Finding Service through Calico, the city council assists with rent deposits/rent advance, periodically financial assistance can also be applied for through the Vicars Relief Fund and floating tenancy support for ex-offenders is offered through HumanKind.

#### **HM Forces**

- 13.90 In 2014, Lancaster City Council and partners signed the Armed Forces Community Covenant which provides a commitment to ensure fair treatment of the Armed Forces Community. In relation to rehousing, households leaving the Armed Forces may require advice and support to find suitable accommodation. The council's allocation policy was previously amended to ensure that Veterans are not disadvantaged through local connection requirements and financial resources available to them. Any compensation for injury or disability sustained on active service is disregarded and for those leaving HM Forces as a result of injury from active service are deemed in high housing need for up to five years following discharge, with medium housing need applying in all other cases.
- 13.91 The council's allocation policy is currently being reviewed to ensure that it meets the latest guidance outlined in Improving Access to Social Housing for Members of the Armed Forces 2020. As a result the local connection criteria will be further amended to include applicants who were previously living in Services Family accommodation but are having to leave due to relationship breakdown with a member of the Armed Forces and adult children of service personnel who are no longer able to remain in the family home due to the impact of their family moving from base-to-base.
- 13.92 Lancaster district remains in a fortunate position as Guinness Partnership manage Westfield Memorial Village which is housing specifically designated for HM Armed Forces personnel with all vacancies being prioritised to Veterans, and on new developments where a local lettings plan is agreed between the council and the Registered Provider, HM Forces will be included as a group receiving priority. HM Forces personnel also continue to receive priority over other groups for shared ownership products.

**Key Workers**

13.93 Key workers are public sector employees who provide a vital frontline service in areas of health, education and community safety. In some districts, new housing developments can be exclusively intended for key workers or a set percentage depending upon the needs of the area. In Lancaster district, there has never been any formal arrangements for the provision of key worker accommodation, and a clear need has never been identified. Notwithstanding this, key workers are unlikely to qualify for social housing, and their circumstances may not allow them to access market housing. The provision of rented housing which can meet the needs of key workers, particularly in regeneration areas such as the Canal Quarter, should be explored. Ideally the rents should be set at intermediate rent levels (somewhere between 80-100% of market rents) with an income threshold applying to target the most appropriate key workers.

**13c. Improving Health through Housing**

13.94 The provision of good quality housing is intrinsically linked to tackling health inequalities but must also form part of a wider framework of support and advice around maximising income, tackling worklessness, improving life chances and promoting healthy lifestyles and effective partnership working with a wide range of health and social care professionals and 13.95

13.95 The key priorities identified in this Strategy seek to create high quality housing that will positively contribute to the health and wellbeing of new and existing residents, and in terms of the recovery stage of the pandemic with more time spent indoors, will enable the council to think about the way new housing is developed with the most energy efficient heating systems, the provision of defensible space and access to green spaces. The Everyone In campaign and closer working with Health professionals has dramatically improved access to health services for rough sleepers.

**Health inequalities**

13.96 Research and analysis has previously been undertaken through the Lancashire Joint Strategic Needs Assessment. This was published in 2014 but was planned to be refreshed in 2020 and concluded three over-arching themes and top ten goals to reduce health inequalities: -

- Premature mortality (dying before the age of 75
- Mental health and wellbeing
- Unplanned hospitalisation

13.97 The JSNA set out 10 major causes/trends around ill health summarised, with income, fuel poverty smoking and alcohol consumption cited as contributing factors:

Diabetes	Those in the most deprived areas are over 7 times as likely to die prematurely from diabetes
Respiratory Disease	Those in the most deprived areas are over 4.5 times as likely to die prematurely from Chronic Obstructive Pulmonary Disease
Digestive Disease	Those in the most deprived areas are over 3 times as likely to die prematurely from Chronic Liver Disease
Mental Health Problems	Those in the most deprived areas are over 3 times as likely to suffer from extreme anxiety and depression



Lung Cancer	Those in the most deprived areas are over 2.5 times as likely to die prematurely from lung cancer
Circulatory Disease	Those in the most deprived areas are over 2.5 times as likely to die prematurely from coronary heart disease and over twice as likely to die from stroke
Accidents	Those in the most deprived areas are over twice as likely to die prematurely as a result of an accident
Quality of Life	Those in the most deprived areas are over twice as likely to experience extreme pain and discomfort and over one and half times likely to have problems with mobility, self-care and performing usual activities
Unplanned hospital admissions	Those in the most deprived areas are over one and a half times as likely to be admitted to hospital in an emergency
Infant Mortality	In the most deprived areas, babies up to one year and over are one and a half times as likely to die

13.98 Morecambe Bay's Clinical Commissioning Group's Population Health is an approach aimed at improving the physical and mental health outcomes and wellbeing of people, whilst reducing health inequalities. It includes action to reduce the occurrence of ill-health including addressing wider determinants of health, and requires working with communities and partner agencies and uses data modelling to identify local "at risk" cohorts and then designing and targeting interventions to prevent ill-health and improve care and support.

#### Integrated Care Communities

13.99 An integrated care community works together to improve the overall health and wellbeing of the community by joining up health and care services to work better together, providing more care out of hospital where possible and supporting people to have information about their health conditions.

#### The Morecambe Bay Poverty Truth Commission

13.100 In 2016, the Morecambe Bay Poverty Truth Commission was established which includes representatives of those with lived experience of poverty, local councillors, the NHS, Lancaster University, faith groups, CVS and charities collectively seeking to bring lasting individual, social and cultural change. Presentations have taken place for a range of staff within the council to improve relationships, gain an understanding of the issues and to develop shared aims.

#### Food Poverty

13.101 A key component of health and wellbeing is maintaining a healthy diet and nutrition. Lancaster District Food Poverty Alliance (LDFPA) is a formal coalition of organisations and individuals who come together to campaign to reduce food poverty in the local authority district of Lancaster. LDFPA was first convened in June 2018, when various organisations came together following the Sustainable Food Cities Re:Fresh event where food poverty was raised as an important local issue.

13.102 Since then the Alliance has grown and now LDFPA encompasses a wide range of organisations drawn from key public sector authorities, third sector organisations, charities and faith groups.

- 13.103 LDFPA's core purpose is to campaign for, advocate for and implement changes that contribute towards delivering the actions set out in the **Lancaster District Food Poverty Action Plan**. The Action Plan will set out a wide range of actions that together will reduce the number of people in the district that are affected by food poverty.

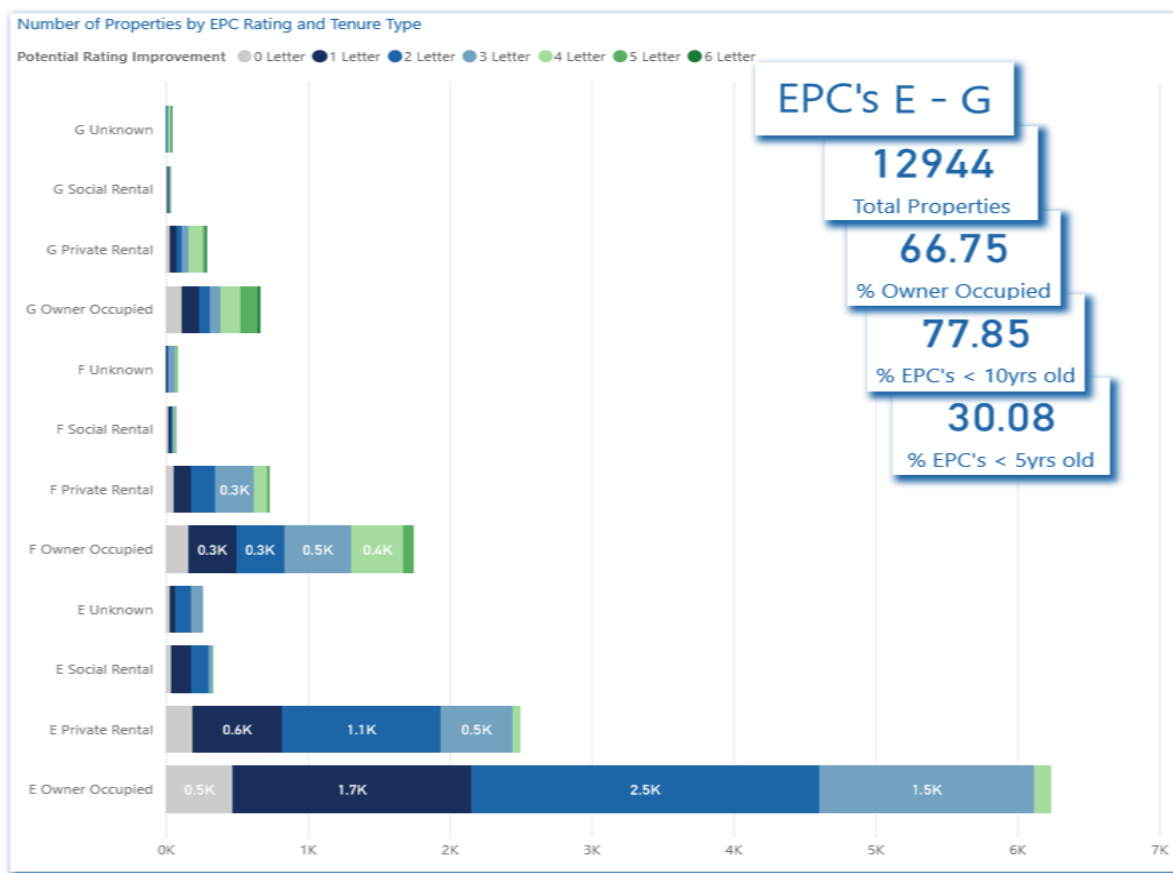
Local Food Services

- 13.104 Morecambe Bay Food Bank (the Trussell Trust) provide three days' nutritionally balanced emergency food and support through a voucher system provided to local people who are referred to them and in crisis. Over 90% of the food is donated locally with donation points available across the district including in supermarkets. During the pandemic, Lancaster City Council and Morecambe Bay Foodbank launched a partnership, with the support of other local charities, organisations and volunteers, to co-ordinate and deliver emergency food parcels to vulnerable people across the district. Other offers of emergency food support include faith-based organisations such as The Olive Branch, Salvation Army and West End Impact.
- 13.105 Eggcup stops good quality, surplus food going to waste by running food clubs to get it out to individuals and families instead. In ordinary times, these food clubs would take place in community settings. Throughout the pandemic, Eggcup have been providing their members with weekly doorstep deliveries. Moving forward, a city centre hub has been established to help give members more choice in a covid-19 safe environment and they aim to set up a similar hub in Morecambe. During the pandemic, Eggcup have also worked alongside Lancaster City Council, Age UK Lancashire, Lancaster & Morecambe College and Chefs Catering NW to produce and distribute nutritious frozen ready meals to vulnerable individuals in the community.
- 13.106 Several Food Clubs independently run by community groups are operating to redistribute surplus food that would otherwise go to waste in a social setting. Members enjoy a refreshments and take home around two bags of shopping per week for a small fee. The social element allows members to meet people in a similar situation and provides a route for accessing additional advice and support. There are currently 12 Food Clubs in operation, 7 in Lancaster and 5 in Morecambe, although the aim is for all areas to have a food club accessible to members.

Tackling fuel poverty

- 13.107 The 2019 Indices of Deprivation suggests that Lancaster was the 112<sup>th</sup> most deprived area out of 317 districts in England, but as high as 33<sup>rd</sup> most deprived if a local concentration measure is applied.
- 13.108 13.6% of households in Lancaster district are estimated to live in fuel poverty, which is higher than the national England average of 10.9% with the main factors considered to include energy efficiency of housing, energy costs and household income.

13.109 Analysis of the Energy Performance Certificates (EPC) ratings of those previously assessed confirm that nearly 13000 dwellings in Lancaster district fall within EPC E-G.



13.110 Tackling fuel poverty links directly to the council’s Happy and Healthy Communities ambition and is one which will require a strategic approach in the context of an absence of regeneration funding post 2011. More comprehensive targeting of the most poorly performing properties needs to be undertaken, making use of available funding to deliver measures will be critical, and the provision of appropriate support and advice to householders will be required from qualified retrofit assessments, identifying the most suitable measures for each property to practical help with fuel bills and budgeting.

13.111 A new Energy Advice Officer post is being created within the Council Housing Service to provide the necessary degree of support to existing council tenants to reduce incidents of fuel poverty. Further capital works to existing council housing stock is also planned to increase the provision of solar thermal and a pilot scheme is to be undertaken which will provide additional internal wall insulation on properties of solid wall construction.

**Substance Misuse**

13.112 Lancashire County Council remains the lead commissioning body for Drug and Alcohol services. Since the last Housing Strategy was produced, a previous supported housing service of Aldcliffe Road was decommissioned for people with a history of substance misuse because of cuts to the Supporting People programme and due to Walter Lyon trust’s intention to bring Walter Lyon House back into use as a recovery housing service. Walter Lyon House has previously operated as a Tier 4 Residential Rehabilitation Service and there was an eagerness to retain the building to meet the needs of the recovery community but

also meeting a local need. Walton Lyon Trust appointed Acorn Recovery (a subsidiary of the Calico Group) to provide the operational management of the service which currently provides 14 bed spaces. Since opening, Acorn have developed a very close partnership with the city council, and through collaborative working, went on to re-commission the premises at Aldcliffe Road/Portland Street as temporary supported housing for single homeless households.

- 13.113 In its former use, Walton Lyon house and Littledale Hall both provided Tier 4 Residential Treatment Services. Neither service was block commissioned by Lancashire County Council, therefore, referrals could be made from any other local authority area whether the treatment is funded by the responsible Local Authority or self-funded. A Detox Treatment Service is also provided at The Pavilion, run by Delphi Medical, which is a shorter-term course of treatment and often the first step into abstinence. The geographical location of services posed some practical issues for the city council because of the number of homeless presentations being made when people were leaving Treatment Services. Through closer working and regular dialogue with the county's Commissioning Manager, it was established that Lancaster City Council had the largest amount of Tier 4 Services than any other district in Lancashire until Walter Lyon House closed as a Tier 4 Treatment Service. In order to improve the links between the city council and substance misuse service providers, a Substance Misuse Provider Forum was set up by the council in 2016 by Residential and Community based Treatment Services, supported housing providers and commissioners county and city council staff. A working agreement was then drafted, circulated and entered into between parties that clearly defined the housing options that would be provided to people entering Treatment Services depending upon whether they had a local connection to Lancaster district.
- 13.114 In 2019, following the re-tendering of the Community Treatment Services in Lancaster district, re-awarded to CGL/Inspire with sub-contracting arrangements through local recovery service providers such as Red Rose, The Well and Positive Futures, the engagement has significantly improved communication and partnership working across agencies. Inspire have been providing direct support to supported housing providers (Oak Tree House in particular) and maintain very strong links with Lancaster City Council. The city council's ultimate goal is to ensure that residents in Lancaster district can be referred to Treatment Services in a timely way with an appropriate housing pathway and support plan being agreed between agencies.
- 13.115 Whilst recognising that Lancaster district offers a wide range of Treatment Services within the district, there is an intention to create a bespoke Housing First model (housing with intensive support) which can accommodate the most chaotic individuals who can be supported in an appropriate setting to become abstinent and eventually go on to live independently.

**People with Learning/Physical Disabilities/Mental Health**

- 13.116 Lancashire County Council has developed a 'Housing Care and Support Strategy 2018 -2025' the aims of which are to outline its vision for the modernisation of care and support across the 12 Lancashire districts and their plans to adopt partnership working with key stakeholders including District Strategic Housing Leads that can influence local Housing Strategies and ensure the needs of individuals with care needs are met.

- 13.117 A recent needs analysis was undertaken by Housing LIN on behalf of Lancashire County Council to identify need across all 12 districts for the next 10 years and this has highlighted the need in Lancaster and Morecambe of 22 additional units by 2021; 48 units by 2025/26 and 75 units by 2030/31 for young adults with care needs.
- 13.118 Housing with Care and Support is accommodation which has been designed, built or adapted to facilitate the care and support needs that its tenants or owners may have now or in the future. For younger adults with disabilities, it means new apartment schemes with each scheme usually incorporating around 12 apartments.
- 13.119 The existing provision includes a number of shared houses in Lancaster and Morecambe that no longer meet the needs of the current service users due to age and ill health and challenges introducing new service users due to age and compatibility issues. Current supply of Housing with Care and Support is not equitable across Lancashire – there are too many properties for shared households and not enough modern apartment schemes which is restricting choice, shared households provision has been in existence for decades and, whilst this still represents one of the best ways of supporting some people, there is a need to offer more apartment schemes. This is because many people expect to be able to live in their own self-contained accommodation with their own front door.
- 13.120 There is also a need to shift to a model of Housing with Care and Support which is more financially sustainable and enables opportunities for improved independent living. This includes an alternative to residential care settings, which can easily lead to a home for life, institutionalisation and create dependency unnecessarily. There are people currently living in residential care who may want to progress to be more independent in a community setting, but there is a lack of availability of suitable accommodation, such as Flat Schemes.
- 13.121 Key facts
- There are approximately 1,500 people with learning disabilities and/or autism living in more than 700 shared households at an average gross weekly cost of over £850 per person.
  - There are 185 people with mental health needs in shared households or apartment schemes.
  - In June 2018, Lancashire County Council was supporting over 257 adults with learning disabilities and autism in long-term residential care at an average gross weekly cost of £1,321 per person.
  - In June 2018, Lancashire County Council was supporting 289 adults with mental health needs in residential care, which is very high when compared to other councils, at an average gross weekly cost of £966 per person. N.B. There is variation in the profile at a district level in Lancashire
  - There is currently only one jointly commissioned apartment scheme in Lancaster 'Factory Hill' and the need has been identified for more schemes of this type over the next 10 years and beyond
  - Lancashire County Council need to reduce our reliance on residential care by ensuring alternative options are available to help us manage the growing demand and financial pressures.
  - Lancashire County Council aims to have more smaller-scale apartment schemes for younger adults with disabilities.

13.122 The target agreed with Lancashire County Council in the formulation of this Strategy is to provide 60 new apartments by 2025. At the present time, three new services are planned in Lancaster, Morecambe and Heysham, subject to planning permission being granted and as new provision comes forward, there will be a need to review the existing group home provision and agree a decommissioning plan. The city council will continue to work very closely with Commissioning Leads to bring schemes already identified into fruition and identify other potential opportunities.

**Purpose built Wheelchair Accommodation**

13.123 The council works closely with Registered Provider partners to create new purpose-built wheelchair accommodation wherever possible on new developments. Homes England do not current apply any mandatory standards around this, although previously the Housing Corporation did require that one in every 10 dwellings provided at least one wheelchair accessible dwelling. Since the last strategy was produced, there has been a net increase of 22 wheelchair properties: 12 at Factory Hill Lancaster (Impact Housing Association), 3 at Riverview Close Lancaster (Jigsaw Homes) and 7 at The Globe, Westgate (Jigsaw). Lancaster City Council provided grant funding to directly support the delivery of 15 of these properties. Policy DM2 of the Local Plan requires that all new homes are built to the Nationally Described Space Standards and that 20% of all new homes (20% of both the affordable and market homes on a site) are built to meet the Building Regulation Requirement M4(2) (accessible and adaptable homes). The council will still actively explore opportunities to provide wheelchair accessible accommodation on new schemes wherever possible.

**13d. Meeting the Needs of Older People**

13.124 A major strategic challenge for Lancaster City Council is to ensure a range of appropriate housing provision, adaptations and support for the district's older population. The number of people across Lancaster aged 65 or over is predicted to increase from 28,500 in 2017 to 37,000 by 2033 (29.8%). Whilst it is too early to understand the national and local impact of Covid-19 the total number of deaths in Lancaster district as at the end of August 2020 is 64 and therefore a marked change in population growth is unlikely.

Table 5.10 Older persons' housing options	
Housing option	% would consider
Continue to live in current home with support when needed	67.4
Buying a property on the open market	20.8
Rent a property from a private landlord	7.1
Rent from HA	13.3
Sheltered accommodation - To Rent	17.3
Sheltered accommodation - To Buy	13.9
Sheltered accommodation - Part Rent/Buy	5.0
Extra care housing - To Rent	13.8
Extra care housing - To Buy	9.0
Extra care housing - Part Rent/Buy	3.5
Residential care home	5.6
Co-housing	10.7
Go to live with children or other relatives/friends	4.0
Other	3.5
Base (total households responding)	24,668

Source: 2017 Household Survey

- 13.125 In Lancaster district, there are over 1000 social housing units that are designated for older people, which is a mix of flats, bungalows and sheltered housing schemes and are generally well distributed. Older people in need of social housing generally have better choice and prospects than other groups who need rehousing. The most significant need identified for Lancaster district is to provide new purpose built extra care housing that will complete the range of housing options needed to allow our ageing population to remain in an independent setting for as long as possible.
- 13.126 **Extra care housing** is traditionally provided for older people above the age of 55 years in the form of self-contained homes (often in the form of apartments) with the provision of an on-site care team who will provide varying levels of support and care services to residents.
- 13.127 The care and support delivered within an extra care scheme setting includes onsite staff who provide background support and an emergency response service. This service benefits all tenants and is not allocated to any one individual resident. Planned care is also provided to tenants who have an eligible care need (which meets the threshold applied by Lancashire County Council in accordance with the Care Act) and can also be provided to tenants who are able to self-fund their planned care need often utilising welfare benefits such as attendance allowance.
- 13.128 In practice, an allocation policy is agreed between Lancashire County Council, the district council and the accommodation provider, which would give a degree of priority to applicants who would otherwise require residential care if they were not able to access extra care housing as well as other people with statutory care needs. However, the allocation policy would be framed to ensure that there is a suitable mix of tenants selected at any one time to ensure the right balance is maintained, to keep the scheme sustainable and attractive to tenants. Therefore, it provides scope for older people to apply who may not have acute care needs at the point of application but who are seeking to move to more suitable accommodation in a timely way which should also be encouraged.

13.129 Extra care housing models are typically a combination of a landlord function and a care function which can either be provided by one organisation (less common) or with the care function being procured through contractual arrangements with the upper tier local authority's Commissioning Team. For the purposes of this report, the latter is envisaged with the landlord function and the care function being delivered by separate organisations.

13.130 Lancashire County Council's Extra Care Strategy, first published in 2014 and relaunched as The Housing with Care and Support Strategy 2019, seeks to increase the provision of specialist housing for older people and younger adults with disabilities. This report focuses on extra care housing for older people. The main purpose of the Strategy is to: -

- To promote health wellbeing and independence.
- Reducing reliance on residential care placements (admissions in Lancashire were 24% higher than the national average and 31% higher than other shire counties which is too high.
- To provide at least one purpose built extra care scheme for older people in every district in Lancashire by 2025.
- Wherever possible to bring forward extra care schemes that would provide a minimum of 60 dwellings for rent (either stand alone or part of a mixed tenure development) to achieve efficiencies and economies of scale for the on-site provision of care and support.

13.131 Lancashire County Council commissioned The Housing Learning and Improvement Network (LIN) to undertake some detailed analysis of demand for extra care housing by district and based on projected population of people aged 75 by district in 2025:

Estimated Need for Extra Care Housing by District

<b>District</b>	<b>Estimated no. of units needed</b>	<b>No. of units in existence or development</b>
Burnley	134	0
Chorley	206	65
Fylde	194	0
Hyndburn	123	0
Lancaster	238	0
Pendle	138	0
Preston	165	60
Ribble Valley	125	0
Rosendale	107	42
South Ribble	204	0
West Lancashire	217	111



Wyre	265	72
<b>Total</b>	<b>2,117</b>	<b>350</b>

- 13.132 A key priority for Lancaster City Council is to work collaboratively with Lancashire County Council to bring new extra care schemes into fruition. An opportunity for the city council itself to bring forward a new extra care scheme on a site in North Lancaster is currently being investigated, along with a proposal to provide a new extra care facility on a site within the existing University of Cumbria's Lancaster campus which is currently submitted for planning approval with a decision pending.
- 13.133 In the event of new extra care schemes being delivered thus increasing the choice and quality of housing for older people, this could pose some challenges for existing social housing providers who need to ensure their existing housing for older people is suitable, desirable and fit and for purpose for the client group and plan ahead.
- 13.134 Intelligence from the existing providers of extra care housing in the management of Covid-19 has been positive. Although providers have needed to make some changes and adjustments around the use of communal spaces and facilities, the provision of self-contained accommodation has proved highly effective in relation to infection control and provides an even greater incentive for the provision of extra care schemes.

