Inverclyde council

AGENDA ITEM NO. 6

Report To:	**Education & Communities Committee**	**Date**: **22 January 2013**
Report By:	**Head of Safer & Inclusive Communities**	**Report No: EDUCOM/04/13/DH**
Contact Officer:	**Drew Hall**	**Contact No**: **01475 714272**
Subject:	**Housing Trend Monitoring Report**	

1.0 PURPOSE

1.1 This report provides the Committee with an overview of housing trends across the Inverclyde Council area and across all tenures over the period from April 2011 to March 2012. The Executive Summary of the Housing Trend Monitoring Report 2011-2012 forms the Appendix to this report. **Appendix**

2.0 SUMMARY

2.1 A number of different reports have previously been presented to Inverclyde Council and to relevant committees covering housing topics. The HTM is a comprehensive report providing information on all tenures and on general housing trends that can be used as a reference point for all directorates and services and to support the monitoring of the Local Housing Strategy (LHS). The HTM is intended to support and complement the work of other services, principally the Regeneration & Planning service.

2.2 The HTM includes information on the following:

- Population and Households
- Housing Stock Characteristics
- Socio-Economic Characteristics of Households
- Social Rented Sector
- Owner Occupied Sector
- Private Rented Sector
- Homelessness
- House Condition
- Energy Efficiency and Fuel Poverty
- Housing Support
- Neighbourhood and Household Wellbeing

2.3 Chapters 4 and 6 of the HTM have been prepared in collaboration with the Regeneration & Planning service, as cited in the Local Plan Housing Strategy Update report presented to the Environment & Regeneration Committee on 17 January 2013.

3.0 RECOMMENDATIONS

3.1 The Committee is invited to: -

(a) Note the contents of the Executive Summary of the first Housing Trend Monitoring Report as set out in the Appendix to this report; and
(b) Note that the Housing Trend Monitoring Report will be revised, updated, and submitted to Committee on an annual basis.

John Arthur
Head of Safer & Inclusive Communities

4.0 BACKGROUND

4.1 Inverclyde Council is the Strategic Housing Authority and is responsible for preparing the LHS, which includes information on all housing tenures, homelessness, housing support, and energy efficiency and fuel poverty. Housing is also of primary importance in the preparation of the approved Strategic Development Plan (SDP) for the Glasgow and the Clyde Valley