#### **Adaptations and increasing the provision of accessible homes**

- 13.135 Lancaster City Council has an impressive track record of undertaking adaptations and creating more accessible homes across tenures in Lancaster district. This has been as a result of creating a dedicated budget for adaptations to council properties and development of a robust partnership with Lancashire County Council to deliver a Home Improvement Agency through the Better Care Fund.
- 13.136 As part of its landlord function, the city council has always maintained a specific budget to fund the cost of adaptations to council properties. The budget is circa £300K per annum providing around 60-80 adaptations each year which can range from very low to medium level interventions/equipment to improve accessibility such as wet rooms to more comprehensive physical alterations to property. Due to the high cost of major adaptations, other housing options will also be investigated before a final decision is made to proceed with an adaptation and when existing adapted properties do become available, a suitable matching process will be conducted to make the best use of properties.

#### **Home Improvement Agency (HIA)**

- 13.137 The council's in-house Home Improvement Agency (HIA) aim is to enable vulnerable residents to maintain independence and to remain safe, secure and warm in their own homes. The agency is formally recognised by Foundations, the Government's body for Home Improvement Agencies and has won national awards for 'Adaptation service of the Year' in 2016 and commended in 2018.
- 13.138 The in-house HIA model, incorporating all adaptations services in one place is seen by the government as the model of excellence. All HIA clients are vulnerable elderly or disabled residents. The HIA work reduces social isolation, increases health and wellbeing, improves homes, reduces fuel poverty, improves neighbourhoods and reduces the need for residents to

go into alternative housing. The HIA casework also seeks to increase resident’s income, which indirectly improves the local economy.

**Services provided by HIA**

Disabled Facilities Grants (DFG)

13.139 The HIA delivers the councils DFG programme. DFG’s provide funding to help vulnerable residents adapt their homes to enable them to lead more independent lives or be cared for at home. These statutory grants are means tested and delivered in accordance with the Housing Grants, Construction & Regeneration Act 1996. The DFG programme was audited in 2012 and in 2019.

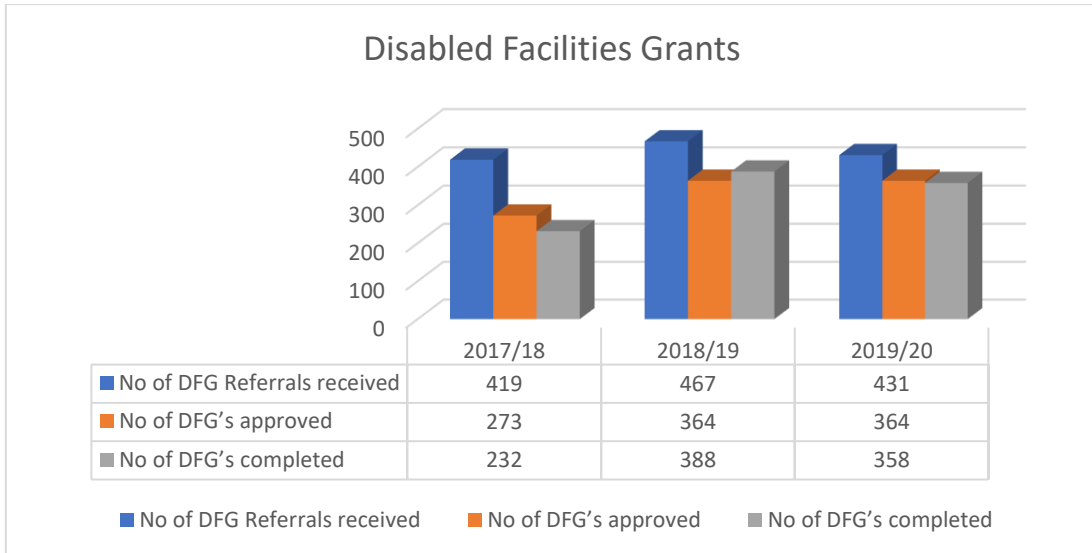
13.140 The grant has been in existence for 25 years, however in recent years it has formed part of the Better Care Fund, a pooled health and social care budget with funding distributed by Lancashire County Council. The aim of the fund is to provide more joined-up and customer focussed services to reduce hospital and care admissions.

13.141 All HIA clients are screened for possible DFG adaptations. The HIA has no waiting lists in operation and clients are assisted throughout the grants process.

13.142 In recognition of the ageing population and the rising need for adaptations, funding for DFG’s has increased considerably over recent years (see below).

<b>Lancaster’s DFG allocation through Better Care Fund</b>	
2017/18	£1,775,217 <i>including £168k additional allocation</i>
2018/19	£1,966,022 <i>including £214k additional allocation</i>
2019/20	£1,889,809

13.143 The HIA assists residents to obtain independent Occupational Therapist (OT) reports to enable them to make applications for DFG assistance. This avoids residents having to wait for an OT assessment through Lancashire County Council. The HIA has also undertaken a significant marketing campaign to increase awareness of DFG’s to residents and other local organisations.



Minor Adaptations Service

13.144The HIA undertake minor adaptations on behalf of Lancashire County Council. Adaptations are undertaken at a fixed price and the majority of minor adaptations are completed within 7 days from receipt of referral. The HIA is also classed as a Retailer which enables health professionals to issue prescriptions to residents for aids and equipment. The HIA can accept the prescriptions and provide the required equipment and charge the county council for the work. In the last year, the HIA has agreed a new way of working which enables the HIA staff

who are 'Trusted Assessor' to assess clients whilst in their home and if necessary self-prescribe the equipment.

#### Home Improvement Support

13.145 The HIA will provide assistance with undertaking works of maintenance and repair and dealing with contractors. Caseworkers will also provide initial housing options advice and provide help with obtaining support services locally as well as checking entitlement to financial help and assistance in raising funding to complete adaptations & repairs to properties.

#### Handyperson Service

13.146 The Handyperson Service carries out minor work, which residents find difficult to find a contractor to undertake and which helps them to remain independent in their own home. There is currently no charge for using the Handyperson service, however clients are required to pay for any materials required. The handyperson team can complete up to 2 hours work at a property on each visit. However, a Service Implementation Plan has been drawn up which seeks to introduce a new charging system for able to pay residents whilst continuing to deliver free core services to the most vulnerable.

13.147 In addition to the above services the HIA also provides a number of bolt-on services for vulnerable residents including:

#### Sanctuary and Haven Service

13.148 The HIA delivers a 'Sanctuary' and 'Haven' service, completing security works to the homes of 'at risk' clients suffering Anti-Social Behaviour and Domestic Violence. These services are currently delivered with funding from the council's Homelessness service.

#### Warm Homes Service/Referrals to CHiL (Cosy Homes in Lancashire)

13.149 The council no longer receives public health funding to deliver an in-house Warm Homes Service. However, referrals can still be made into the CHiL scheme for measures such as loft insulation, first time central heating and boiler replacements for qualifying households. Because most Local Authorities are unable to provide the match funding that some measures require, Rhea Projects, who are the partnership's appointed delivery partner, set up a Community Interest Company through a successful bid securing funding from Electricity North West, and use these funds for vulnerable residents where a shortfall contribution is required.

#### Hospital Discharge

13.150 During the pandemic, the HIA as a Trusted Assessor has temporarily set up a rapid response to provide a (Trusted Assessor) handyman service and minor adaptations installations to facilitate unblocking beds. The HIA offer the following solutions to enable patients to be discharged to their own homes in conjunction with other discharge care support. So far, 47 patients have been discharged from the RLI via our service. Jobs have taken place in Lancaster, Morecambe, Heysham, Galgate, Over Kellet, Carnforth, Bolton-le-Sands, Middleton and out of district in Pilling, Winmarleigh and Burton-in-Kendal. Measures have included stair rails, grab rails, furniture and bed relocation/provision/removal, property cleansing, mould removal, key safe installation and heating installation. Response times have been in

accordance with the wishes of the RLI staff member using the service, the fastest job being completed 1.5 hours after the request in order to facilitate a swift and safe return home.

## 14. Implementation Delivery and Monitoring of the Housing Strategy

- 14.1 The implementation and delivery of the Homes Strategy relies on the council taking forward its own housing priorities as outlined in this document, and through effective partnership working with a number of key stakeholders including Registered Providers, funding bodies such as MHCLG and Homes England, other public sector organisations such as Health and Social Care Commissioning Leads and Teams, the Police, Fire Service, Probation, HM Prison Service, House Builders, Developers and local contractors, Private Sector Landlords, a range of Third Sector Organisations, Community Groups and our communities.
- 14.2 In order to prepare a new Homes Strategy for Lancaster district, a cross party working group of elected members was set up in September 2019 with cross party representation, supported by council officers. This working group will form a new Housing Advisory Group, with representation from external bodies still to be identified, who will oversee the implementation and monitor the progress of this Strategy.

## Glossary

This Glossary provides terms and references which will be of use whilst reading the Homes Strategy and Action Plan. Some of the terms included within this Glossary supplement and compliment the definitions found within Annex 2 of the National Planning Policy Framework (NPPF).

**Affordable Rent** - means rented housing let by a Registered Provider to prescribed persons agreed by the Council and Registered Provider. Rents will be set at no more than 80% of the local market rent including service charges.

**Affordable Homes Programme** - The Affordable Homes Programme aims to increase the supply of new affordable homes in England. It is managed by the Homes England. The majority of the new programme will be made available as Affordable Rent with some for affordable home ownership, supported housing and in some circumstances, social rent.

**Affordable Housing** - means affordable housing as defined in the National Planning Policy Framework (NPPF) updated February 2019 (as may be updated superseded or replaced with equivalent policy from time to time) that will be available to persons who cannot afford to rent or buy housing generally available on the Open Market on readily available terms with eligibility determined with regard to local incomes and local house prices.

**Affordable Housing Viability Study** - A study that tested the circumstances in which the district's housing market can deliver various levels of affordable housing by examining the influence of a range of affordable housing proportions and thresholds on viability.

**Brownfield** - Also referred to as Previously Developed Land (PDL). The regeneration of these sites is recognised as a priority within the local plan system although challenged within the current economic climate.

**Communities** - Are a group of social interacting people, this interaction may be due to the close proximity of where people live (i.e. within neighbourhoods) or groups of people that share the same common interests or values.

**Community Led Housing** – local people playing a leading and lasting role in meeting local housing need and creating affordable homes and strong communities in ways that are difficult to achieve through mainstream housing.

**Commuted Sums** – monies received by the council from market housing schemes that can be subsequently provided as grants to social housing providers to bring forward the development of affordable housing.

**Concealed households** - Family units or single adults living within 'host' households.

**Conservation Area** - An area which has been designated for its special architectural and/or historical interest, the character or appearance of which it is desirable to preserve or enhance. It is recognition of the value of a group of buildings and their surroundings and the need to protect not just individual buildings but the character of the area as a whole.

**Core Strategy** - This is the key document within the local planning system, the document sets out strategic policy guidance on future development requirements and policy issues. Lancaster City

Council adopted its Core Strategy in the summer of 2008 now been superseded by the Local Plan 2011-2031.

**Development Plan Document (DPD)** - Spatial planning documents which are prepared by the local authority and are subject to public consultation and independent Inquiry. Both the Development Management document and Land Allocations documents are classified as Development Plan Documents.

**Discounted market housing** - Homes sold at a discounted price with the level of discount differing from scheme to scheme depending on house prices in the different locations, and according to eligibility criteria agreed between the council and the developer.

**Extra Care Housing** - Housing designed with the needs of older people in mind and with varying levels of care and support available on site. People who live in Extra Care housing have their own self-contained homes and benefit from communal facilities being available. Properties can be rented, owned or part owned/part rented.

**Fuel poverty** - Fuel poverty is determined when a home cannot be heated to a comfortable level by utilising 10% or less of the household's income. This means that choices must be made between warmth and other essentials. Fuel poverty can contribute to excess winter deaths, cold-related illnesses, high health care costs, and deteriorating housing conditions.

**Greenfield** - Is land which has not been previously developed on, Greenfield land is often but exclusively characterised by open countryside and agricultural land.

**Gypsies and travellers** - Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily or permanently, but excluding members of an organised group of Travelling Showpeople or circus people travelling together as such.

**Homes England** - The national housing and regeneration agency for England. Provides investment for new affordable housing and to improve existing social housing, as well as for regenerating land.

**Houses in Multiple Occupation (HMOs)** - For the purpose of this document a HMO is defined according to the Use Class Order 2010. A property is an HMO if it is a small shared dwelling house occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen and bathroom.

**Housing Needs Survey** - The Council's current evidence base on many homes are needed, (market and affordable), and the type and size of homes required. The survey was carried out in 2017/18 by arc4 and will be updated throughout the Local Plan period in accordance with relevant Government guidance.

**Intermediate Housing** – a form of affordable housing for sale or for rent at a cost above social/affordable rent but below market levels.

**Intermediate Rent** – rented accommodation normally provided by Registered Providers which is set between 80% and 100% of market rents.

**Key Services** - In a rural context key services include a Post Office, basic shop, primary school, and bus stop.

**Local Housing Need** - The housing requirements of existing and concealed households living with Lancaster District as evidenced in the 2011 Housing Needs and Demand Survey and other appropriate evidence.

**Localism** - Is a term used by the current Government to encourage local people and communities to take more ownership in local issues. In terms of planning playing a greater role in shaping the future for their own communities through the preparation of Neighbourhood Plans.

**Local Development Documents** - This is the collective terms for Development Plan Documents, including the Core Strategy, Development Management DPD, Land Allocations DPD, Area Action Plans, Proposals Maps and Supplementary Planning Documents.

**Local Planning Authority** - The statutory authority (usually the local council) whose duty it is to carry out the planning function for its area.

**Market housing** - Private housing for rent or for sale, where the price is set in the open market.

**National Planning Policy Framework (NPPF)** - A document published in March 2012 and updated in February 2019 that sets out the Government's planning policies for England and how these are expected to be applied.

**Planning policy for traveller sites** - A document published in March 2012 by the Department for Communities and Local Governments that sets out the Government's planning policy for traveller sites which was amended in 2015.

**Registered Provider of Social housing** - The technical name for social landlords that are registered with Homes England. Most are housing associations, but some are trusts, co-operatives and companies that own or manage affordable housing. Now referred to as Registered Providers (RP's). A distinction between this system and the old system of Registered Social Landlords is that a provider of social housing can now be either a non-profit organisation or a profit-making organisation.

**Registered Social Landlord** - The technical name for independent housing organisations registered with the Housing Corporation under the Housing Act 1996. Most are housing associations, but there are also trusts, co-operatives and companies. The term has now been replaced by Registered Provider of social housing.

**Rural locations** - For the purposes of this document rural locations are defined as Caton and Brookhouse, Halton, Hornby, Wray, Slyne-with-Hest, Silverdale, Galgate and all other locations outside of the urban locations (as specified in this Glossary).

**Section 106 Funds** – monies (commuted sums) collected from market housing schemes, held by the council, that fund grants to Registered Providers to develop affordable housing.

**Section 106 Agreement** - legally binding document or planning obligation that setting out specific requirements, and is normally used to secure on-site affordable housing on market housing schemes, or commuted sums.

**Shared Ownership** – where a share or proportion of the dwelling is owned by the occupier and the remainder owned by a Registered Provider.

**Sheltered Housing** - Housing specifically for older and/or disabled people. Includes a block or group of houses with resident or visiting scheme manager, and individual houses, bungalows and flats, which receive support from a mobile scheme manager or pendant (emergency) alarm service.



**Social housing** – accommodation owned by local authorities or Registered Providers governed by Housing Acts and allocated to prescribed persons in need.

**Social Rented Housing** – rented housing owned and managed by Local Authorities and Registered Providers for which guideline target rents are determined through a national rent regime.

**Stakeholders** - Are groups, individuals or organisations which may be affected by or have a key interest in a development proposal planning or housing policy. They may often be experts in their field or represent the view of many people.

**Supporting People Programme**– revenue funding provided by central government to provide tenancy related support services to vulnerable groups to allow them to live independently.

**Travelling show people** - Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family's or dependants' more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily or permanently, but excludes Gypsies and Travellers as defined above.

**Urban locations** - For the purposes of this document urban locations are defined as Lancaster, Morecambe, Heysham, Carnforth and Bolton-le-Sands. Although Bolton-le-Sands is not classed as an urban location in the adopted Core Strategy it is recognised as being a large sub-urban village by both the adopted the Core Strategy, and the (saved) Policy H10 of the adopted Local Plan.

# Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

**Service**

## Title of policy, service, function, project or strategy

**Type of policy, service, function, project or strategy:** Existing  New/Proposed

**Lead Officer**

## People involved with completing the EIA

### Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

Q2.

Who is intended to benefit? Who will it have a detrimental effect on and how?

### Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

## Equality Impact Assessment

The Communities Together Group were consulted in 2019 before any drafting of the strategy had begun. The purpose of the consultation was to establish if BAME communities in Lancaster district had specific needs that would need to be addressed in the strategy. A cross party member group was set up in September 2019 as a lead into preparation of the strategy. Capital Strategy Group were consulted at their meeting in June 2020. A further period of consultation will take place for a minimum of 6 weeks with a press release to launch. The document will be published on the council's website with an online response form. The Voice Your View Panel will be consulted, City/Parish Councillors, Communities Together Group, Commissioning Leads, The Homelessness Forum, Homeless Advisory Group, Lancaster Vision and the District Wide Tenants Forum. A focus group will be arranged with Registered Provider Partners.

### Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

**Age:** Positive. The Strategy acknowledges the need for purpose built extra care housing for older people in Lancaster district with recommendation actions to meet that need.

**Disability:** Positive. The Strategy will seek to meet the identified needs of people with a range of disabilities in Lancaster district working closely with commissioning leads/teams in Lancashire County Council.

**Faith, Religion or Belief:** It is not expected that the strategy will adversely affect these groups and could have positive impacts through supporting groups to take forward community led housing to meet a specific need.

**Gender including Marriage, Pregnancy and Maternity:** No impact

**Gender Reassignment:** No adverse impact expected

**Race:** No adverse impact expected although continued dialogue with BAME is needed to explore potential for positive impact.

**Sexual Orientation including Civic Partnership:** could be positive as some discussion has taken place with Out In the Bay to identify the housing needs of the LGBT community and ways in which the council can increase the housing choices available to this group

**Rural Communities:** Positive mainly because allocations of affordable housing in rural areas is given to people with a local connection. The council does not support development in rural areas which are not deemed to be sustainable settlements, which could limit housing choice and availability but rural exception sites still allow for affordable housing developments in these instances.

### Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

No group will be directly or indirectly discriminated against and whilst the strategy will make a genuine attempt to meet the needs of a wide range of groups and communities, the level of affordable/specialist housing being generated as a result of the strategy will not meet the entire district's needs.

Q7.  
Do

you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

Further consultation will be undertaken once a final draft document is prepared.

2

# Equality Impact Assessment

## Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

A cross party member group was established in September 2019 to commence the formulation of the new Homes Strategy and identify the key priorities. Capital Strategy Group were also consulted prior to seeking endorsement from Cabinet. An initial report was presented to Cabinet in July setting out the key priorities and actions, with a further approval required to approve the draft document.

Q9.  
If  
you

are not in a position to go ahead, what actions are you going to take?

Click here to enter text.

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

The intention is for the Cross Party Member Working Group will form the Housing Advisory Group with some external representation being explored.



**dated 8 September 2020**

**Lancaster City Council**

**Report**

in relation to on housing delivery vehicles

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1 **Background**

1.1 We produced a report in January 2020 (the **January Report**) relating to the Lancaster City Council's (the **Council's**) aspirations for residential and commercial development, including advice on the Council's powers, the possible company structure, Council duties, land disposals, appropriation, funding, public procurement and high level tax issues.

1.2 Following consideration of the January Report the Council has detailed its requirements and narrowed its objectives with regards to the incorporation and running of the Council's corporate entities to improve housing delivery within the city (the **Group**). We have used the term Group to evidence the likelihood that more than one corporate vehicle may be optimal. This report addresses the updated objectives of the Council and proposes more specific structuring options with associated analysis in terms of risk and efficiencies.

1.3 The Council's more detailed objectives include:

1.3.1 A corporate vehicle/group of vehicles that are wholly owned by the Council for investment as well as social purposes;

1.3.2 the Group will be undertaking housing development (but contracting outside the Group for works and project management);

1.3.3 the Group will undertake mixed tenure, and mixed use (with a significant housing component) new build development;

1.3.4 housing management services will in some cases be provided by the Council to the Group for a management fee;

1.3.5 development will also include the acquisition of existing properties and contracting for refurbishment of such properties to deliver mixed affordable tenures (seeking affordable homes grant from Homes England);

1.3.6 the Council is seeking to strike the right balance of governance and financial flexibility against achieving the appropriate and necessary level of oversight from the Council as Shareholder and funder;

1.3.7 other broad objectives that the Council has for the Group are:

(a) raising the bar with regards to the standards in the local housing market;

(b) providing employment and training opportunities;

(c) regenerating areas;

(d) creating income; and

(e) lettings policies in line with Council priorities.

1.4 As a recap, the broad pros and cons regarding the use of a corporate vehicle to deliver housing for Lancaster are:

Pros	Cons
More tenure flexibility	Set up costs
More rent flexibility	Additional governance arrangements to put in place
Opportunity for additional revenues	Vires issues to be carefully worked through
Act as an exemplar PRS provider – raising the bar	Corporation tax payable on profits and likely irrecoverable VAT
Streamlined governance and decision making	Lack of security of tenure for all tenants
Ability to act outside local government constraints (including public procurement procedures)	

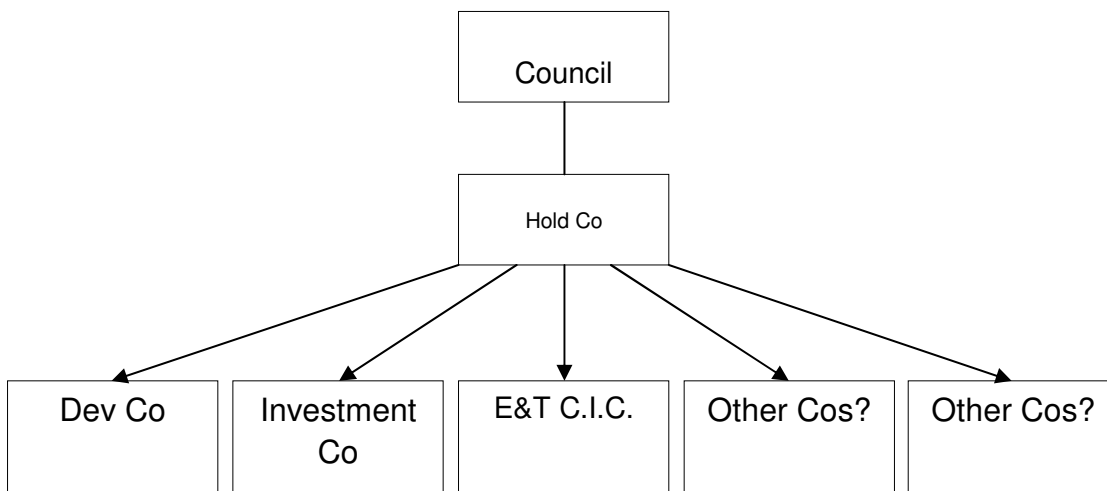
## 2 Group Structure

2.1 Feedback following the January Report suggests that the Council would prefer a streamlined governance model. Taking into account the other factors that play into the structuring (for example: tax, public procurement, land disposals and flexibility for the future) a Holding Company (**Hold Co**) model, as set out in the January Report and illustrated below, would appear to be most suitable. We set out below a list of pros and cons of the Hold Co model.

Pros	Cons
Single focus for the Council's shareholding role	Multiple companies require more governance and audit
Ring fencing risk in different vehicles	Complexity could bring lack of clarity if the Group isn't properly understood and managed
Specific focus of activities in different vehicles	
Ability to spread losses (for tax purposes) across the Group	

2.2 The various subsidiary companies can be set up each with a distinct activity and/or objective in mind – to keep financial management separated as well as keeping governance and decision making simple and agile. A Hold Co or Group structure model also allows for the ring-fencing of risk in separate vehicles as well as the flexibility to

introduce new (and potentially unrelated) subsidiary undertakings within the structure whilst the Council can maintain overall control through its ownership of the Hold Co. A diagrammatic illustration of the potential Hold Co arrangements is now set out:



2.3 The Council would need to consider the separation of each entity's activities bearing in mind the various considerations listed above and explored further below. Based on the Council's objectives and envisaged activities for the Group, we have given some examples of the sorts of division of activities that may suit the Group (and that we have seen elsewhere):

2.3.1 Dev Co – Development Company - driven by tax (VAT, SDLT and Corporation Tax) and public procurement considerations to carry out the development of any sites– but not intended to hold the resulting assets. This vehicle could also undertake any market sales of developed assets in the event that the Council was unable to do them itself for vires reasons (i.e if the sales were purely commercial in nature to raise profit for the Council, rather than to subsidise overall viability of the development, the Council would need to carry out the sales activity in a corporate vehicle);

2.3.2 Investment Co – Investment Company - to hold the completed residential assets as landlord;

2.3.3 E&T C.I.C – Employment and Training Community Interest Company - Given the likely activity to be undertaken within the Group regarding these objectives they could suitably be captured within a C.I.C. (see C.I.C. information included at paragraph 3.3 below) in order to recognise its non-commercial objectives but also enabling some aspects of more commercially-focussed vehicles – such as paid board members and limited payment of dividends.

### 3 Corporate forms

#### 3.1 CLS

The January Report explored the different types of corporate entities including a company limited by shares and company limited by guarantee. Broadly the primary consideration is whether the Group is envisaged to distribute dividends (where available) as a revenue stream for the Council. A company limited by guarantee is more restricted in distributing



profit, whereby a company limited by shares can distribute profit. The Council states that one aim of the Group will be to generate income and therefore we would propose companies limited by shares would appear to be the more natural fit for the Group as this would allow profit distribution to the Council as ultimate shareholder of the Group and would also allow for SDLT Group relief on land transfers from the Council to the Group members which is not available if the land is transferred to a guarantee company.

### 3.2 **LLP**

3.2.1 The January Report excluded considerations of a limited liability partnership (**LLP**) model because of the Council's pursuit of income generation from the Group's activities. However, a LLP model could bring corporation tax savings as the income/profit is taxed in the hands of the partners rather than taxed within the company. The Council would need to carefully consider the suitability of an LLP model as there are some nuances with regards to governance that require the Council's objectives to be aligned with the case law regarding Council owned LLP's. There is also the added complication that an LLP requires at least 2 members and setting up an LLP with, say, the Council as one member and a wholly owned Council company as another member, this raises issues as to the veracity of the structure. Under a CLS model, these issues are not problematic.

3.2.2 If the Council uses its general power of competence under section 1 of the Localism Act 2011 for a commercial purpose, it must do so in a company (which does not include an LLP model). In the recent case of *Peters v Haringey* it was found that it is the Council's "dominant purpose" which is relevant, and if it can be evidenced that income generation is not the "dominant purpose" then an LLP model may well be permissible. Such dominant purpose could be regeneration or other purposes dedicated to the local benefit. Stating such objectives can have ramifications on other regulatory aspects, such as the public procurement status of the entity. In the *Peters v Haringey* case there was a bonafide partnership between two distinct entities, Haringey Council and Lendlease, so the point raised in the previous paragraph about the veracity of the Council and a Council company forming an LLP did not arise.

3.2.3 It is for these reasons that we have ruled out an LLP structure and recommend share companies (save for the Employment and Training C.I.C. vehicle if that is pursued).

### 3.3 **Community Interest Company (CIC)**

3.3.1 The CIC was introduced as a corporate structure in 2006 as a response to the growing importance of social enterprise. The CIC seeks to address the 'gap' that existed for social entrepreneurs who could not, or did not want to, establish themselves as charities but who wanted some recognition that they were not a purely commercial business and sought to achieve some social good. CICs are regulated by the Office of the Regulator of Community Interest Companies.

3.3.2 The CIC therefore sits somewhere between a traditional commercial company and a charity and shares some features with both. For example, CICs can pay their board of directors a salary and can pay dividends on shares (up to a maximum aggregate cap of 35% of available profits). At the same time, CICs

must be established for a purpose which is beneficial to the community. CICs are also subject to an "asset lock", meaning that their assets must be used for their community benefit purpose and cannot be transferred for another purpose or for private gain (subject to limited exceptions such as the permitted dividend payments).

3.3.3 However, CICs are not charities and do not receive any preferential tax treatment (except for being eligible to claim discretionary rates relief).

3.3.4 Given there is an ambition to have a focus on employment and skills training this may be best captured within a single corporate entity (as outlined in the indicative Group structure chart above). There is no legal requirement for this to be in a separate vehicle and, if the Council did not want to create too many different vehicles to begin with, it could consider establishing such a vehicle some time in the future but as an interim measure could entrust the employment and training activities to one of the other Group members

#### 4 **Procurement**

4.1 The January Report set out the public procurement considerations relevant for the Council's Group. Primarily:

4.1.1 whether each entity should be structured as a "body governed by public law" (**BGPL**) and subject to the Public Contracts Regulations 2015 (**PCR**). If not a BGPL then that entity could award contracts to the private sector without a full public procurement procedure; and

4.1.2 whether each entity should be structured as a "Teckal" company which the Council could legitimately award contracts to without opening up the opportunity to public procurement procedure.

4.2 From the Council's updated objectives, we are still of the view that the Council's objectives do not materially restrict the structuring options from a public procurement perspective. We set out below, supplementary to the January Report's overarching commentary on public procurement, some observations and potential pitfalls as the Council continues to develop its Group structure.

#### 4.3 **BGPL**

4.3.1 As the January Report set out the Council can legitimately structure any of the Group entities as non-BGPLs and therefore allow them to award contracts without a procurement procedure. However, whilst this would provide freedom for the Group members to contract with 3rd parties free from the obligations of the PCRs it would severely limit the ability of the Group members to contract directly with the Council. For example, if the Dev Co was structured as a non-BGPL, it would be very difficult to argue that it was also a Teckal company. The Council would therefore not be able to take advantage of the Teckal (or in-house) exemption to the PCR and be freely awarded development contracts by the Council.

- 4.3.2 It is possible that some Group members are structured as BGPLs and others are not. This could mean that the Dev Co was structured as a Teckal company (for the reasons above) and the Investment Company was a non-BGPL.
- 4.3.3 It will be important for the Council to consider what are the likely contracts that each entity will enter in to and consider whether there is any merit in seeking to structure the companies to be outside public procurement rules.

#### 4.4 **Teckal exemption**

- 4.4.1 As the January Report set out the Council can legitimately structure any of the Group entities so that the *Council* can award that entity a contract without a public procurement procedure.
- 4.4.2 Again, it is possible *and probable* that this would apply to some but not necessarily all entities, primarily due to the requirement that they must conduct 80% of their business activity on services entrusted to it by the Council.
- 4.4.3 Another key point to note is that the Teckal exemption is not limited by an immediate connection, ie. the Council would be able to award the Teckal Dev Co a contract despite the fact the Council is not its immediate parent.
- 4.4.4 We note the Council's intention for a stock-owning subsidiary (eg. Investment Co) to award a housing management contract to the Council for a management fee. This would be, similarly, a so called "reverse Teckal" and such a contract would not need to go out to tender provided that the Investment Co was a Teckal subsidiary.
- 4.4.5 In conclusion, if the Council intends for the Dev Co to be responsible for all developments as directed by the Council, in order to allow the Council to direct the nature of those developments, the Dev Co would need to be structured as a Teckal company. If the Council wishes for the Investment Co to award a management contract to the Council (assuming it is above the OJEU value threshold for a services contract) then it too would need to be structured as a Teckal company.

#### 4.5 **Conclusion on Structure and corporate form**

The Council's ambition is to develop mixed tenure scheme which could include outright sale units, market rented units and affordable housing. The outright sales could both provide a return to the Council and cross subsidise the level of affordable and social homes built. The market rent units should be able to provide a long term revenue stream to the Council. The market rent units would need to be held (long term) in a separate vehicle and we recommend a company limited by shares (Investment Co). Social Housing units are likely to be required to be held within the Council's HRA. We would like to discuss further with the Council the rationale for development of the market sales units as it could be possible for the Council to retain the title to these units and sell the properties itself (employing agents as necessary) rather than transferring the land for development into the Dev Co with the Dev Co effecting the sales. This way the Council would (potentially) not be losing any of the outright sale unit receipts though corporation tax which it doesn't pay. The issue will turn on whether the Council is acting for a commercial purpose and needs to effect the sales through a company.

We recommend the establishment of a Dev Co as a Teckal company to carry out the development activities on behalf of the Council (without the Council having to procure those opportunities) and each development scheme would be worked up to identify the optimum deal structure - whether land is transferred (to deal with the market sales issues above but also optimum tax structuring) and if so at what point in the development.

As we are recommending more than one company (with the potential for adding additional companies in future) we are also recommending a Hold Co structure in order to streamline governance.

**5 Key documents**

5.1 We appreciate the Council's objectives regarding striking a balance between flexibility (and agility) with the requisite level of oversight and control from the Council's perspective. From our experience we set out below the key documents that would set out the relationship between the Council and the Group, including how flexibility and agility can be achieved within them.

5.2 As stated in the sections above, given the Council's desire for flexibility we expect that a Hold Co model as illustrated in the diagram above will be better suited to deliver on this objective rather than a separate direct relationship between the Council and each Group member. The Hold Co would be the single source of control over the group entities. The key therefore will be for the governance arrangements between the Council and Hold Co to be clear and provide for the Hold Co to control the subsidiaries without the subsidiaries needing to seek approval from the Council directly. This can be achieved by, for example, an overarching approval process between Hold Co and the Council.

**5.3 Articles of Association**

5.3.1 Articles set out the broad powers of Hold Co but reserve headline decisions for the Council, for example amending the Articles, board appointments, restrictions on third party borrowing etc.

5.3.2 The objects are likely to provide that the company will act as holding company controlling various subsidiary undertakings. In that way, given that the Council would control any changes to the Articles, the Council will be protected from the company doing anything other than acting as a Hold Co without Council approval.

**5.4 Shareholder Agreement –**

5.4.1 We strongly recommend that the Council and the Group companies enter into Shareholder Agreements.

5.4.2 The primary purpose of a Shareholder Agreement is to regulate the relationship between the Council (as shareholder) and the relevant Group company. Ordinarily, other than where legislation and/or the Articles reserve decisions for shareholders, the Board of a company is its main decision making body, and is free to act as it thinks is in the best interests of the Company. This would, for instance, include issuing shares to third parties (which no doubt the Council would want to control) or borrowing (which would impact on the Council's own prudential borrowing limit). A Shareholder Agreement therefore provides the

Council with the ability to specifically control certain activities or decisions of a company by setting out specific matters which are reserved for "shareholder consent".

5.4.3 The Council will be the sole shareholder of the Hold Co (and ultimately the owner of the entire Group) and will be making a (or a series of) investment(s) in the Hold Co/Group. The Council as shareholder will therefore need to ensure that it has appropriate arrangements in place (usually in the Shareholder Agreement) to ensure that it is monitoring the performance of the Group/Hold Co and holding it to account for the proposed return on its investment. This will require ensuring that the Group is delivering on its approved business plan. The Shareholder Agreement between the Council and Hold Co would set out the limits of the Hold Co's authority (as shareholder of the various subsidiaries) by reserving certain matters to the Council as ultimate shareholder.

## 5.5 **Business Plan**

The business plans can set out (and approve in advance) the activities which Group may undertake, including a pipeline of anticipated developments and funding that the Group subsidiaries may undertake. This may set out financial parameters and specific projects which can be approved ahead of time in order to avoid each individual business decision within the Group going back to the Council.

## 5.6 **Funding Agreement**

An agreement between the Council and Hold Co (or directly to the Dev Co) which would, subject to bespoke funding conditions being satisfied, be approved by the Council for drawdown by the Hold Co (or the Dev Co). A streamlined funding model could provide sufficient flexibility and agility for the Group to act quickly with, for example, a purchase of a strategically important site. As the January Report set out, there are some public law restrictions with regards to how the Council funds its Group, which also touches on the issues of State aid and financial assistance (and associated powers and required "consents" from the Secretary of State). The January Report set out various methods and conditions upon which the Council may fund the Hold Co and other Group companies for the purposes of housing. The Council may also fund the Group by on-lending PWLB funds, for which the Council may charge an appropriate interest rate (subsidised interest rate for affordable or commercial interest rate for market rent or sale housing/commercial lettings).

## 6 **Governance Issues**

### 6.1 **Council directors**

Who sits on the various boards is a matter for the Council to determine initially, officers or members are permitted to sit as directors of Group companies (subject to rules regarding remuneration, conflicts and propriety). There will be different considerations for the Hold Co (which is the shareholder of the Group) and the subsidiary undertakings carrying out specific activities. The Council would need to take into account the following relevant matters:

6.1.1 it is appointing persons to run and make decisions about businesses;

6.1.2 skill sets which may be advantageous for the Director role (particularly for the subsidiary undertakings) are likely to be:

- (a) financial skills;
- (b) experience of development and property management; and/or
- (c) experience of running a comparable business,

6.1.3 there will be *conflicts of interest* between being a Director of a company and making decisions *in the Council* which relate to the Company, examples:

- (a) decisions to lend to the company (the **Funder Role**);
- (b) decisions to transfer land to the company; and/or
- (c) a decision in favour of third parties which may not be advantageous to the company.

Members or Officers who might be expected to make the above decisions within the Council may find it extremely difficult to undertake the Director role.

6.1.4 The Council, as any commercial shareholder, should monitor and hold the businesses to account (the **Shareholder Role**). This is a vital role, with its own skill set, to ensure that these businesses deliver the financial outcomes required by the Council. If there is confusion and conflict between the same persons being a Director and undertaking the Shareholder Role then there is a danger that the Council as Shareholder will neglect to critically analyse whether the businesses are delivering the required financial outcomes.

## 6.2 **Unconnected Directors**

A number of Councils have chosen to appoint persons who are unconnected to them (not being members or officers), particularly to fulfil non-executive roles. Part of their rationale has been to harness the skills and experience of persons who have operated similar businesses.

## 6.3 **Council control and Member involvement**

6.3.1 It is at the Council's discretion as to how it wishes to carry out its Shareholder Role. As with the composition of the board, there have been a range of different approaches to the shareholder function within the various local housing projects that we have worked on. These range from full delegation to a single officer (often the Section 151 officer) through to the establishment of shareholder committee made up of a politically balanced number of Council Members. There are certain functions of the shareholder which will be set out in the Shareholder Agreement between the Council and Hold Co (which will then pass down to the subsidiary undertakings) that will be largely procedural, for example approving contracts above a certain value. Other matters will be fundamental to protecting the Council's investment, such as use of private funding or changes to the business plan. The range of matters for shareholder approval will be contained within the list of shareholder consent matters in the Shareholder

Agreement. We have included an indicative flow diagram showing the high level governance arrangements at Appendix 1 to illustrate the potential model.

6.3.2 The Council is a representative body and its Members are accountable to the electorate for the Council's performance. Our understanding is that part of the Council's rationale is to use the businesses as tools to increase income for the Council. Members, who must also decide on potentially competing priorities for resources, are likely to be in the best position to lead on holding the financial and general performance of the businesses to account. Part of this role, if the businesses do not perform well, may be a decision to limit future Council support, sell them or even wind them up. These types of difficult strategic decisions are in any event likely to rest with Members.

6.3.3 There is also the important role of ongoing oversight of the activities of the Group and approval of (and amendments to) the business plans. The Council should give consideration as to how the Group will be governed and in particular what role members will take, whether as Directors or in a shareholding capacity and if so in what form. For these reasons a number of Local Authorities have decided that members are better placed to hold the companies to account (in a shareholder or scrutiny role) rather than as directors of their commercial companies.

## 7 **Availability of grant**

We understand the Council would like to understand any restrictions around the availability of grant funding for the Group's envisaged delivery model. Private developers can take advantage of grant available from Homes England by having an "agreed transfer" with a Registered Provider which would include the Council as a public Registered Provider (ie. that after the development is completed the grant funded units will be held by/transferred to an RP). Provided therefore that the grant funded units would be held by the Council (or another Registered Provider) then Homes England grant should be available.

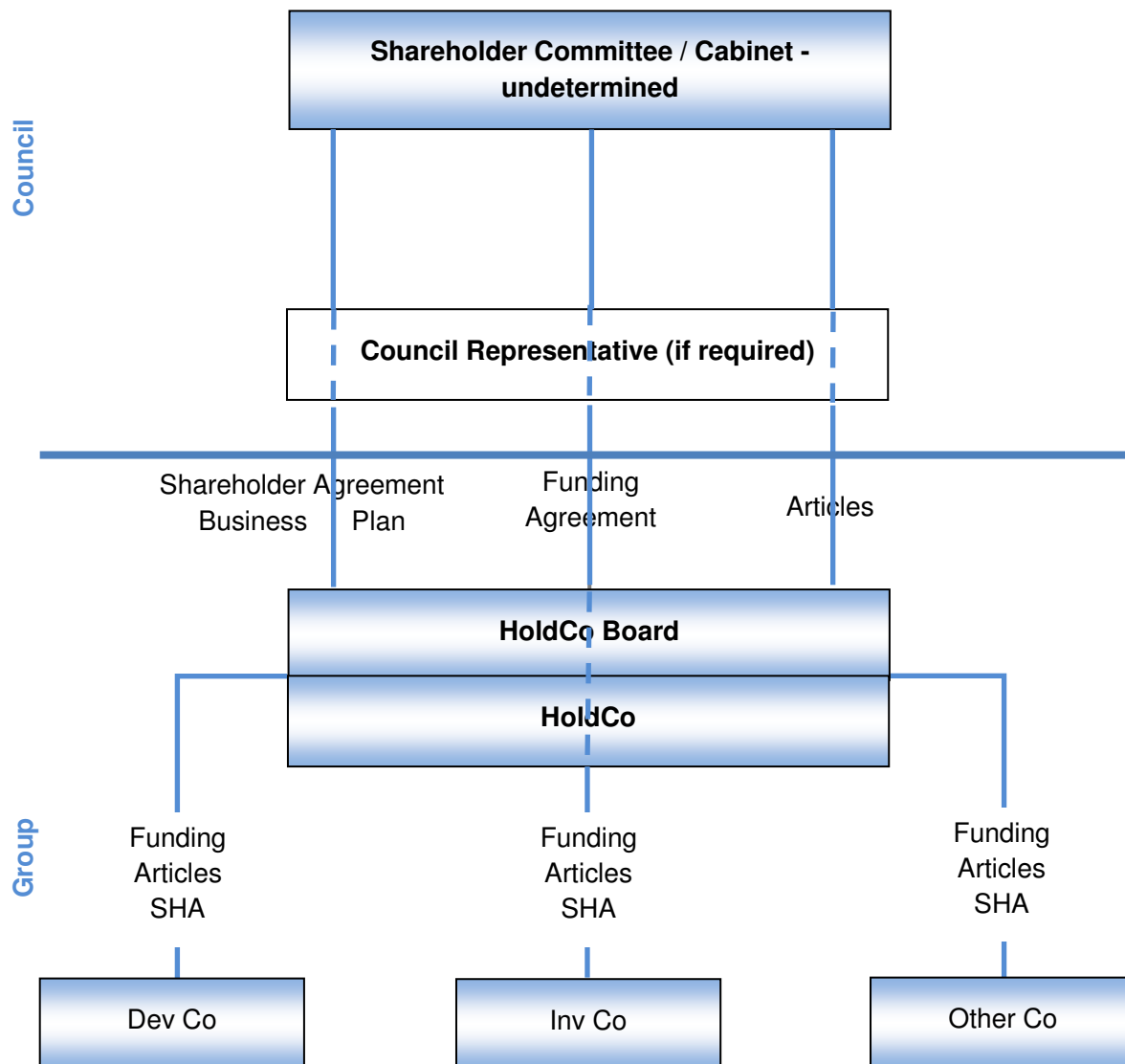
## 8 **Conclusion**

We have included some indicative next steps at Appendix 2 of the Report to highlight the decisions required to move the incorporation and assurance process along.

**Trowers & Hamlins LLP**  
**8 September 2020**

Appendix 1

High Level Governance Structure





**Appendix 2**

**Indicative next steps**

**1 Resolution on company formation – including approval of structure:**

- 1.1 HoldCo Group or single company;
- 1.2 Split of business activities per entity (if applicable).

**2 Officers consult, take advice on and decide key characteristics of companies regarding:**

- 2.1 Structured as subject to public procurement?
- 2.2 How Development will pass through the Group
- 2.3 Potential developments for the Group
- 2.4 Board structure and composition
- 2.5 Funding sources

**3 Officers to instruct production of governance documents/agreements for the Group / entity to be discussed and finalised prior to resolution on incorporation. These would include:**

- 3.1 Articles (needed prior to incorporation)
- 3.2 Governance documents, including terms of reference for any shareholder committee, conflicts of interest protocols, board member service agreement
- 3.3 Business plan(s)
- 3.4 Shareholder's Agreement
- 3.5 Funding Agreement;
- 3.6 Debenture;
- 3.7 Equity Subscription Agreement;(to ensure appropriate debt/equity split for state aid purpose)
- 3.8 Form of tenancy agreement



**Lancaster City Council**

**Outline Business Case for a  
Local Housing Company  
(LATCo or Local Authority Trading Company)**

Final Draft Report

October 2020



## 1. Executive Summary

- 1.1 Savills have been appointed by Lancaster City Council to explore the issues and opportunities around the establishment of a local housing (or local authority trading) company to deliver additional affordable housing and to establish an outline business case to deliver these ambitions, alongside improved energy sustainability.
- 1.2 We have prepared an outline business case based on the potential acquisition of properties focused in the West End of Morecambe, and the expected costs for retrofitting these to a higher standard of energy efficiency, to be let on affordable (intermediate) rents to households on the housing register. The definition of “affordable” in this context is rents at the Local Housing Allowance (ensuring that tenants would be eligible for full benefit cover for their rents, if needed).
- 1.3 The company will be able to finance the acquisition of these properties through loans borrowed from the Council; these loans would be provided for at a small premium in order to facilitate a limited annual financial return to the Council estimated to be between £9-30,000 pa in the short to medium term, depending on the loan arrangement facilities and the scale of acquisitions made by the company.
- 1.4 The modelling to support the outline business case is based on the acquisition of either 20 properties in 2 years or 50 properties in 5 years, depending on the investment standard being set for refurbishment post-acquisition. However, it is not limited as such and additional acquisitions, subject to meeting financial hurdles, could materially add to the viability of the company through the generation of economies of scale.
- 1.5 The business case is based on modelling utilising straightforward viability testing on the basis of “payback” period (by identifying when debt can be repaid at the earliest point). Based on 100% loan financing, this demonstrates an overall financially viable position with the loans taken out by the company able to be repaid within a 50-year period.
- 1.6 The payback period will be dependent on a number of factors and sensitivities around the assumptions made. A key factor is scale – a larger acquisition programme, in general, increases the financial viability of the company, and reduces the need for Council subsidy.
- 1.7 The Council will also benefit from owning shares in a company where the asset value should increase over time and provides the opportunity to sell or rent the remainder at market levels at a later stage, depending on need, demand and financial considerations.
- 1.8 The ability to own a company that can provide an annual income stream, repay loans over a reasonable payback period from assets that increase in value means the route of a LHC represents a genuine opportunity to deliver diversification in additional affordable housing.
- 1.10 The business case is based on a high level desk-based appraisal and therefore the number of and type of properties that can be acquired may vary based on a number of factors – including availability of suitable properties on the market in the location, and the staffing resources allocated by the Council to support the company to make those acquisition.
- 1.11 Provision of affordable housing in this context is exempt from State Aid rules thus allowing the Council to subsidise the company’s operations in order to enable it to become



**LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE**

established and beyond. However, appropriate tax and treasury advice should be sought in due course to ensure that the Council is sighted on the main implications.



## 2. Introduction: developing the overall business case

- 2.1 In August 2020, Savills' Affordable Housing Consultancy were appointed to produce an outline business case for a wholly owned Local Housing Company (also known within the Council as a Local Authority Trading Company or LATCo) for the acquisition of properties to let at affordable rents as an alternative to the Housing Revenue Account (HRA). This does not exclude the possibility of the Local Housing Company pursuing the acquisition of section 106 properties. Throughout this report, we use the term Local Housing Company to refer to a company established to provide affordable sub-market housing and we use it interchangeably with the term LATCo – in effect a company set up to trade in affordable housing.
- 2.2 Through initial discussions, on-line meetings and a workshop presentation with members held on 20<sup>th</sup> September 2020, we have been able to provide an outline business case in the form of this report for the Council to consider moving forward in setting up a wholly-owned LHC.

### National backdrop

- 2.3 Local authority trading and housing delivery companies are a very established route for additional housing investment and delivery, originally conceived by stock owning authorities due to the restrictions on the HRA with the primary focus on delivering affordable schemes. Research undertaken by UCL into local authority direct delivery (which was last updated July 2019 and is due to be further updated shortly) provides an excellent evidence base for the emerging companies sub-sector with the following key headlines.
- 78% of English local authorities have some form of housing company, which includes delivery of all types:
    - Development Company
    - Property Company (for private sector housing delivery)
    - Local Housing Company (for affordable housing delivery)
    - Special Purpose Vehicle and Joint Ventures with developers and other partners.
  - 23% of the 22% without a company are actively exploring the options
  - 119 new companies were established between January 2018 and July 2019, and it is likely that more than at least 20 more have been established since.

A key take-away from the research evidence is the variety and scale of tenure diversification: 43% Affordable Rent, 23% Social Rent, 10% Intermediate (sub-market), 16% Market Sale and 8% Market Rent.

- 2.4 Our experience of the rationale for councils to set up companies include the following key drivers:
- Increase housing supply – across all tenures
  - Diversify the local housing offer – making interventions in the market to stimulate or provide additional housing
  - To set (and increase) quality and design standards
  - Control and influence around what is delivered where
  - Bring forward sites that may not otherwise be brought forward by developers
  - Act as an exemplar landlord for market rent housing
  - Deliver financial returns to the council.



*The objectives for Lancaster*

2.5 The Council is engaged on a range of these objectives with a focus on bringing forward a new type of affordable housing offer which can sit alongside the traditional social rented offer in the HRA. To that end, the initial thinking is around the acquisition of properties in the open market which will then be let at affordable rents. This outline business case therefore summarises an initial high level appraisal of the following key elements of the strategy:

- A range of properties to be acquired in the West End of Morecambe
- Consideration of retrofitting them to improve energy efficiency
- The delivery strategy for the acquisitions and future growth
- How the properties will be managed and the associated operational costs
- The overall viability of the company operating these acquisitions
- Sensitivity testing against the a baseline business case
- State Aid and other associated considerations.

This report has been accompanied by initial legal advice provided by Trowers and Hamlins.

*Local Housing Company – key features*

2.6 A Local Housing Company (LHC) develops and/or acquires and then holds housing for rent in the long-term. This is typically at social, affordable, intermediate rent levels. As delivery at full market rent is a commercial as opposed to sub-market operation, this is increasingly provided under a separate company. The tenure mix can either be in one company as a whole or separate group of companies defined for each tenure type. Many authorities delivering both affordable and market rented housing elect to do so in two separate companies given the different objectives and commercial implications associated with each.

2.7 Properties for rent in the LHC would be let on ‘assured’ shorthold tenancies as they are with Registered Providers. These do not carry the Right to Buy. The Council will have a little more flexibility around tenancy conditions in a LHC but they would all need to be considered within the Council’s overall Tenancy Strategy.

2.8 There is more flexibility around the setting of rents in a LHC. The Rent Standard which controls rents within the Local Authority (HRA)/Registered Provider sector does not apply, but when looking to set rents at affordable levels the Local Housing Allowance (LHA) provides a good benchmark - plus it ensures the rent would be fully covered by Housing Benefit/Universal Credit should occupants require support for paying their rent.

2.9 LHC properties can be financed by many of the usual local authority routes:

- Borrowing could be via Public Works Loans board (PWLb) at very low current interest rates undertaken within the Prudential Code framework of the Council, on-lent to the LHC with or without a risk premium; a formal loan agreement would be established.
- The authorities’ own revenue and capital reserves, invested as “equity” into the company.

2.10 All services and funding operated by companies are required to comply with current EU State Aid rules. If properties were opted to be let at full market levels then the company would need to be established on a fully commercial basis (ensuring funding terms are the equivalent of what a private provider might be able to obtain in the marketplace – for



## LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

example, interest rates are at market levels, maximum loan to value with the associated potential for equity funding). On-lending for affordable units could be lower, including in some cases at cost (although this would prevent the Council making an 'on-lending' premium on lending into the company).

- 2.11 The LHC will incur additional overheads to enable it to operate as a separate legal entity and these have been factored into the business case. Furthermore, all costs will incur irrecoverable VAT on the delivery of landlord (i.e. VAT-exempt) services, and any profits will be liable to Corporation Tax. Again, these have been factored into the outline business case and appropriate detailed and specific tax advice sought in due course.
- 2.12 The LHC would, initially at least, appoint a managing agent to carry out management and maintenance of the properties, and this would likely be to the Council's landlord services.

Developing the overall case for Local Housing Company

- 2.13 In the table below, we have suggested a range of objectives that apply to the Council in terms of their aspirations and as to how the LHC meets these.

*Table 1: Local Housing Company vs objectives*

Objective	LHC Meets objective	Commentary
Maximise investment and generate income	Yes	The Council could benefit from small on-lending premiums, alongside asset value growth on properties not classified as affordable in perpetuity
Access funding sources	Partly	Enables potential access to Local Initiatives and growth fund (if looking to develop rather than acquire) – but not Homes England Grant
Delivery of a diversified mix to include affordable homes	Partly	Whilst this business case is based on acquisitions it does not develop new properties other than the change in tenure type
Establish an asset base of affordable homes	Yes	Tenants of the properties will not be secure tenants and will not have the right to buy
Control of tenure, density and mix	Partly	Viability of acquisitions will be a driver for this and intermediate and market rental properties could provide for cross subsidy and assist in meeting objectives for providing housing at intermediate rent levels
Sustainable design, energy efficiency build and meets demand	Partly	Dependent on scheme viability – but additionality is modelled as a scenario within this outline business case (in the form of retrofit costs)
Partnership working	Partly	Partnerships could be developed with other providers and/or developers to enable acquisitions
Making use of Council-owned land and exploring potential land acquisition	No (at this stage)	The outline business case centres on acquisitions, but it does not exclude the possibility of development on Council-owned land as an alternative to the HRA in the future

- 2.14 Advantages, disadvantages and risks through delivering through a Local Housing Company



## LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

In conjunction with the above we have identified what we see as the advantages and disadvantages (or strengths and weaknesses) of establishing a LHC in the Lancaster context and also the risks to the Council that should be considered.

Table 2: LHC advantages and disadvantages

Advantages	Disadvantages
The Council will make a small return (premium) on the loans it makes to the LHC and potential dividends they receive	There are set up costs involved. Irrecoverable VAT is payable on operating costs
Affordable units could be let at a mixture of affordable and intermediate rents	Additional running costs, board requirements and initial legal, financial and advisory costs to set up
All properties classified as affordable will be let on assured tenancies thus negating the loss of stock through Right to Buy	Potential implications for corporation tax, VAT, Stamp Duty Land Tax and State Aid
Ability to flip rent levels for properties not classified as affordable between intermediate and full market rent (subject to State Aid)	Additional administration with separate accounts required (that then possibly consolidate with the Council's)
Flexibility: rented properties could be sold or let at different rent levels at a later stage	Impact on Council being able to borrow on other projects through constraints on prudential borrowing
There is the option to have different tenures on the sites and acquisition schemes depending on the local market assessment	The Council has no experience of letting within the non-social rented sector – a new approach to allocations to be established

2.15 The table below identifies the key risks specifically associated with a Local Housing Company. These risks will only emerge once the LHC commences trading and acquisition starts. Up to that point the only risk associated with the LHC is the cost of this initial viability report and any additional specialist legal, taxation and further financial advice sought prior to establishment.

Table 3: LHC - risks

Risk	Likelihood	Measures and mitigation
The financial assumptions used to model the outputs prove to materially different in practice	Medium	The assumptions will be undertaken with external advice and are comparable with other similar products. Variations would be appraised by the LHC board for it to instigate compensatory changes elsewhere in the plan or to monitor the situation if considered marginal
Higher than anticipated acquisition costs	Low	A detailed assessment will made in terms of the purchase value, the on-costs and immediate improvements required; a set level of financial hurdles can be set in order to assess the viability before progressing
Rising interest rates	Medium	Assumed increases will be built into the business case. In periods of higher inflation and interest rises living rents would be expected to increase. Fixed rate borrowing could also be undertaken.
Tax issues have not been clearly identified and modelled	Medium	Acquisition appraisals will assume an allowance for payment of irrecoverable VAT. Advice needs to be sought as part of the set-up process to minimise future implications. Corporation Tax will be payable on annual profits





## LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

Risk	Likelihood	Measures and mitigation
A legal challenge is made with regards to State Aid	Low	Expert opinion could be sought to ensure that the terms and interest rates offered on the loans by the Council are considered reasonable; focus on affordable housing only
Properties prove difficult to let	Low	Demand through the housing register shows that this should not be problematic, particularly given affordable homes
Impact on staffing if the LHC is wound up or does not progress	Low	The LHC would not employ anyone directly and any services that could not be provided by the Council internally would be outsourced; any support from the Council would use existing resources so there are no risks to current staff
Perception and reputation	Low	The Council's role as an operator in a sector outside of social housing (including market renting if chosen to do so) would need to be considered in the context of ensuring correct branding and marketing strategy
Government intervention or adverse policy change	Low	Given the number of Local Housing Companies and being a separate legal entity this is low; Treasury guidance limited the use of on-lending to finance investment is also low as this is investment in housing and "in district"
Demand for certain tenures changes	Low	The balance of the properties, be it market rent or market sale, could be varied voluntarily for a short or medium term, though the impact to the business plan would be need to be assessed; business case is based on affordable rents only

- 2.16 Appropriate legal opinion has been sought to advise on the various structures available, the powers that can be relied upon, governance and incorporation. This outline business case is not impacted by the structure eventually chosen by the Council.

### Summary

- 2.17 The narrative above is intended to support an overall business strategy for the establishment of a Local Housing Company to deliver affordable housing at a different price point and alongside the Council's existing social rent provision in the HRA. The ways in which a company can help to meet objectives are extensive, capable of making a contribution to the delivery of housing, investment and financial returns to the Council over time, and provide a persuasive *prime facie* business case to move forward, providing the Council understands and manages the relatively low risks involved.

The remainder of the report sets out the financial and operational considerations associated with the initiative and should be seen in this overall positive context. The report is separated into sections addressing each core element of the financial business case in turn.



### 3. Acquisition Programme and Strategy

3.1 The business case is built around the acquisition of properties on the open market for letting at affordable rents levels, as discussed below.

3.2 The levels of acquisition prices have been modelled as below

*Table 4: Initial acquisition prices and ratio of bedroom sizes*

Type	Initial Value	Ratio Acquired
1 Bed Flat	£53,500	30%
2 Bed Flat	£69,000	20%
2 Bed House	£85,000	20%
3 Bed House	£106,250	20%
4 Bed House	£145,000	10%

The values have been derived from reports to the Council presented earlier this year; these have also been independently checked by colleagues at Savills. We have used an average of some the values for the purposes of modelling.

3.3 In addition, we have allowed for the following acquisition costs:

- Stamp Duty (based on pre-Covid levels) and including the 3% surcharge applicable for Buy to Let
- Legal costs of £750 per property, of which some of the costs will be external, but also provided internally by the Council
- Acquisition fees to cover any potential costs such as finders fees, valuations or other ancillary expenditure.

3.4 It is important to note that for the initial baseline position we have excluded the costs of retrofitting the properties on the basis that they are in reasonable condition. The costs and impact of retrofitting acquired properties to deliver improved energy efficiency and internal improvements is demonstrated in a separate section below.

3.5 To assess the viability of the business case we have assumed 10 properties acquired per year, based on the ratio identified in table 4 above.

3.6 The Council will need to devise an Acquisition Strategy in which to find appropriate properties within the defined area. It can draw upon its relationship with the Calico Group and other partners to support this but also engage with local estate agents.

### 4. Rent levels

4.1 As the main focus of the LHC will be to provide affordable units whilst making a small return to the Council, it is important to understand the levels of rent that could be charged.

4.2 In terms of affordable rented housing we have used the Lancaster BRMA Local Housing Allowance (LHA) Levels. The LHA is based on the 30% lower quartile for market rent levels for a wide reaching area and is inclusive of service charges, and was updated on 1<sup>st</sup> April 2020.



LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

- 4.3 The reason for applying the restriction of not exceeding the LHA is that this is deemed the maximum that either Housing Benefit or Universal Credit will cover for rental accommodation, given that the LHC will, for benefit purposes, be regarded as a private landlord (i.e. it is not a Registered Provider or local authority).
- 4.4 The Lancaster BRMA Local Housing Allowances are as follows:

*Table 5: Local Housing Allowance rent levels*

Type	Weekly	Monthly
1 Bed Flat	£96.66	£419
2 Bed Flat	£120.82	£524
2 Bed House	£120.82	£524
3 Bed House	£138.08	£598
4 Bed House	£161.10	£700

- 4.5 It should be noted that the limitation of LHA levels to a bedroom-size basis potentially restricts the relative rental values of 2-bed houses. The company will set its rents on an ongoing basis and will the board will have some flexibilities, notwithstanding an intention to hold rents at or below LHA levels for affordable housing purposes.

## 5. Management and operations

- 5.1 It is unlikely that in the first instance the LHC will recruit its own staff. We have separated the key areas of support that the LHC will require and the suggested procurement of services.

### Management and maintenance of properties

- 5.2 It is proposed that the Council's HRA Landlord Services provides the following

#### Management Service – typical requirements

- Single contact Property and Lettings Management for tenants
- Rent collection and arrears management
- Transfer of rental monies to the company
- Monthly reporting on rental and works statements
- Tenancy and repairs management.

#### Re-let service requirements

- Allocating through the Housing Register and/or any company-based allocations policy adopted in the future
- Accompanying potential tenants to viewings
- Cleaning of void properties and bringing to the appropriate lettable standard
- Organising any necessary minor or major works
- Ensure all necessary administration and eligibility checks for entering into tenancy agreement and are carried out as per contractual agreement

#### Maintenance Service requirements

- Point of contact take repair calls and arrange appointments
- Management of the life-cycle programme, recording and forecasting works that need to be undertaken through an asset register



LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

- 5.3 The annual fee payable to the managing agent (Landlord Services) could be based on a net percentage of rent collected or a fixed fee per property. Either are in widespread practice; fees would be deducted from monthly rental payments along with the cost of repairs.
- 5.4 An assumed percentage of rents to represent an amount to cover operating costs (management fee, maintenance costs and life-cycle costs) has been factored into the financial modelling for the outline business case.

Operational Costs

- 5.5 It is assumed that the Council's pool of staff will also provide additional central (overhead) support services to the company. These will include:
- Financial Services – for the production of annual accounts, upkeep of the financial systems, management accounts and liaison with the external auditors
  - Legal Services – for any tenancy issues, conveyancing, acquisition transactions
  - Communications and marketing
  - Governance and Company Secretary roles – to provide governance and associated support to the board, and to support board meetings.
- 5.6 In addition to these services, the LHC will require independent valuers for the purposes of the preparation of the annual financial statements, and an external auditor.
- 5.7 An appropriate level of annual fixed costs for these services of £20,000 has been included within the financial modelling for the outline business plan. These costs have been identified through benchmarking across the sector. In addition, we have provided for a variable charge of 3% of net rent (£200 per unit) for the supply of services directly from the Council, such as finance, legal and IT. This reflects the fact that the small-sized nature of the company (in the initial period) will mean that the full cost will not be able to be recovered; subsidising the LHC in this way until it establishes itself with a larger portfolio of properties held is supportable as the company is providing an affordable, sub-market housing.

**6. Baseline business plan and financial appraisal**

- 6.1 This outline business case is centred on presenting a viable position for the properties being acquired by the company.
- 6.2 In terms of financial outputs for the business case, we have focused on:
- The ability for the LHC to cover all operating costs including interest charges and the overall ability to reduce or repay debt
  - The annual financial return that could be provided to the Council, the growth in asset value and other one-off and financial recurring benefits.



LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

- 6.3 In order to assess this, we have used our in-house Savills business plan model designed specifically for local housing companies to project long-term cashflows and debt financing requirements. In order to do so we have made a number of additional assumptions as set out below.

LHC financing assumptions – and the impact for the Council

- 6.4 In order to finance these acquisitions the LHC would receive funding through on-lending from the Council.

Loan financing is assumed to be at a premium to the actual cost of borrowing. This is to ensure that the Council achieves an annual financial return.

We have assumed a cost of borrowing of 3.0%, which based on (discounted) current Public Work Loans Board (PWLB) interest rates of between 2.48% and 2.64%, depending on repayment mechanism for 50 years, represents a maximum premium in the region of 0.5%.

The Government has recently consulted on discounting PWLB borrowing rates further if the purpose is for housing or regeneration, but may, possibly, not be applicable to the on-lending that the Council would make as this would not be social housing.

- 6.5 The Council will need to secure independent treasury advice in respect of the financing of these loans, particularly in relation to minimum revenue provision (MRP). However, as a general rule, the following overarching principles apply:

- It is for the Council, through the section 151 officer's advice, to determine whether the application of a MRP against borrowing is prudent, and if so at what level and on what basis,
- Affordable homes delivered via Registered Providers and local authorities (4million in total nationally) are generally financed on a maturity loan basis
- This established approach is based on the allocation of rent income towards sinking funds, or cash-backed depreciation, so that appropriate provision is made within the accounts to ensure that properties can be maintained so that they continue to generate net income (i.e. do not depreciate in value)
- As rents increase, net income increases so that the value of properties increases over time, thereby obviating the need to repay debt
- In summary, if it assumed that the company allocates resources for long-term maintenance, there is no requirement within the company to repay debt; conversely, the requirement for the company to make principal repayments will draw cash from the company reducing its ability to cover its liabilities, particularly in the early years before the long-term impact of rent increases take effect.
- In effect therefore, we see the treatment as an "either/or"; either an annuity loan which can be refinanced or redrawn, or a maturity loan subject to obligations to deliver a sinking fund/cash-based depreciation, both risks placing the cashflows of the company under undue strain and would be unnecessary in the context of long-term viability.



## LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

- The approach adopted then informs the Council's decision as to whether to make MRP provision within its General Fund.

We have seen multiple different approaches to the application of financing/MRP across local authorities and companies. Our core assumption in this business case is that we allocate a suitable amount for a sinking fund (or equivalent) from the company's income and test the extent to which debt can also be covered within a target payback period. In practice, as set out above, the company would either be subject to depreciation/sinking fund, or annuity debt repayments, but not both.

- 6.6 It is not unusual for local authorities to input equity into the LHC. Whilst not a necessity for affordable housing in terms of compliance with State Aid purposes, it would be prudent if private rental market letting is ever going to be a key activity for the LHC.

#### Operating costs

- 6.7 We have used the following assumptions for costs.

*Table 6: Management and maintenance*

Assumption	Affordable
Management fee (net of VAT) based on net rent	5.0%
Re-letting fee (net of VAT) based on annual rent	Included in above
Property insurance (per property)	£200-£240
Voids	2.0%
Bad debt provision	1.0%
Initial letting-up period	20 days (40 days retrofit)
<i>Day to day / cyclical repairs (net of VAT) per annum per property</i>	
All years	£510-£540
<i>Life-cycle costs (net of VAT) per annum per property (*)</i>	
Years 11-15	£855
Years 16-20	£355
Years 21-25	£1,770
Years 26-30	£1,685
Years 31-40	£355
Years 41-50	£1,315
Resulting In Annual Sinking Fund Contribution from Yr 1	£775 (£800 retrofit)

\* These costs are derived and phased from a general life-cycle elemental replacement profile

- 6.8 In terms of overhead costs we have assumed the following annual costs.

*Table 7: Overhead) costs*

	Annual Cost (Incl. VAT)	Commentary
Council Recharges	£240	Per Unit Basis
Valuations	£600	
General Ledger	£500	
Bank Charges	£500	
Board & Secretarial	£2,500	
Insurance - Directors	£6,000	
External Audit	£8,400	
External Legal	£1,000	
Set Up Costs	£50,000	Year 1 Only

## LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

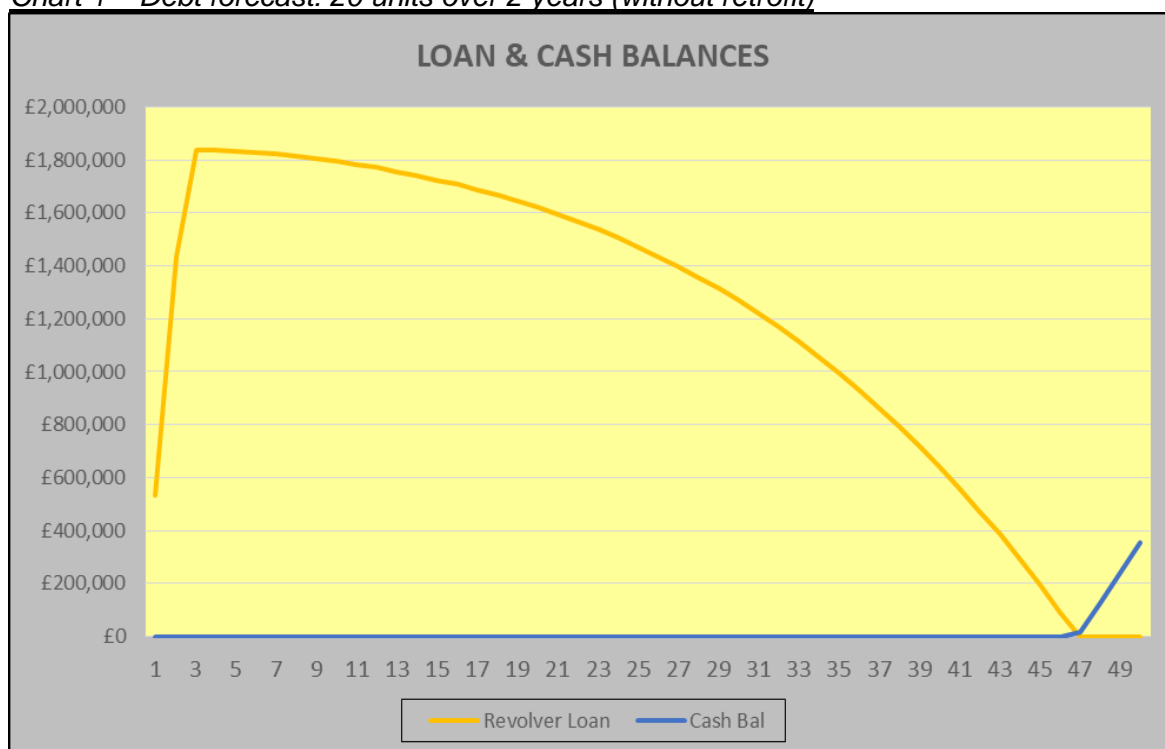
- 6.9 For future inflationary increases, we have assumed that CPI of 2.0% will apply to all income and expenditure, including acquisition costs.
- 6.10 We have assumed that Corporation Tax will be payable on all surpluses at the rate of 19%. The calculations within the model also restricts 100% of interest being included within the computation. This is on the basis that, under HMRC rules, only a maximum of £2million interest costs for inter-company borrowing is eligible for tax relief<sup>1</sup>.

Financial Viability – based on break-even forecast

- 6.11 Our approach, guided by officers, has been to determine the number of properties that are required to be purchased in order to demonstrate a financially viable position. We have assumed the acquisition of 10 properties per year, based on the assumptions set out above.

The key metric for measurement of ‘financial viability’ is the loan payback period – set in this instance at 50 years.

*Chart 1 – Debt forecast: 20 units over 2 years (without retrofit)*



The loan financing demonstrated within the baseline business case above is based on the equivalent of a Revolving Credit Facility. The underlying assumption is that loan drawdowns are taken when additional cash is required, and surplus cash is used to repay loans as and when they it is available (this is in contrast to a defined annuity-style repayment period) and helps to demonstrate the *capability* of the business to repay its debts.

<sup>1</sup> This is a consequence of rules established for corporate sector which, according to advice from PwC provided to ourselves, also de facto applies to a local authority company context, although almost certainly unintended





LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

Given that there is no defined mechanism for repayment, the outline business case provides for a sinking fund provision for future major/life-cycle works.

The number of acquisitions assumed is a total **20** properties purchased over a **2 year** period.

Borrowing peaks at **£1.839million** at the completion of the acquisitions. Loan balances are able to be fully repaid by **year 47** of the plan, which is within 50 years of the final acquisition.

As cash is fully utilised in the repayment of debt in this appraisal for viability, there is no provision for dividend payments. Dividend payments could be made from profits after tax, retention of earnings and distribution to the Council (as shareholder) would reduce the cash available to repay lending – the use of surpluses will be a decision for the company’s board in the light of the requirements within the Shareholders Agreement and the loan facility/lending agreements between the Council and the company.

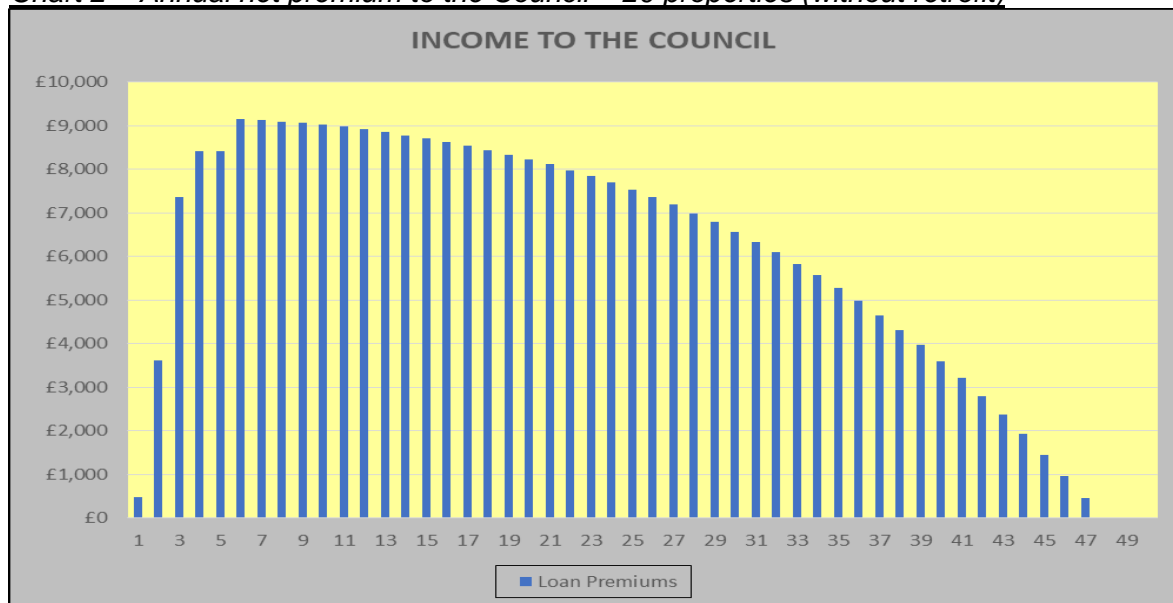
The cash balances that accrue towards the end of the plan could be utilised, however, to make dividend payments.

Baseline plan – benefits to the Council

6.12 A key financial benefit to the Council for progressing with a LHC is the premium earned from the difference of the costs of borrowing and the on-lending rate to the company. As detailed in section 6.4 this premium is modelled in the region of 0.5% per annum though this will be a matter for the Council and the company’s board on an ongoing basis.

On this assumption, the annual benefit to the Council is shown below in chart 2 and the opportunity to grow asset values in a subsidiary in chart 3.

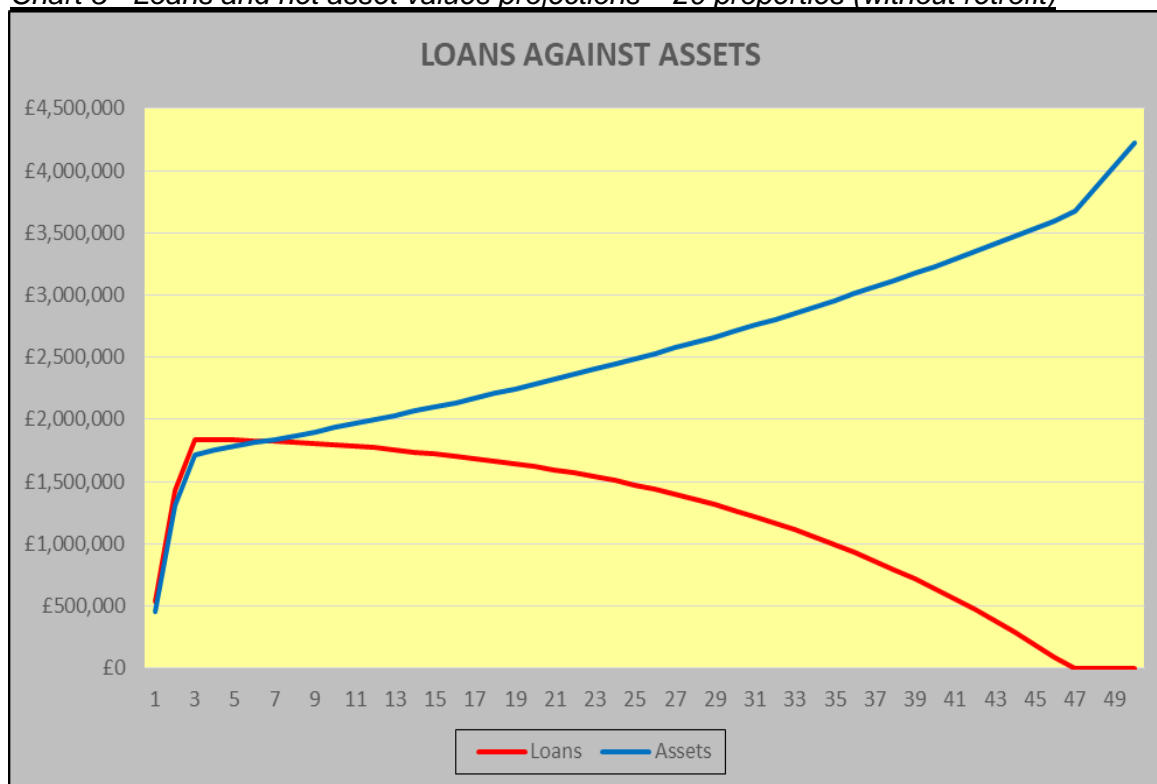
*Chart 2 – Annual net premium to the Council – 20 properties (without retrofit)*



This demonstrates that in the peak years the premium on the on-lent loans is c£9,000 pa for the short to medium term.



*Chart 3 - Loans and net asset values projections – 20 properties (without retrofit)*



This chart shows that the value of the assets increases over time in addition to providing an annual return through premiums within the interest charges made to the company detailed above. In the early years the loan balances will be greater than the asset values on account of the initial acquisition on-costs.

At any time, the company could elect to dispose of assets to take advantage of valuation in the market and any gains could be distributed to the Council as shareholder. The asset value is also presented net of any tax liabilities from future increases in value and also cash balances created towards the end of the plan.

- 6.13 The Council will also benefit from an increase, particularly with the initial scheme being considered in Morecambe, of affordable housing in which to nominate from the Housing Register, potentially saving on residential costs elsewhere.
- 6.14 Whilst in sections 6.11 and 6.12 we have discussed that dividends have not been modelled into the current appraisal, it is possible that if finances allow through higher future net rental income, that dividends could be payable from surplus cash not needed for debt repayment (which would be subject to tax on profits).
- 6.15 Finally, there is the opportunity, if capacity allows, for some of the recharges provided for in the estimates for overhead costs to provide an additional benefit to the Council. As this stage we are unable to estimate this value.



LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

Summary: baseline business plan without retrofit

- 6.16 On the basis of the assumptions used, for the acquisition of 20 properties in a 2-year period, our initial high-level appraisal demonstrates the LHC provides for a viable position in that the loan financing could be covered within a 50 year payback period (assuming operations commence at final completion of the acquisition phase), whilst making a small financial return to the Council, all properties being let at affordable rent levels and other potential ancillary financial benefits.

**7. Addition of retrofit costs**

- 7.1 The most recent planning Green Paper, issued in August 2020, seeks through design and sustainability to ensure that energy efficiency standards are improved. In January 2019 Lancaster City Council declared a climate emergency with the aim to make its own operations carbon neutral by 2030.
- 7.2 The baseline modelling assumes no works provided to achieve this target and therefore we have modelled a scenario that shows the impact of increasing energy efficiency. This scenario provides for an additional provision of £30-40,000/property, depending on size, as an appropriate level of investment for retrofitting the acquired properties.
- 7.3 We have assumed that there is no additional Government support towards improving homes to this higher energy efficiency standard, although it could be anticipated that the market value would increase on account of the investment and resulting lower energy costs to residents. Therefore, for modelling purposes, we have assumed a 10% increase in market value post retrofit.
- 7.4 The graph below shows the impact on the LHC's viability when introducing these additional costs.

It is noted that with the addition of these costs, the plan to limit delivery to 20 homes over a 2 year period would lead to a longer payback period than 50 years, although the asset valuation growth against loan projection remains positive.

Therefore, in order to maintain a viable projection, we have re-engineered the projection to provide for a larger number of acquisitions – 50 over a 5 year period. this increases viability as the business is larger and able to better recover overheads.

Charts 4 and 5 below set out the loan and asset valuation forecasts in this scenario.



Chart 4 – Debt forecast: 50 units over 5 years (with retrofit)

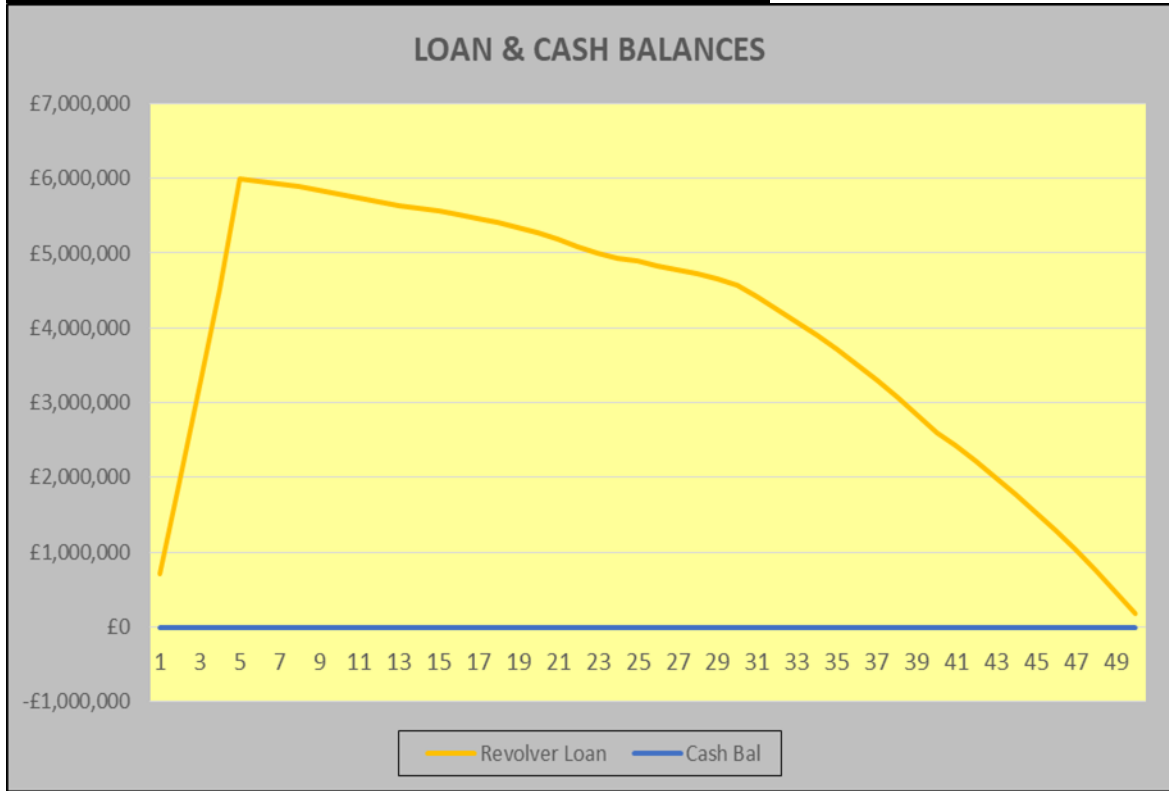
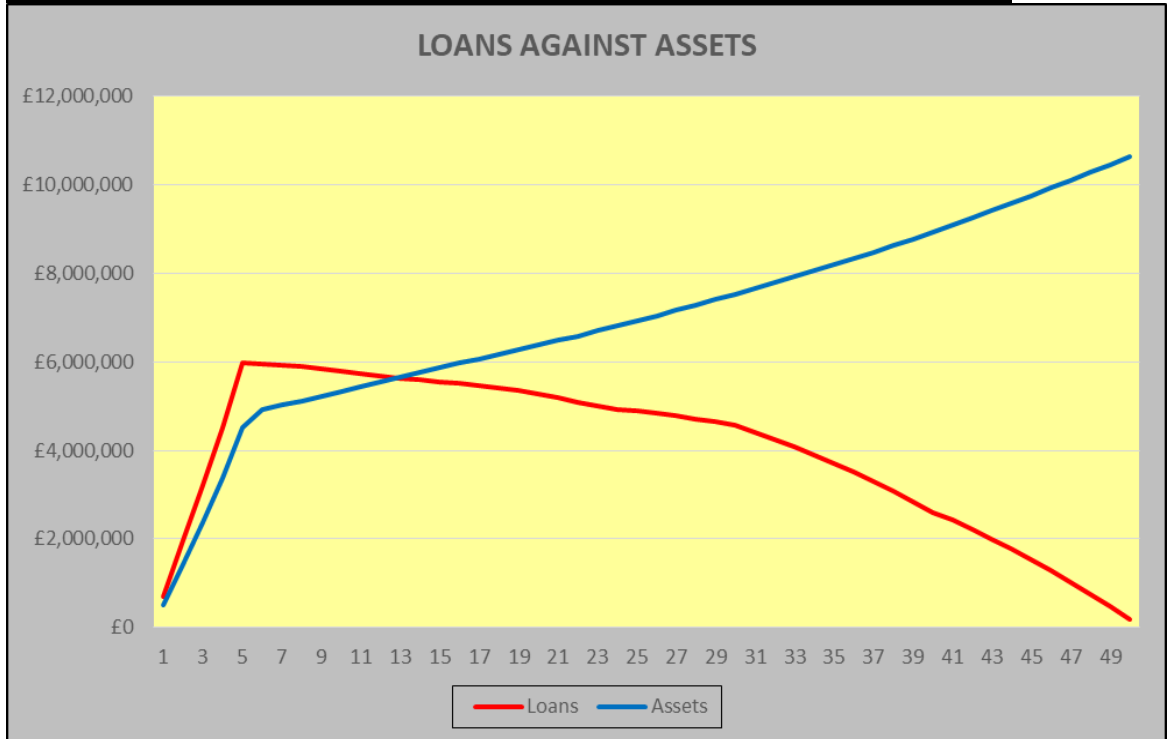


Chart 5 - Loans and net asset values projections – 50 properties (with retrofit)





This demonstrates the impact of a larger asset value holding:

- Longer term viability is improved
- Retrofit costs as assumed are able to be sustained
- In the early years, however, loans exceed net values – this suggests that the company would need to commit to holding for an extended time reducing initial flexibility.

7.5 The peak borrowing is projected to be **£5.995million** but will increase the interest premium that the Council will receive to **£30,000** pa.

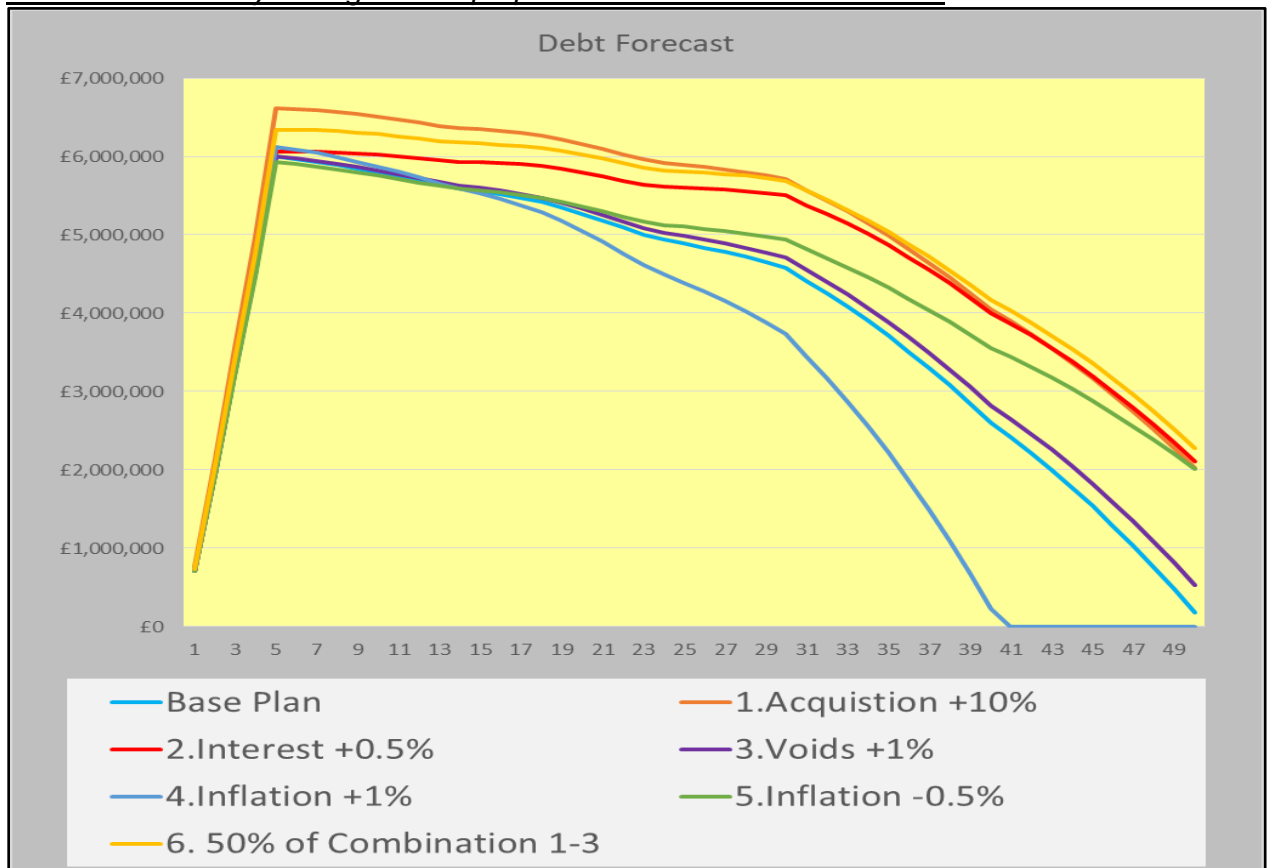
7.6 We have provided the projected financial statements for the company for each year at the appendix based on the scenario with retrofit and acquisition of 50 properties over 5 years.

**8. Sensitivity Testing**

8.1 There are many factors that could influence the viability of the LHC business case and we have modelled a few to show the impact to the baseline position in the chart below.

We have modelled the potential implications of changes in some of the key assumptions and set out the results in the chart below: interest rates, void rates, acquisition costs and inflation.

*Chart 6 – Sensitivity testing with 50 properties and retrofit costs included*





LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE

- 8.2 The company will need to adopt a Risk Register and risk management strategy in line with the main risks in the business plan and the requirements of the Council as shareholder. For example, in identifying the above risks to the financial viability of the plan, the company might be expected to adopt the following:
- Interest rate risk controlled by taking out long term fixed rate loan facilities with the Council
  - Void risks – offering affordable housing from an extensive housing register
  - Acquisition costs – setting key parameters for acquisitions
  - Inflation – managing this through regularly reviewing the implications of changes in economic conditions.

**9. State Aid considerations**

- 9.1 If the Council provides financial assistance to the LHC by providing below market rate funding, then this may constitute State Aid. Generally, this is straightforward for the provision of affordable housing – however we have set out a brief commentary below for completeness.
- 9.2 The legal requirements of State Aid and what constitutes State Aid is set out in the Treaty of the Functioning of the European Union (TFEU) at Article 107(1). State Aid arises if it:
- amounts to a grant of public money or a transfer of public resources;
  - favours certain undertakings;
  - distorts or threatens to distort competition in the EU; and
  - affects trade between the Member States.
- 9.3 It remains of course to be seen whether and in what form State Aid survives the current transitional Brexit process.
- 9.4 Funding can fall outside of the State Aid regime where the Council is acting in a way that a private lender and/or investor would in similar circumstances in a market economy – this is known as the Market Economy Investor Principle (MEIP).
- 9.5 The terms of a MEIP compliant loan must be commercial in nature and contain provisions which a private lender would require (regular payment, default, security over assets and similar terms). Such a loan would have a commercial interest rate which properly reflects the risk, security and other factors which a private/commercial lender would take into account.
- 9.6 There is an exemption from State Aid for services of a "general economic interest" and therefore, if properties are developed or acquired for letting as social/affordable housing, this would allow the Council to provide funding other than on market terms to the LHC. Where different tenures are being developed on a site, it may be possible to "split" the site so that funding can be provided on market / non-market terms as is appropriate for each tenure being funded, as modelled within this business case.
- 9.7 If the Council and LHC, or other company established, in future wished to provide market/commercial services, we would recommend that once the type of funding is decided by the Council, advice is obtained which confirms that the interest rate applied is consistent

**LOCAL HOUSING COMPANY (LATCO): OUTLINE BUSINESS CASE**

with the rate a private lender would require in the same circumstances (and that the other elements of the loan comply with the terms a private lender is likely to require).

- 9.8 If the Council or company wishes to expand delivery in future beyond affordable housing to market/commercial housing (sale or rent), we would recommend that detailed State Aid advice is sought at the appropriate time.

**10. Summary**

- 10.1 This outline business case based on the high level assumptions used for acquisitions and operations demonstrates that 50 properties collectively modelled with retrofit costs acquired over a 5 year period, can provide for a viable business plan. This is based on modelling utilising straightforward viability testing on the basis of payback period (by identifying when debt can repaid at the earliest point).
- 10.2 The LHC is not bound to deliver 100% affordable housing as modelled within the baseline position, as there are no obligations for these acquisitions. Therefore, the company and the Council could flexibly consider alternative courses of action should financial or operational viability come under pressure.
- 10.3 The modelling to support the outline business case is based on the acquisition of either 20 properties in 2 years or 50 properties in 5 years, depending on the investment standard being set for refurbishment post-acquisition. However, it is not limited as such and additional acquisitions, subject to meeting financial hurdles, could materially add to the viability of the company through the generation of economies of scale.

Steve Partridge and Simon Smith  
Savills  
October 2020



## Appendix 2 – Financial Statements – Balance Sheet – 50 Properties with Retrofit

Balance Sheet	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15	Yr 16	Yr 17
<b>Fixed Assets</b>																	
Properties	£499,275	£1,419,662	£2,376,664	£3,371,378	£4,520,751	£4,927,237	£5,025,781	£5,126,297	£5,228,823	£5,333,399	£5,440,067	£5,548,869	£5,659,846	£5,773,043	£5,888,504	£6,006,274	£6,126,399
	£499,275	£1,419,662	£2,376,664	£3,371,378	£4,520,751	£4,927,237	£5,025,781	£5,126,297	£5,228,823	£5,333,399	£5,440,067	£5,548,869	£5,659,846	£5,773,043	£5,888,504	£6,006,274	£6,126,399
<b>Current Assets</b>																	
Trade Debtors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cash and Equivalents	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Current Liabilities</b>																	
Trade Creditors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Deferred Taxation for Revaluation	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£6,482	£28,858	£51,682
Taxation for Trading Activities	£0	£0	£0	£0	£0	£0	£0	£0	£0	£(2,557)	£(9,902)	£(11,048)	£(12,204)	£(12,171)	£(10,840)	£(8,871)	£(9,891)
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£(2,557)	£(9,902)	£(11,048)	£(12,204)	£(12,171)	£(10,840)	£(15,353)	£(38,749)
<b>Total Assets less Current Liabilities</b>	£499,275	£1,419,662	£2,376,664	£3,371,378	£4,520,751	£4,927,237	£5,025,781	£5,126,297	£5,226,265	£5,323,498	£5,429,019	£5,536,664	£5,647,675	£5,762,203	£5,873,150	£5,967,525	£6,064,551
<b>Long-Term Liabilities</b>																	
Amounts owed to Group Undertakings	£(705,397)	£(1,957,395)	£(3,228,197)	£(4,511,900)	£(5,994,564)	£(5,964,030)	£(5,928,322)	£(5,887,197)	£(5,840,928)	£(5,791,371)	£(5,743,124)	£(5,689,939)	£(5,638,083)	£(5,593,203)	£(5,557,351)	£(5,514,165)	£(5,470,549)
<b>NET LIABILITIES</b>	£(206,122)	£(537,734)	£(851,533)	£(1,140,522)	£(1,473,813)	£(1,036,793)	£(902,540)	£(760,900)	£(614,662)	£(467,873)	£(314,105)	£(153,274)	£9,592	£169,000	£315,799	£453,360	£594,002
<b>Capital and Reserves</b>																	
Retained Earnings (Profit & Loss Acc)	£(206,122)	£(537,734)	£(851,533)	£(1,140,522)	£(1,473,813)	£(1,036,793)	£(902,540)	£(760,900)	£(614,662)	£(467,873)	£(314,105)	£(153,274)	£9,592	£169,000	£315,799	£453,360	£594,002
<b>SHAREHOLDER FUNDS</b>	£(206,122)	£(537,734)	£(851,533)	£(1,140,522)	£(1,473,813)	£(1,036,793)	£(902,540)	£(760,900)	£(614,662)	£(467,873)	£(314,105)	£(153,274)	£9,592	£169,000	£315,799	£453,360	£594,002

Balance Sheet	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51	2051.52	2052.53	2053.54
	Yr 18	Yr 19	Yr 20	Yr 21	Yr 22	Yr 23	Yr 24	Yr 25	Yr 26	Yr 27	Yr 28	Yr 29	Yr 30	Yr 31	Yr 32	Yr 33	Yr 34
<b>Fixed Assets</b>																	
Properties	£6,248,927	£6,373,906	£6,501,384	£6,631,412	£6,764,040	£6,899,321	£7,037,307	£7,178,053	£7,321,614	£7,468,047	£7,617,408	£7,769,756	£7,925,151	£8,083,654	£8,245,327	£8,410,234	£8,578,438
	£6,248,927	£6,373,906	£6,501,384	£6,631,412	£6,764,040	£6,899,321	£7,037,307	£7,178,053	£7,321,614	£7,468,047	£7,617,408	£7,769,756	£7,925,151	£8,083,654	£8,245,327	£8,410,234	£8,578,438
<b>Current Assets</b>																	
Trade Debtors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cash and Equivalents	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Current Liabilities</b>																	
Trade Creditors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Deferred Taxation for Revaluation	£(74,962)	£(98,708)	£(122,929)	£(147,635)	£(172,834)	£(198,537)	£(224,755)	£(251,496)	£(278,773)	£(306,595)	£(334,974)	£(363,920)	£(393,445)	£(423,561)	£(454,278)	£(485,611)	£(517,570)
Taxation for Trading Activities	£(12,045)	£(14,841)	£(18,125)	£(19,557)	£(21,551)	£(20,611)	£(17,006)	£(12,075)	£(13,144)	£(12,669)	£(13,940)	£(15,441)	£(17,076)	£(34,995)	£(37,169)	£(39,331)	£(41,570)
	£(87,008)	£(113,550)	£(141,054)	£(167,191)	£(194,384)	£(219,148)	£(241,760)	£(263,571)	£(291,917)	£(319,264)	£(348,914)	£(379,361)	£(410,521)	£(458,555)	£(491,447)	£(524,941)	£(559,139)
<b>Total Assets less Current Liabilities</b>	£6,161,920	£6,260,356	£6,360,330	£6,464,220	£6,569,656	£6,680,173	£6,795,547	£6,914,482	£7,029,697	£7,148,783	£7,268,494	£7,390,395	£7,514,630	£7,625,098	£7,753,879	£7,885,292	£8,019,299
<b>Long-Term Liabilities</b>																	
Amounts owed to Group Undertakings	£(5,417,320)	£(5,351,254)	£(5,270,700)	£(5,185,895)	£(5,092,028)	£(5,005,099)	£(4,936,206)	£(4,889,659)	£(4,832,553)	£(4,779,020)	£(4,718,318)	£(4,650,992)	£(4,576,558)	£(4,409,451)	£(4,248,819)	£(4,078,984)	£(3,899,526)
<b>NET LIABILITIES</b>	£(744,599)	£(909,102)	£(1,089,630)	£(1,278,326)	£(1,477,628)	£(1,675,073)	£(1,859,341)	£(2,024,823)	£(2,197,144)	£(2,369,763)	£(2,550,175)	£(2,739,403)	£(2,938,071)	£(3,215,648)	£(3,505,061)	£(3,806,308)	£(4,119,773)
<b>Capital and Reserves</b>																	
Retained Earnings (Profit & Loss Acc)	£744,599	£909,102	£1,089,630	£1,278,326	£1,477,628	£1,675,073	£1,859,341	£2,024,823	£2,197,144	£2,369,763	£2,550,175	£2,739,403	£2,938,071	£3,215,648	£3,505,061	£3,806,308	£4,119,773
<b>SHAREHOLDER FUNDS</b>	£744,599	£909,102	£1,089,630	£1,278,326	£1,477,628	£1,675,073	£1,859,341	£2,024,823	£2,197,144	£2,369,763	£2,550,175	£2,739,403	£2,938,071	£3,215,648	£3,505,061	£3,806,308	£4,119,773

Balance Sheet	2054.55	2055.56	2056.57	2057.58	2058.59	2059.60	2060.61	2061.62	2062.63	2063.64	2064.65	2065.66	2066.67	2067.68	2068.69	2069.70
	Yr 35	Yr 36	Yr 37	Yr 38	Yr 39	Yr 40	Yr 41	Yr 42	Yr 43	Yr 44	Yr 45	Yr 46	Yr 47	Yr 48	Yr 49	Yr 50
<b>Fixed Assets</b>																
Properties	£8,750,007	£8,925,007	£9,103,507	£9,285,577	£9,471,289	£9,660,715	£9,853,929	£10,051,008	£10,252,028	£10,457,068	£10,666,210	£10,879,534	£11,097,125	£11,319,067	£11,545,448	£11,776,357
	£8,750,007	£8,925,007	£9,103,507	£9,285,577	£9,471,289	£9,660,715	£9,853,929	£10,051,008	£10,252,028	£10,457,068	£10,666,210	£10,879,534	£11,097,125	£11,319,067	£11,545,448	£11,776,357
<b>Current Assets</b>																
Trade Debtors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Cash and Equivalents	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Current Liabilities</b>																
Trade Creditors	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Deferred Taxation for Revaluation	£(550,168)	£(583,418)	£(617,333)	£(651,926)	£(687,211)	£(723,202)	£(759,913)	£(797,358)	£(835,552)	£(874,509)	£(914,246)	£(954,778)	£(996,120)	£(1,038,289)	£(1,081,301)	£(1,125,174)
Taxation for Trading Activities	£(43,889)	£(46,291)	£(48,778)	£(51,354)	£(54,020)	£(56,779)	£(59,560)	£(62,469)	£(65,508)	£(68,691)	£(71,929)	£(75,323)	£(78,878)	£(82,597)	£(86,478)	£(90,520)
	£(594,057)	£(629,709)	£(666,111)	£(703,280)	£(741,231)	£(779,981)	£(805,073)	£(844,749)	£(885,331)	£(926,760)	£(969,054)	£(1,012,230)	£(1,056,308)	£(1,101,307)	£(1,147,245)	£(1,194,142)
<b>Total Assets less Current Liabilities</b>	£8,155,950	£8,295,298	£8,437,396	£8,582,298	£8,730,058	£8,880,734	£9,048,856	£9,206,259	£9,366,697	£9,530,308	£9,697,156	£9,867,304	£10,040,816	£10,217,760	£10,398,204	£10,582,215
<b>Long-Term Liabilities</b>																
Amounts owed to Group Undertakings	£(3,710,101)	£(3,510,352)	£(3,299,914)	£(3,078,410)	£(2,845,450)	£(2,600,634)	£(2,419,726)	£(2,215,459)	£(2,000,853)	£(1,775,629)	£(1,539,418)	£(1,291,844)	£(1,032,516)	£(761,033)	£(476,982)	£(179,936)
<b>NET LIABILITIES</b>	£4,445,850	£4,784,946	£5,137,482	£5,503,888	£5,884,608	£6,280,100	£6,629,130	£6,990,800	£7,365,844	£7,754,680	£8,157,738	£8,575,460	£9,008,301	£9,456,728	£9,921,222	£10,402,279
<b>Capital and Reserves</b>																
Retained Earnings (Profit & Loss Acc)	£4,445,850	£4,784,946	£5,137,482	£5,503,888	£5,884,608	£6,280,100	£6,629,130	£6,990,800	£7,365,844	£7,754,680	£8,157,738	£8,575,460	£9,008,301	£9,456,728	£9,921,222	£10,402,279
<b>SHAREHOLDER FUNDS</b>	£4,445,850	£4,784,946	£5,137,482	£5,503,888	£5,884,608	£6,280,100	£6,629,130	£6,990,800	£7,365,844	£7,754,680	£8,157,738	£8,575,460	£9,008,301	£9,456,728	£9,921,222	£10,402,279





# Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

**Service**

## Title of policy, service, function, project or strategy

**Type of policy, service, function, project or strategy:** Existing  New/Proposed

**Lead Officer**

## People involved with completing the EIA

### Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

Q2.

Who is intended to benefit? Who will it have a detrimental effect on and how?

### Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

# Equality Impact Assessment

A cross party member group was set up in September 2019 as a lead into preparation of the strategy. Capital Strategy Group were consulted at their meeting in June 2020. Specialist reports have been provided by Trowers and Savills setting out the legal and financial implications and potential benefits of setting up the LATCo to drive forward housing delivery.

## Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

<b>Age:</b> Positive. The LATCo will positively contribute to a blend of borrowing that will allow the council to deliver its identified priorities including extra care housing for older people
<b>Disability:</b> Positive. The LATCo should contribute towards increasing the provision of specialist/accessible housing
<b>Faith, Religion or Belief:</b> It is not expected that the strategy will adversely affect these groups and could have positive impacts through supporting groups through increasing the choice of housing available locally.
<b>Gender including Marriage, Pregnancy and Maternity:</b> No impact
<b>Gender Reassignment:</b> No adverse impact expected
<b>Race:</b> No adverse impact expected although continued dialogue with BAME is needed to explore potential for positive impact.
<b>Sexual Orientation including Civic Partnership:</b> should be positive by increasing the choice of housing available locally.
<b>Rural Communities:</b> The main schemes initially identified are in urban locations, but this is not to say that rural sites would not be considered in the future and where a housing need is identified

## Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

No group will be directly or indirectly discriminated against - the LATCo will seek to increase the choice and quality of housing available to all groups.

Q7. Do you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

The report recommends the commissioning of further specialist Legal Advice to set up the LATCo.

## Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

A cross party member group was established in September 2019 to commence the formulation of the new Homes Strategy and identify the key priorities. Capital Strategy Group were also consulted prior to seeking endorsement from Cabinet. An initial report was presented to Cabinet in July setting out the key priorities and actions, with a further approval required to approve the draft document.

Q9.  
If  
you

are not in a position to go ahead, what actions are you going to take?

# Equality Impact Assessment

Click here to enter text.

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

The Governance Arrangements will be agreed as next steps if the report is approved. A Stakeholder Committee (made up of elected members) may be set up for monitoring and scrutiny.



**BID** | LANCASTER  
BUSINESS  
IMPROVEMENT  
DISTRICT

Business Plan Third Term

 [www.lancasterbid.org](http://www.lancasterbid.org)

 LancasterBID

 Lancaster\_BID

 Lancaster\_BID



# LOVE HIGH STREET. LOVE LANCASTER





# Mission Statement

Since 2012 Lancaster BID has aimed to be a driving force of economic, cultural and social development in Lancaster.

Lancaster BID’s mission is to facilitate economic growth and utilise resources efficiently. The city’s revitalisation will be achieved through increased marketing and visibility to locals and visitors alike, continuing to build key partnerships, helping to keep the streets safe and clean, improving and renewing infrastructure and focussing on developing local business support. Through these outlets we aim to build a city which attracts a wide audience to visit, live, work and do business.

The last year has presented challenges for the majority of businesses, **making high quality support from Lancaster BID more important than ever.** The BID team reacted fast to ever changing circumstances to ensure businesses had all the information they needed along with practical support to enable prompt safe reopening. Feedback from businesses has confirmed how supported they felt.

New initiatives, introduced as lockdown eased, have helped encourage visitors safely back into the city centre. Lancaster BID has become established in a pivotal role which is more vital than ever to continue delivering a strong recovery for Lancaster city centre. **VOTE YES TO BID in 2021** to ensure the strong voice for local businesses is maintained.

**Nick Wilkinson,**  
Chair, Lancaster BID

# Table of Contents

01 PAGE TITLE GOES HERE

01 PAGE TITLE GOES HERE

01 PAGE TITLE GOES HERE

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01 PAGE TITLE GOES HERE

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During the second term Lancaster BID has become even more established as a key player in supporting businesses to thrive in Lancaster city centre.

The team have excelled in delivering on the key BID objectives to market the city, deliver flagship events, make improvements to the city centre and drive footfall to support city centre businesses. Our flagship Dino Day, Festa Italia and Christmas Lights Switch On have grown to become key dates in the city centre calendar.

2020 has been uniquely challenging for businesses everywhere and Lancaster

BID has responded fast to ever changing circumstances to support city centre businesses to survive. Throughout lockdown we continued to be available, communicating important updates more frequently through our newsletter and ensuring city centre businesses were supported to access grants. We provided counter screens and floor markers to support businesses to safely reopen and launched Loyal Free to provide FREE marketing to draw customers safely back into the city centre. We also recruited a BID Warden to provide a visible presence in the city centre and help reduce levels of antisocial behaviour and shoplifting. Strong partnerships with the Police and

City Council have been developed to support this aim.

All this has only been possible because the city centre businesses voted YES TO BID in 2012 and 2015. As we come to the end of the current five year term, we are now asking you to **VOTE YES** again to ensure we can continue to build on this work and continue to help Lancaster city centre remain a great place to visit, live, work and do business.

# What is a BID?

A Business Improvement District (BID) is a **business-led** and **business-funded** body formed to improve a defined commercial area.

Within the defined area a levy is charged on all business rate payers in addition to the business rates bill other than any exceptions defined within the individual BID rules. This levy is used to develop projects which will benefit businesses in the local area.

There is no limit on what projects or services can be provided through a BID. The only requirement is that it should be something that is in addition to services provided by local authorities.

Improvements may include, but are not limited to, events programmes, extra safety/security, cleansing and environmental measures.

BIDs were introduced in the UK in 2005 and have become a great success as businesses see the benefit of taking greater control of delivering a business plan to drive footfall into their own commercial district. There are now about 300 BIDs across the UK.

Lancaster BID was established in April 2013 and plans for a third BID term of five years commencing April 1st 2021.







# Our Story so Far

Lancaster BID started in April 2013 and is now coming to the end of the second term. During this time the BID has achieved a significant positive impact in Lancaster city centre.

We have delivered high quality events and festivals to draw people into the city centre, made physical improvements to make the city centre more attractive, worked in partnership to improve city centre security and acted as a voice for businesses across the city to make sure your voice is heard.

Circumstances have obviously been very challenging this year and Lancaster BID reacted quickly to the ever changing needs of local businesses. BID staff remained available throughout lockdown and continued to deliver vital information and support to businesses across the city centre. This included circulation of crucial updates and working hard to ensure local businesses quickly accessed the Government grant funding which was available to them.

BID also distributed free Perspex screens and floor markers to numerous smaller businesses to help ensure they could safely reopen.

Alongside this the Lancaster BID team were busy planning ahead for longer term initiatives to ensure the city centre returned to being a hive of activity as soon as people could safely venture out again. A Love Local, Love Lancaster campaign was developed alongside partnering with LoyalFree to launch their App in the city. The newly appointed Lancaster BID Warden also took to the streets to help improve safety in the city centre.

Surveys of businesses across the city centre were conducted both before and after lockdown to ensure key priorities were correctly identified. The survey highlighted Marketing the city as a destination as the top priority from businesses. Other key priorities were making physical improvements to make the city more attractive, helping

to tackle antisocial behaviour, and work with others to deliver a year round programme of events.

Information from local businesses is has been key to developing our proposed delivery plan for the next five years. We now need you to **VOTE YES TO LANCASTER BID** to ensure this can happen and the city centre can continue to deliver benefits across the whole city centre.

From the outset the success of Lancaster BID has been entirely down to the support from you – the businesses who pay a BID levy throughout the city centre. Without your support none of the achievements of Lancaster BID would have been possible.

**VOTE YES TO LANCASTER BID**  
for another five years.



# Meet the Team



**Tony Johnson**

Lancaster BID Manager  
bidmanager@lancasterbid.org



**Tom Fyson**

BID Development Manager  
info@lancasterbid.org



**Victoria Muir**

Marketing & Events Assistant  
marketing@lancasterbid.org

**Of course nothing Lancaster BID achieves would be possible without the support and involvement of so many of our city centre businesses who give up their time to get involved in the BID Management Board and thematic sub groups.**

The Management Board provide the strategic direction for Lancaster BID and help to monitor progress to deliver our priorities to ensure the greatest benefits to all businesses across the city centre. Engagement of a wide variety of businesses is critical to ensure the BID priorities are relevant across all sectors.

The businesses and organisations below showcase just some of the many who have been involved in Lancaster BID over the past five years.



BRIGHTER BANKING FROM CUMBRIA



Lancaster & Morecambe College





# Finances



Lancaster BID is a not for profit registered company with audited accounts to ensure that every penny of your BID levy provides maximum benefit to the city centre. The BID team work hard to attract additional income to add even more value to your levy and deliver stronger benefits for all businesses in the city centre.

**“90% of all income has been spent on delivering Lancaster BID’s primary objectives. Just 10% has been spent on administration and overheads.”**

## Financial summary for second BID term

Total BID Levy income	£1,073,227
Additional Income Secured	£565,682
Carry forward from Previous BID term	£23,991
<b>Total investment secured for Lancaster City Centre</b>	<b>£1,662,900</b>

Project Deliver Expenditure	£1,489,862
Administration & Overheads Costs	£165,002
<b>Total Expenditure</b>	<b>£1,654,864</b>

\* figures include projected income and expenditure for 2020/21

## Additional Funding Highlights

4 Arts Council Grants for Light Up Lancaster totalling **£352,500**

2 National Grid grants towards Christmas totalling **£28,500**

**“Additional income added 52.7% to the value of the levy collection during the 5 year term. This exceeded the predictions in our business plan by an impressive £390,000”**

## In Kind and Leveraged Funding

Lancaster BID also generates significant additional value for the city centre through leveraged funding in partnership with other organisations and in kind support through donations of goods and services. Highlights include:

Supporting Lancaster City Council to secure **£1.15m for the High Street Heritage Action Zone**

**Over £40,000 FREE advertising** on buses, radio and print



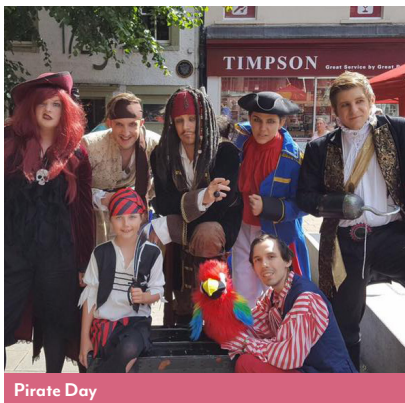
# Lancaster BID Events

Lancaster BID has delivered an extensive programme of high profile events across the city centre.

Significant annual highlights include Dino Day, Festa Italia, Reindeer Day and Christmas Lights Switch On.

The events are targeted at varying age ranges and are designed to drive footfall into the city centre.

Other successes of the past five years include the Coke Truck, Easter events, Pirate Day and Student Shopping Night.



Pirate Day

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Dino-Day

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Lancaster Festa Italia

“Festa Italia boosted city centre footfall by **over 50%** in 2019”

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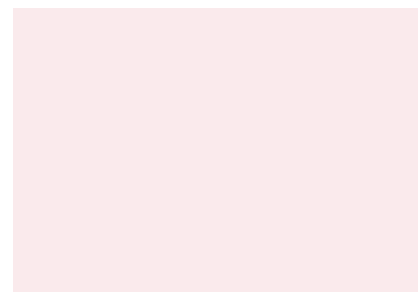


Ambassador Awards

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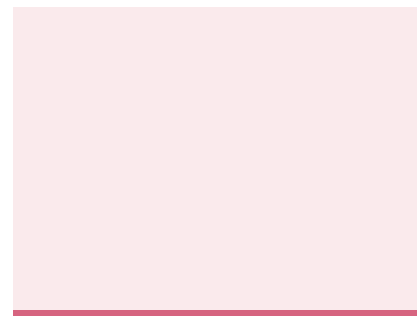


Reindeer Day



Coke Truck

“Lancaster was the busiest stop on the Coca-Cola tour, with **over 8,000** attendees”



Easter

# BID Supported Events



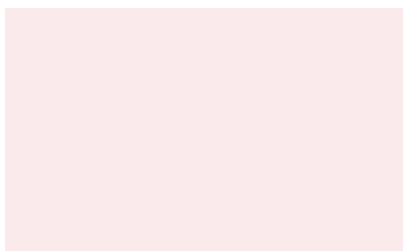
In addition to delivering our own events, Lancaster BID provides funding and in kind support to a wide range of events organised by other organisations in the city centre.

Lancaster BID is a lead partner in delivering the annual Light Up Lancaster festival as well as providing funding towards Lancaster Music Festival which is reliably one of the city’s busiest weekend of the year.

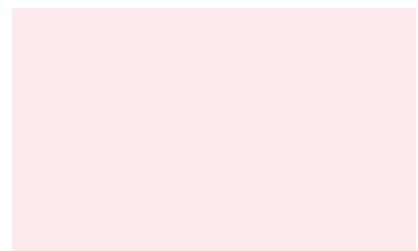
Support from Lancaster BID supports event organisers to attract additional income and increase the size of the event to maximise benefits to city centre businesses.



Light Up Lancaster

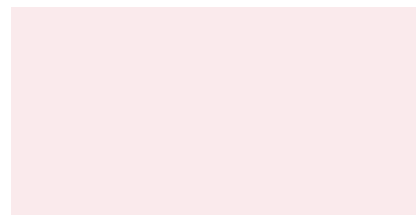


Lancaster Pride

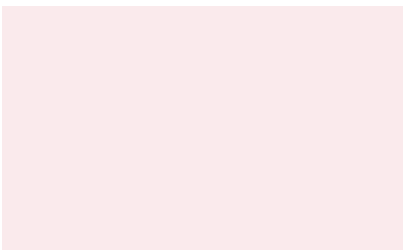


Jazz Festival

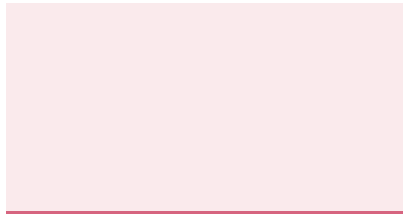
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quist quiatum earum eat et et



Lancaster Expo



Lancaster Music Festival



Lancaster on Ice



Lancaster  
Music Festival

“The continuing support of Lancaster Music Festival by BID has enabled the festival to not just survive but also thrive, expand and start on the journey towards greater self-sufficiency. BID has played a vital role in **establishing a connectivity** between the arts and business and plays a key role

in helping to improve Lancaster – for its **residents, businesses and visitors** alike. Indeed the expansion of family-friendly events in the city’s historic squares and streets during the music festival would not have been possible without BID support. The success of Lancaster Music

Festival is now unthinkable without the **wholehearted contribution from BID** and we look forward to partnering with Lancaster BID through 2021-26 on the many exciting projects we are currently planning”.

**Stuart Marshall, Lancaster Music Festival**





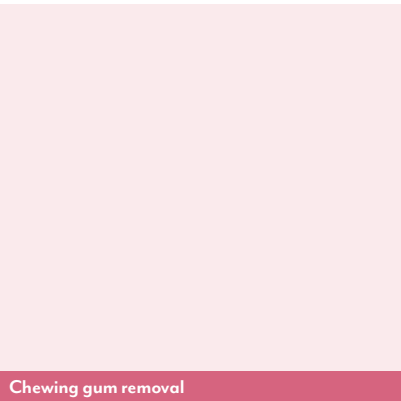
# Improvement Initiatives

Lancaster BID has delivered a wide ranging programme of improvement initiatives to make the city centre a cleaner and more attractive place for everyone to enjoy. This has included enhanced street cleaning through proactive action in regular grot spots and removal of graffiti. Occasional

deep cleaning has included removal of chewing gum from the city centre streets.

A range of initiatives have also been delivered to make the city centre a brighter and more attractive place. These include bespoke lighting in several

ginnels, planting displays across the city and regular seasonal decorations including an extensive Christmas lights display, summer bunting and one off installations such as an Umbrella canopy to promote Festa Italia.



Chewing gum removal

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Ginnels lighting



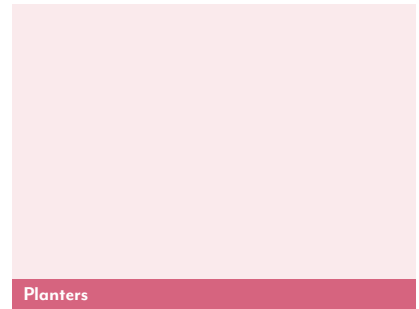
Christmas lights / trees

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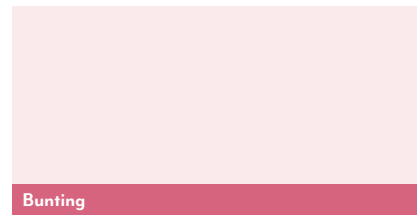


Umbrella canopy

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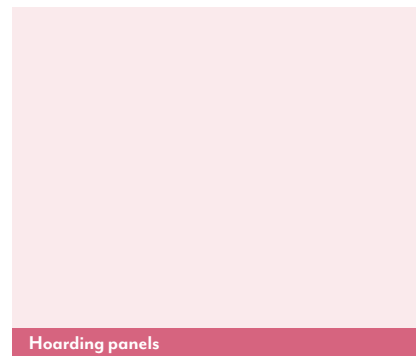


Planters



Bunting

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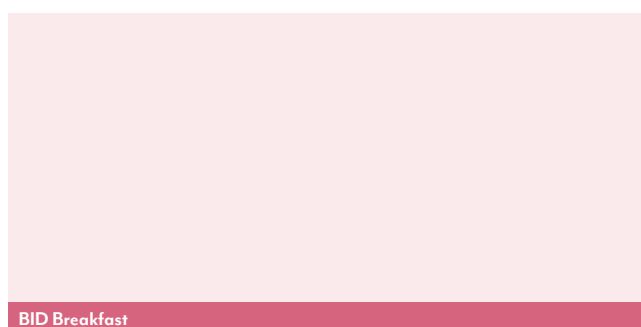
Hoarding panels

# Business Support



Lancaster BID couldn't exist without the support of city centre businesses. The key focus of all our activities is to give city centre businesses a boost and make sure all businesses are well supported and feel confident that their voice is being heard.

We work hard to share information with businesses in a timely manner and to seek feedback on what is working well and areas where we can usefully provide further support. We achieve this through regular newsletters by email to almost 600 contacts, Levy Payer Surveys to hear your views and business events such as the themed BID Breakfasts. We also showcased and rewarded success in the city through the Lancaster BID Ambassador Awards.



BID Breakfast

## Supporting you through COVID-19

The COVID-19 pandemic has presented major challenges to businesses everywhere, with Lancaster city centre no exception. The Lancaster BID team have been proactive throughout to ensure rapid flow of information regarding grants and other support. A number of new initiatives were also instigated during this time to enable businesses to reopen safely and to help attract people safely back into the city centre. These included:

- **40** counter screens and over **1,000** social distancing floor markers provided FREE to city centre businesses
- Launch of new **BID Warden Service** to help reduce antisocial behaviour and shoplifting in the city centre
- Launch of Loyal Free App to provide **FREE** promotion of businesses throughout the city centre
- Launch of a 'Love Local, Love Lancaster' Marketing Campaign



Ambassador Awards

**“The BID have become an increasing benefit to not only our store, in Lancaster City Centre, but to the Lancaster environment as a whole. For us the BID have formed and connected us with an independent networking and ideas group with like-minded businesses, improved security and connected us back with PCSO's by employing a BID Warden and are actively improving the look of the City Centre. I also think they are key to connecting the general public/ customers with the City Centre businesses which can be seen through the newly implemented Loyal Free Programme.”**

**Hannah  
Gibson  
Silver Tree**





# Proposals for the 5 year renewal of Lancaster BID

## 2021-2026

### Lancaster BID will focus on 5 key priorities over the next 5 years:



**Marketing Lancaster as a destination**



**Ensuring the city centre is a clean and attractive place**



**Delivering a year round programme of flagship events**



**Partnership working to create a safe and secure city centre**



**Direct support to businesses through information and events**

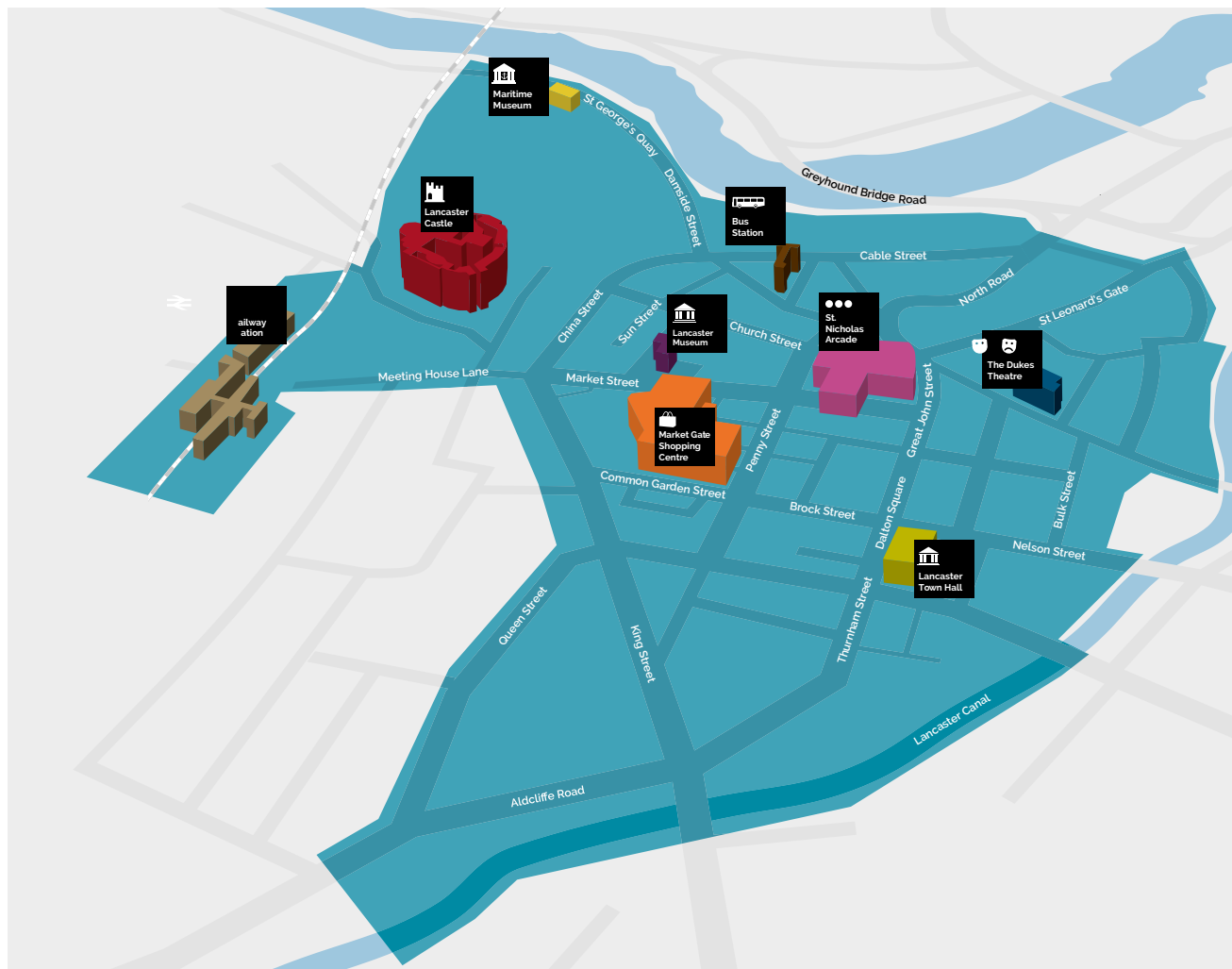
- The Lancaster BID zone will be extended to encompass approximately **20** additional hereditaments.
- The levy charge will remain at **1.5%** of the rateable value and will be fixed for the entire 5 year term.
- Hereditaments with a rateable value below £10,000 will continue to be **exempt of paying the levy**, although voluntary associate membership is available to allow access to the full range of Lancaster BID benefits.
- The renewed Lancaster BID will run for a **5 year term** to maximise opportunities to develop longer term strategic projects to benefit Lancaster city centre.
- Lancaster BID will continue to be delivered by the not for profit BID Company (Lancaster BID Ltd) overseen by the Company Directors with support from the BID Management Board.
- Lancaster BID will continue to be responsive to levy payers and will **react to changing circumstances** where necessary to ensure services remain relevant and provide maximum benefits to all.

The renewed Lancaster BID zone is being extended to bring a slightly larger area inside the boundaries. The amended zone will incorporate city centre businesses and spaces which were previously on the edges, in particular around Lancaster Station

and Cable Street / North Road. These changes bring around 20 new hereditaments into the BID zone to ensure they are all a part of a unified city centre and can access the full range of benefits offered by Lancaster BID. The extended Lancaster BID zone is

forecast to generate an annual BID levy income on excess of £230,000 per annum for five years. This will be spent directly on promoting, improving and building footfall and events in Lancaster city centre.

# Map of New BID Zone



Illustrative purposes only – contact Lancaster BID to check if you are uncertain if your business is included

## Streets included in existing BID Zone:

Aalborg Place, Aalborg Square, Aldcliffe Road (part), Alfred Street, Anchor Lane, Ashton Walk, Bashful Alley, Brewery Arcade, Brewery Lane, Bridget Street, Brock Street, Bryer Street, Bulk Street, Cable Street, Castle Grove, Castle Hill, Castle Park, Chapel Street, Cheapside, China Street, Church Street, Common Garden Street, Corn Market, Dalton Square, Damside Street, Edward Street, Frances Passage, Fleet Square, Gage Street, George Street, Gillisons Lane, Great John Street, Henry Street, James Street, King Street, Lancaster Gate, Lodge Street, Lower Church Street, Lucy Street, Market Hall, Market Street, Market Gate, Marton Street, Mary Street, Meeting House Lane, Moor Lane, Moor Street, Nelson Street, New Road, New Street, North Road, Penny Street, Perpignan Way, Pitt Street, Priory Close, Quarry Road (part), Queen Street, Queen Square, Rendsburg Way, Robert Street, Rosemary Lane, Russell Street, St Georges Quay, St Leonardsgate, St Mary's Parade, St Mary's Gate, St Nicholas Arcades, Sir Simon's Arcade, Slip Inn Lane, Spring Garden Street, Stonewell, Sulyard Street, Sun Street, Thurnham Street, Victoria Street, Wood Street.

## Amended boundaries for extended BID Zone 2021-2026

**Bridge Lane, Cable Street, Church Street,  
Damside Street, Lancaster Railway Station,  
Market Street, Meeting House Lane, North Road,  
Parliament Street, Phoenix Street,  
St Leonardsgate, Sugar House Alley**

This list of streets includes all locations where changes have been made to the Lancaster BID boundaries which affect one or more hereditaments. Where streets span the boundary the definitive map should be checked to confirm exactly which hereditaments are within the BID zone. Contact the Lancaster BID office if you are unsure if your property is included.



# The New Lancaster BID Term 2021-2026

## WHAT will we deliver?

In our recent surveys of levy payers you told us which of our services you value the most and what initiatives should be prioritised moving forward over the next 5-year term. We have used this information to agree **Five Key Goals** which will guide our work.



### Marketing Lancaster as a destination

We will continue to utilise a mix of online and traditional marketing methods to market Lancaster city centre to local residents and visitors from further afield.



### Safe and secure city centre

We will continue to provide a BID Warden to ensure visible presence on the streets and work in partnership with others to improve safety and security throughout the city centre.



### Clean and attractive city centre

We will work in partnership to deliver strategic city centre improvements whilst also continuing to support seasonal street decorations and a targeted approach to keeping the city centre clean and tidy.



### High quality events programme

We will deliver flagship events across the city centre and provide support to partners to ensure Lancaster continues to be known for high quality events throughout the year.



### Direct support to businesses

We will ensure a regular flow of information to our levy paying businesses with networking events around key themes. We will also respond to changing circumstances to provide maximum direct support to businesses in the most effective manner.

“BID is the glue that pulls together many of the disparate features that make our City so wonderful, provides support and investment to help them grow and also the window that shows them to the visiting world.

Without it, there is no suitable alternative and the City would be a far weaker place, and I hope it will continue to carry out its excellent work for years to come.”

**Tim Tomlinson**

Licensee and Chair of Lancaster Pubwatch



# Key Goal: Marketing Lancaster as a destination

In our recent levy payer survey **72%** of you told us that Marketing Lancaster as a Destination should be our top priority.

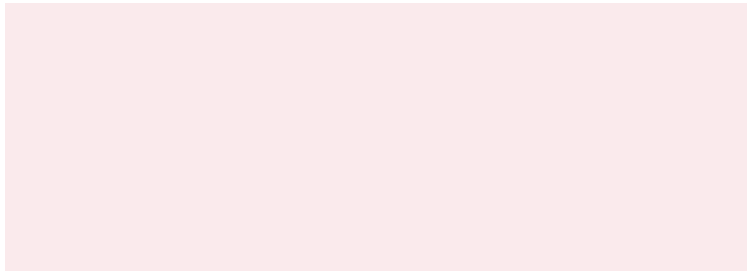
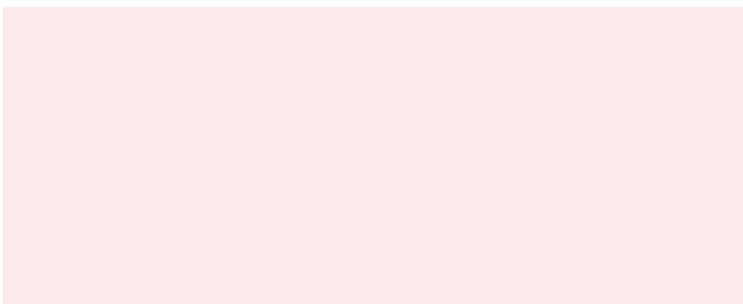
**100%** of respondents ranked this goal within the Top 5 priorities for Lancaster BID.

We will deliver a comprehensive marketing plan throughout the next BID term to promote the benefits and attractions of Lancaster city centre to local residents and visitors from further afield. We will utilise a combination of traditional and digital methodology to ensure the maximum reach.



## Key Elements of this plan will include:

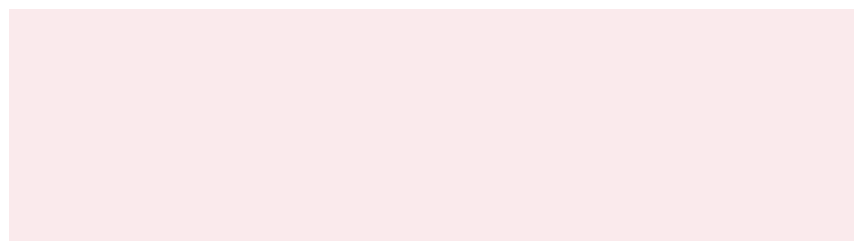
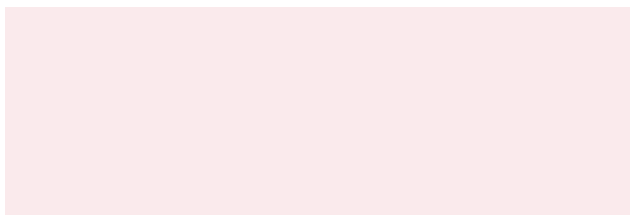
Continuation of our partnership with **Loyal Free** – a multi award winning App which provides a digital platform to promote businesses and events whilst encouraging repeat visits to the city centre. Loyal Free provides multiple **FREE** promotional opportunities to BID levy payers. A Marketplace feature will also be launched soon to facilitate fee free online sales for city centre businesses.



Continuation of longstanding partnerships with local print media including Lancaster Guardian, Lancaster District Magazine and Local Choice. Working with these publications will ensure regular features and **FREE** promotional opportunities for businesses in Lancaster city centre.

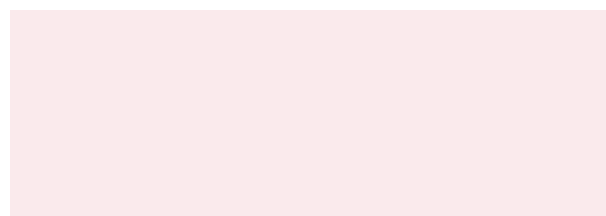


**Managed Social Media** channels across several platforms to promote city centre businesses, special offers and events to a wide following.



Build relationships with **broadcast media** through regular features on local radio and gaining a reputation as a reliable voice for news articles relating to issues affecting businesses in Lancaster city centre.

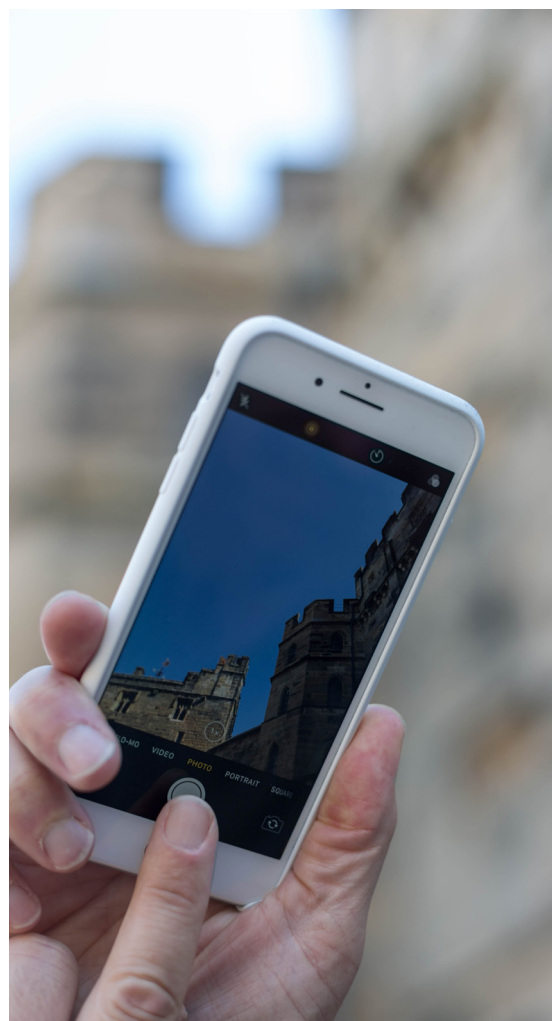
Responding to opportunities for high profile **marketing and promotion of the city** to a wider audience across the district and beyond. Previous examples have included winning a bus advertising package worth £25,000 for the city and promoting Lancaster at the annual North Lancs Business Expo.



“As a local business we have found the **BID to be a real force in driving footfall to the city centre and encouraging a pride in Lancaster that has grown and grown over the years. They offer a voice to the concerns of the small business owner and a megaphone to the community who wish Lancaster to rise to be ‘the place to visit, live and do business’.**

They have identified areas which need to be addressed and have encouraged a **community involvement in their response to these. Without the BID we would be unable to continue to move forward in improving our beautiful city.”**

**Nicola Mcalraith ,**  
Guy Penn Insurance





# Key Goal: Safe and secure city centre

In February 2020 we held a BID Breakfast event attended by representatives of around **70** businesses on the theme of safety and security in Lancaster city centre. The event was supported by Lancaster City Council and Lancashire Constabulary and highlighted several themes which businesses agreed were the top priorities for action.

As a result of this event Lancaster BID worked with key partners to agree a **joint action plan** to take forward. As a result of this event a number of initiatives have already been introduced as a pilot during the final year of the current BID term. Following a successful ballot, these will be rolled out further to bring additional benefits to the city centre over the next five years.



## Key initiatives to improve safety and security in the Lancaster city centre are:

Lancaster BID has already introduced a **BID Warden** working 30 hours per week as a visible presence in the city centre. This role has already proved highly effective to build stronger links between businesses, security staff and the Police as well. The BID Warden is a key role in a multi-agency approach to reduce issues such as antisocial behaviour, shoplifting, street drinking and homelessness in the city centre. This role will continue throughout the new BID term.

Lancaster BID has provided funding towards the provision of **community radios** for all PCSOs operational in the city centre. These are already proving highly effective to improve communication links between businesses, security staff and the Police. In the new BID term we will focus on further expansion of the community radio network to engage with a wider number of businesses and encourage them to join.



Work has already started to introduce a formal **ShopWatch** scheme to align with the highly effective PubWatch already operational across the city centre. The scheme, which will be formally launched in the new BID term will provide a GDPR compliant platform for sharing intelligence between businesses across the city centre. Details of prolific shoplifters and other offenders will be available to signed up members (FREE to BID levy payers) to facilitate a joined-up approach to reducing business crime.

As part of the ongoing work of the Homelessness Advisory group I have been appreciative of the leadership offered by Lancaster BID. The Street Aid scheme to reduce street begging and support people to come off the streets has been researched through BIDs across the country and supported by Tony Johnson's work with local BID members. The real energy for change has come through Lancaster BID and it is an excellent example of the partnership work the BID is doing with Police, council and voluntary sector to make the city feel safer.

**Caroline Jackson:** Portfolio Holder for Housing, Lancaster City Council

Lancaster BID is a key player in the multi-agency **Homeless Advisory Group**. BID has led the development of a new pilot Street Aid initiative introducing contactless donation points in the city centre to encourage donations to a support fund. The scheme will provide a positive alternative to giving money directly to people on the streets and provide crucial funds to directly support individuals to find a permanent home.

“BID have been a key partner with Lancashire Constabulary in delivering on ‘Safe and Secure Lancaster’. As representatives of the business community they have ensured that the voice of business is heard when responding to the challenges of Policing the city centre. They have ensured that the concerns of business have been heard at the highest level through the BID Breakfast with the Police & Crime Commissioner, Clive Grunshaw. As a result of this collaborative approach BID has driven the identified concerns of business into action from addressing prolific shoplifting through supporting civil court action and the development of Shopwatch, highlighting and supporting

the response to anti-social behaviour through the BID Warden and assisting partner agencies to address the long term complex issues of rough sleeping and begging through the Street Aid project. Most recently BID has stepped up and fully supported the district's response to the Covid pandemic and the reopening of the city's economy. They have become an invaluable ambassador in bringing people and organisations together to identify the issues business face in the city and ensuring that action is taken to the benefit of all concerned.”

**Sergeant Lindsay Brown**  
Partnerships Officer, Lancashire Constabulary



# Key Goal: Clean and attractive city centre

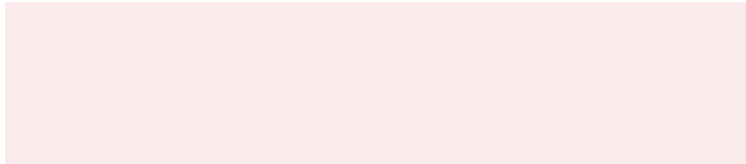
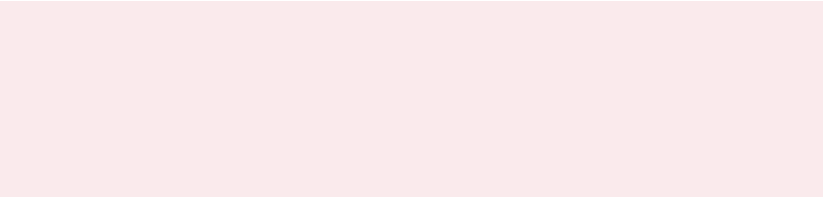
Maintaining and enhancing a clean and attractive city centre has always been a key priority for Lancaster BID. Our recent levy payer survey highlighted that this continues to be a key priority for the majority of businesses.

**Creating a positive first impression is essential** to encourage visitors to make repeat visits to Lancaster city centre.



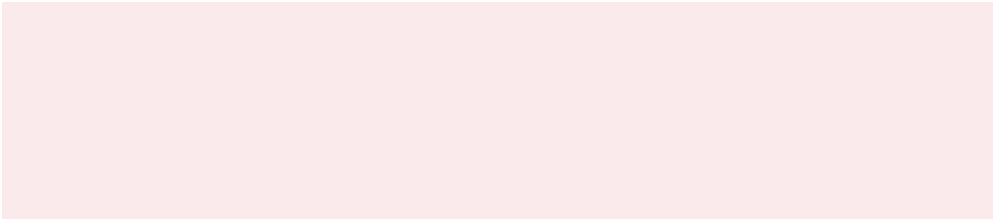
## Over the next five years this will continue to be a priority with an ongoing commitment to the following initiatives:

**Provide resources** to enhance cleansing for the city centre including proactive targeting of frequent grot spots, fly tipping and graffiti. Specific campaigns, such as chewing gum removal, will continue to feature.



**Installation of seasonal decorations** including extensive Christmas lights, summer bunting and themed temporary installations to provide focus points throughout the year.

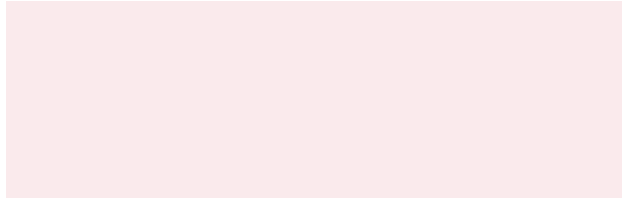
**Ensure the ongoing maintenance** of the city-wide planting scheme with opportunities to expand to further locations actively investigated.





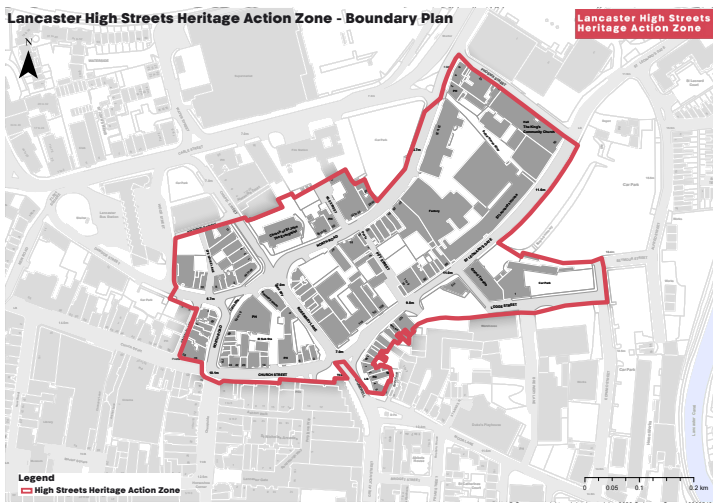


Continue to be responsive to other opportunities to improve the aesthetics of the city centre, for example utilising high profile long term vacant units for promotional purposes.



Lancaster BID will also continue to develop strong partnerships with other agencies to deliver strategic initiatives with wide long-term benefits for the city centre.

Representation from local business via Lancaster BID is often seen as being critical to securing significant funding for the city.



### Case Study: High Streets Heritage Action Zone

Lancaster has successfully secured **£1.15m** from Historic England to deliver a High Streets Heritage Action Zone as part of the Government’s nationwide initiative designed to secure lasting improvements to our historic high streets. The area of benefit is around Cable Street and North Road as shown on the map.

Lancaster City Council, working with partner organisations, will work to repair and, where vacant, bring back into use historic buildings through a grants programme and invest in street improvements to re-connect this area with the core city centre. These will create **safer and more attractive places** to spend time in and will be supported by opportunities to learn more about the area and how to look after it.

The total budget for the project is **£2.875M**, with **£1.15M** from both Historic England and the city council, with the balance of funding coming from local partners over the four-year delivery programme. Partnership working, including the close involvement of Lancaster BID, has been critical to securing this significant strategic initiative for the city.

**“In seeking the award of £1.15M from Historic England towards the Lancaster High Streets HAZ, demonstrating partnership working with Lancaster BID was integral to evidencing that there was strong local support and demand for investment in the historic centre and good relationships and understanding of local businesses.”**

**Regeneration Team,  
Lancaster City Council**



# Key Goal: High Quality Events Programme

Lancaster BID has supported an ever-growing events programme over the current BID term. This has included a range of **flagship events** directly managed by Lancaster BID as well as providing funding and marketing support for key events organised by others. The events reliably draw in large crowds to the city and are viewed as a key priority by most of our levy payers. 2020 has clearly been a challenging year for events with almost all public events having to be cancelled to ensure public safety. During this time we have found innovative new alternatives to drive footfall into the city centre until such a time as events can safely return.

We have launched the **LoyalFree App** which will continue to be used to market all events of any size across the city centre. The App also features trails which encourage self-guided exploration of Lancaster with incentives to visit new businesses. This includes interactive trails with significant prizes to drive footfall into the city centre.

The LoyalFree App will continue to be a key tool to draw people into the city throughout the new BID term and will become even more effective as the number of users grows.

As soon as it is safe to do so and Government guidance allows, the Lancaster BID team will be ready to bring all your favourite events back to the city centre to once again draw crowds to discover what Lancaster has to offer.



## Key Lancaster BID events currently scheduled to return in 2021 include:

**Dino Day** – a family event where animatronic dinosaurs take over the streets in the city centre.



**Festa Italia** – a celebration of all things Italian with the city streets lined with food & drink stalls, Italian Supercars and a packed stage for entertainment into the evening.



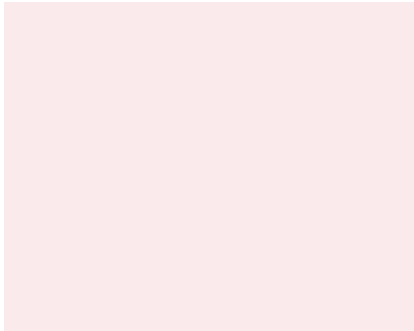
**Winter in the City** launched by the flagship Lancaster Christmas Lights Switch On – always one of the most popular events of the year to draw shoppers into the city centre and get everyone in the festive mood.



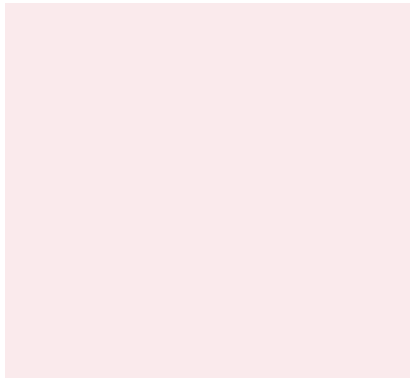


## Lancaster BID will also continue to work with partners to bring back many more local favourites including:

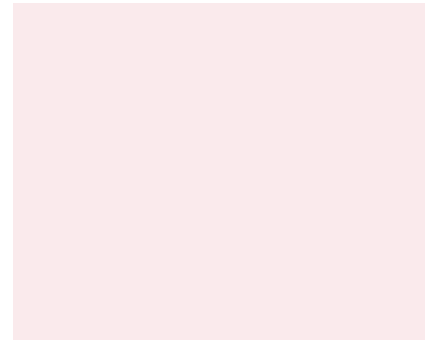
**Lancaster Music Festival** – a free festival across the city’s bars and public spaces which is always guaranteed to draw in the crowds.



**Lancaster Pride** – a packed day to celebrate the diversity in Lancaster city centre.



**Light Up Lancaster** – a two-day festival of light culminating in the fantastic city fireworks from the rooftop of Lancaster Castle.

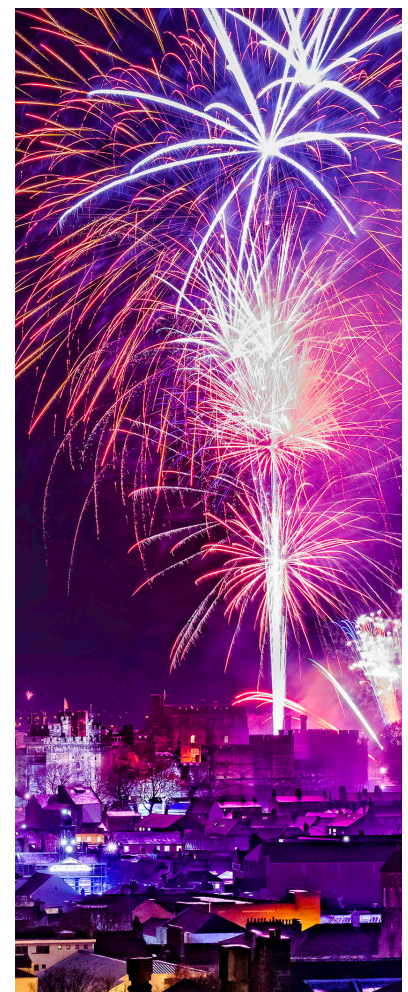


**Lancaster BID will work tirelessly to bring back these events and ensure that Lancaster retains the reputation of being a city of events.**

“Lancaster BID as an organisation are invaluable for promoting Lancaster City Centre and its businesses, both large and small. The local events that are either supported, or run by Lancaster BID drive footfall & loyalty to the City Centre from local residents and visitors from surrounding districts.

As a result we have seen customers returning to us instore who have been made aware of us when visiting the City Centre for an organised event, such as the Christmas Lights switch on, Dino Day and the Music Festival. More than ever, promoting #shoplocal #supportlocalbusiness is crucial for reviving our City Centre & community..... long may Lancaster BID be allowed to continue their activities for marketing and promoting our beautiful City!”

**Julie Shaw, Simply Baby Lancaster**







# Key Goal: Direct support to businesses

The majority of Lancaster BID initiatives are targeted at the public with the specific aim of driving increased footfall into Lancaster city centre to spend with local businesses.

Less visible to many, but equally important, is our work to directly support business owners. This Key Goal has become more critical than ever during the COVID-19 Pandemic when Lancaster BID has continued to provide essential prompt updates to businesses to support them to survive and safely reopen.



Throughout the new BID term, Lancaster BID will continue to deliver direct targeted support to businesses responsive to need. **Specific initiatives which will continue throughout the next BID term will include:**

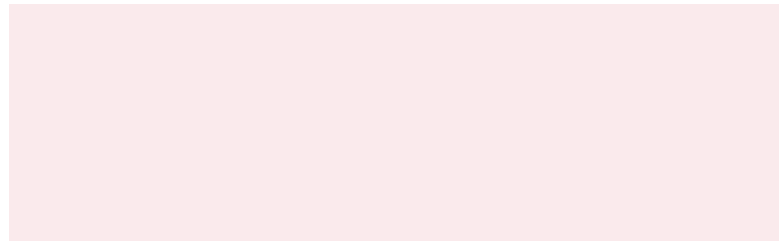
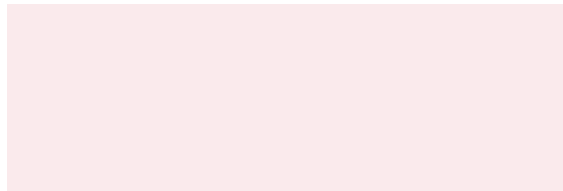
Our **BID Ambassador Awards** will return even bigger and better to reward the businesses which go above and beyond to help raise the profile of Lancaster city centre. The Awards offer high profile promotional opportunities to showcase the very best businesses to the wider public.



Our regular **newsletter** will continue to provide regular updates on BID initiatives and wider useful information relevant to local businesses. The frequency of the newsletter increased during lockdown and will continue to be circulated on at least a fortnightly basis to ensure businesses remain fully informed with the most up to date information.

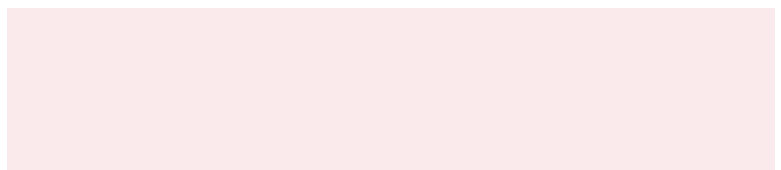


We will resume our hugely popular **BID Business Breakfast** events which focus on specific themes most relevant to businesses, with expert speakers and the opportunity to put questions to the panel.



We will work with businesses to identify sector specific needs and deliver **FREE** training to build skills within the local business community. Previous training delivered includes Dementia Awareness, Window Dressing, Social Media and Video Marketing.

**FREE marketing opportunities** will continue to be available for city centre businesses including on the LoyalFree App, BID social media accounts and local media.



**All our support to businesses will be responsive to local priorities and businesses are always encouraged to contact us to suggest any topics which would be beneficial.**

“The acronym Bid means Business Improvement District, in essence we; our city; our shops are ‘open for business’. Without a plan, an approach and communication it is bound to fail.

Lancaster BID under Tony’s leadership, is shouting from the hilltops, we are open for business and we want to hear from you how we can do this together.

Many of the businesses in Lancaster are disparate and seemingly unconnected aside from common goals. BID opens the businesses and operators up to talking, sharing, listening and working together to look at how to make improvements.

I have found these are not simply opportunities to talk but also to listen, consider doing things differently and be involved from a different perspective, such as working with the colleges to provide mentoring, sharing information with each other to ensure security and safety of staff and stock, marketing the City and independent traders as a subject of focus.

It will be great to see more of this as we enter a phase potentially more challenging than any one could have imagined.”

**Peter Wood,**  
Renes

# 2021 – 2026 Financial Projections



**The BID levy is fixed for the duration of the next five-year term to enable all businesses to be certain of their commitment when deciding how to vote. The fixed levy also ensures that Lancaster BID can confidently plan ahead to allocate the budget.**

The financial projections assume a levy collection rate of 95% which is in line with what has been achieved during the current BID term.

To ensure we deliver excellent value for money for levy payers we will have a strong focus on securing additional income streams to add to our overall budget to benefit Lancaster city centre. For forecasting purposes, we have assumed we will secure additional income equivalent to 20% of the annual BID levy. This is a conservative forecast which is likely to be exceeded through securing grants to deliver specific initiatives in the city centre.

We work hard to keep overhead costs low and expect additional income will exceed our annual overheads costs.

This means that an amount greater than the total BID levy collection is expected to be available for investment directly into project delivery for the benefit of Lancaster city centre businesses.

## Financial Projections for new BID term – 2021-2026

### Income

	Annual	Five Year Total
BID Levy Income	£230,000	£1,150,000
Additional Income Secured	£46,000	£230,000
<b>TOTAL Income</b>	<b>£276,000</b>	<b>£1,380,000</b>

### Expenditure

	Annual	Five Year Total
Project Delivery Costs	£236,000	£1,180,000
Administration and Overheads	£40,000	£200,000
<b>TOTAL Income</b>	<b>£276,000</b>	<b>£1,380,000</b>

Our Finances will continue to be managed by a contracted accountant with regular reporting for scrutiny to our Finance and Strategy sub group and BID Management Board. Accounts are audited annually and are available to all levy payers.

Lancaster BID always seeks to ensure excellent value for money for levy payers. In line with our ethos we will always seek suppliers from within the Lancaster district wherever possible. Where appropriate BID levy payers will be encouraged to quote to provide services.

## WHO will pay the BID Levy?

All properties within the boundaries of the Lancaster BID Zone with a rateable value of £10,000 or above on 1st April 2021 will be liable to pay the BID levy.

Check the map and list of streets on page 14 to confirm if you are within the boundary.

## HOW MUCH will I have to pay?

The BID Levy will remain at 1.5% of your rateable value at 1st April 2021. For a property with a rateable value of £10,000, this equates to just £150 per year – about the same cost as a weekly cup of coffee!

The levy is payable by whoever is responsible for paying the Non Domestic Rates for the property.

## WHEN will I have to pay?

The five year term will commence on 1st April 2021. BID levy bills will be issued by Lancaster City Council in April each year as a one-off annual payment. If responsibility for Non Domestic Rates changes during the year, a pro rata refund will be calculated and a new BID levy bill issued to the newly responsible party.

## Any More QUESTIONS?

To check if you included within the Lancaster BID Zone, or want to check your rateable value to calculate the amount you will have to pay contact the Lancaster BID team on [info@lancasterbid.org](mailto:info@lancasterbid.org) or phone **01524 590650**.

We'll be happy to answer any questions you have about the BID Ballot and any of our key goals.



“Almost half of levy payers will pay less than £1 per day BID levy to gain full access to all the benefits of Lancaster BID”





## GOVERNANCE ARRANGEMENTS

Lancaster BID is established as an independent not for profit Limited Company. This ensures direct local control and oversight of all our decision making to deliver maximum benefits to city centre businesses. The company is overseen by a Board of Directors which is guided by decisions made by the Lancaster BID Management Board. The company is VAT registered and produces accounts which are fully audited by qualified accountancy firm.

## BID LEVY RULES

- The BID levy is fixed at 1.5% of rateable value on 1st April 2021 for the full five year term.
- This will be the third term of the BID and will run from 1 April 2021 for 5 years until 31st of March 2026.
- There will be no VAT charged on the BID levy.
- The BID levy will be applied to all business ratepayers of occupied or unoccupied property with a rateable value of £10,000 and above within the Lancaster BID Zone at any time that the BID is in operation. No relief is to be given to any class of non-domestic ratepayer irrespective of whatever relief or exemption they may currently enjoy in respect of Non Domestic (or Business) Rates.
- The BID levy will be used to fund the delivery of initiatives as outlined in this Delivery Plan or other activities of benefit to Lancaster city centre which are responsive to emerging priorities and approved by the Management Board.
- Businesses locating to or leaving the BID area during the time that the BID is in operation will pay a proportion of the levy calculated on a pro rate basis.
- The existing recovery procedures for the standard Business Rates bill will be utilised for any non-payment of the BID levy.
- There are no costs relating to the development of the new BID which will need to be repaid during the term.
- For the purposes of definition the term 'Renewal' in regard to the Lancaster BID means replacement of the existing BID at the end of its current term (March 2021) with a new arrangement covering an extended area illustrated by the 'BID Zone' map (page 14) and which will be subject to the rules and arrangements herein.
- Notice of the intention to hold a ballot has been given to the Secretary of State and Lancaster City Council.
- The BID arrangements may be altered without an Alteration Ballot in the following instances:
  - Alterations do not alter the geographical area of the BID
  - Alterations do not alter the BID levy payable
  - Alterations do not conflict with the Local Government Act (2003) or The Business Improvement District Regulations (2004)
- The streets and hereditaments to be included in the BID area may alter due to changes in the local ratings list. Hereditaments may be additionally included if their rateable value — at any time during the BID period — exceeds £10,000 or they are newly added to the local list and the rateable value threshold criteria (as set out in the above response to point 1 (1) (d) of schedule 1 of the BID regulations) is exceeded.
- Hereditaments may also be excluded from the BID area and BID levy charge in those cases where properties are removed from the local list. Where this occurs such amendments will be adjusted from the effective date notified by the Valuation Office.

## BASELINE SERVICES

The BID's projects and services will be entirely additional to statutory services already delivered by Lancaster City Council or any other local authority. Your money will not be used to pay for any services that the council has a statutory duty to provide. This will be monitored through a baseline agreement with Lancaster City Council detailing the existing level of service provided by the City Council. BID funding may be used to work in partnership with the City Council or any other authority to add value and extend existing initiatives to provide added benefits to the city centre. In accordance with the statutory requirements for BID renewals the proposals set out in this Delivery Plan were put before Lancaster City Council cabinet and received approval.





# What will happen if I vote No?

If the majority of city centre businesses (by number or rateable value) vote No, Lancaster BID would cease operation and all benefits to city centre businesses will be lost.

Specific impacts on the city centre include:

## No single voice lobbying on behalf of city centre businesses on key issues such as parking

LoyalFree App will no longer be available to Lancaster city centre businesses

## Significant reduction of Christmas Lights display in the city centre

No protection for free Bank Holiday and Christmas parking

## No more BID organised events including Christmas Lights Switch On, Festa Italia and Dino Day

No more BID funding for key city centre events including Lancaster Music Festival and Light Up Lancaster, which could put their future at risk

Businesses will struggle to have a voice on strategic issues affecting the city centre

## No more BID Warden patrolling the city centre to help address antisocial behaviour and shoplifting

No active social media promotion offering free publicity for your business

## No more funding for city centre improvement initiatives

No more marketing campaigns including Shop Local and Love Local, Love Lancaster

## Loss of all additional funding which Lancaster BID secures for the city centre

End of additional targeted street cleansing in the city centre

## What if I Don't Vote?

Much like a general election, there is no minimum turnout for a BID. So, if you don't vote, the outcome will be decided for you by other businesses. Make sure you use your vote to ensure that your voice is heard.



# Vote YES to Lancaster BID

With your support we will ensure that Lancaster city centre businesses continue to have a strong voice and have a direct say in the future of your city centre.

All future plans for Lancaster BID can only be implemented if you **VOTE YES TO LANCASTER BID**. To be successful the ballot must be won by a majority by number and a majority by rateable value so every vote counts.

## With a positive outcome Lancaster BID will:

- Deliver against the Five Priority Goals detailed in this Business Plan to ensure strong benefits to businesses in Lancaster city centre.
- Provide a voice for local businesses to engage with the City Council and other key agencies on the matters which are most important to you.
- Be part of a national BID network of over 300 BIDs giving a strong national voice to lobby government on issues affecting the future of city centres.
- Communicate regularly with other BIDs across the Northwest to share best practice
- Invest over £1million directly back into the city centre
- Listen to our levy payers and actively encourage feedback and ideas along with opportunities to become more involved through attending events, training or joining one of our thematic working groups.
- Remain proactive and responsive to adapt to changing priorities and ensure we continue to remain relevant and provide the best possible support to all our levy payers.
- Ensure Lancaster continues to have a strong public profile and remains a popular place to visit, live, work and do business.
- All this is only possible if you **VOTE YES TO LANCASTER BID**. Look out for your ballot paper to make sure that your voice is heard.

# How to Vote

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**The vote will be via a postal ballot which will take place between 14th January and 11th February 2021. Results will be announced by 5.00pm on Friday 12th February 2021.**

All defined business ratepayers with a rateable value of £10,000 or above in the BID area will be given the opportunity to vote during the formal ballot period.

Each ratepayer will be entitled to one vote per hereditament on which a BID levy would be paid. It will be possible to appoint a proxy to vote on your behalf and information on how to do so will be included with the ballot information sent to you. The ballot will be a confidential postal ballot managed by Civica Election Services.

Look out for the ballot papers coming through your door in January and make sure you place your vote to be certain that your voice is heard.

Any ballot queries or missing ballot papers should be brought to the attention of Lancaster BID as soon as possible on [info@lancasterbid.org](mailto:info@lancasterbid.org) or **01524 590650**.





## Appendix 2

**Draft Lancaster BID Renewal Proposal – Assessment of Regulatory Compliance**

Regulation 4 and Schedule 1 of the BUSINESS IMPROVEMENT DISTRICTS (ENGLAND) REGULATIONS 2004 - set out the matters that should be included in a BID Renewal proposal. Where BID proposers decide to seek approval of BID proposals in a BID ballot, under this Regulation they must send to the billing authority the information in the table below. The current draft Lancaster BID Renewal proposal reflects the published standards as follows:

<b>Regulation 4 Requirements</b>	<b>Compliance Y/N</b>	<b>Officer Comments</b>
<b>Standard documents</b>		
A copy of the BID proposals;	Y	Although final formatted document to be produced
A summary of the consultation it has undertaken	Y	As noted in the report officers are aware of the extensive consultation undertaken by Lancaster BID and a formal statement is included.
A summary of the proposed business plan;	N	A summary will be prepared as part of the pre-ballot marketing material.
A summary of the financial arrangements for the BID body.	Y	The BID body is named as an incorporated Lancaster BID.
Proof of sufficient funds to pay the costs of the ballot	Y	The ballot will be a confidential postal ballot managed by Electoral Reform Services. Provision is made in the current BID budget.
<b>Information requirements</b>		
The works or services to be provided.	Y	The proposals are based around general objectives driven by consultation. Lancaster BID consider this the best way to secure a positive vote.
The existing baseline services	Y	Production of the baseline document is a function of the public service providers. A renewed city council baseline document will be prepared and agreed post ballot.
The geographical area to be covered by the BID arrangements;	Y	Plan included
The non-domestic ratepayers to be liable for the BID levy	Y	All business with RV of £10K and above.
How the levy will be calculated,	Y	BID levy is fixed at 1.5% of rateable value
Whether costs incurred in developing the BID proposals, holding the ballot, or implementing the BID are to be recovered through the levy.	Y	It is clear that pre-ballot costs are covered and what administrative costs will be recovered through BID levy.
The ratepayers who will benefit from relief from the levy and the level of that relief;	Y	No other relief to any class of NNDR payer
Whether the BID arrangements may be altered without an alteration ballot and, if so, which aspects may be so altered;	Y	BID Body can alter arrangements without an Alteration Ballot as long as the geographical area is not changed and there is no conflict with BID Regulations (2004)
The duration of the renewed BID arrangements and when they will start	Y	1 <sup>st</sup> April 2021 until 31 <sup>st</sup> March 2026

The following table is a list of the current Lancaster City Council Policy Framework as outlined in the council's constitution. The check-list gives an indication of where the BID Renewal Proposal conflicts with any of the policies or plans that the council has for Town Centre or the District as a whole.

Lancaster City Council Policy / Strategy	BID Renewal Proposal fit	Officer Comments
<b>The policy framework means the following plans and strategies</b>		
Corporate Plan	√	Proposals support the council's ambitions for: an Inclusive and Prosperous Local Economy; A Sustainable District; Healthy and Happy communities; A Co-operative, Kind and Responsible Council.
Local Development Plan Documents (previously the Lancaster District Local Plan) produced under the Local Development Framework	√	Supports local policy framework to strengthen Lancaster city centre.
Licensing Act 2003 Policy Statement	√	Based on previous BID term all actions funded will comply with licensing policy.
Gambling Act 2005 Policy Statement	N/A	No conflict anticipated - proposal actions not applicable to gambling issues.
<b>Any other relevant plan or strategy (whether statutory or non-statutory) in respect of which Council from time to time determines that the decision on its adoption or approvals should be taken by it rather than the Cabinet.</b>		
Themes of Climate Emergency / Community Wealth-building/Community Engagement	√	No conflict with current strategies.
Homes Strategy	N/A	No conflict anticipated - proposal actions not applicable to housing issues.
Medium Term Financial Strategy	√	Future council liabilities associated with BID are currently estimated for MTFS. These need to be firmed up as far as possible for budget setting in future years.
Street Cleaning Standards	√	Based on previous BID term actions funded will fit with street cleansing regime.
Environmental Health Service Enforcement Policy	√	Based on previous BID term actions funded will comply with Environmental Health enforcement regime.
Lancaster District Parking Strategy	√	Based on previous BID will engage positively with actions defined in the Parking Strategy.
Licensing Policy (including Alcohol and Entertainment, Taxi and Private Hire, Gambling and other licence arrangements)	√	Based on previous BID term all actions funded will comply with licensing policy.
Sport and leisure provision	√	No conflict anticipated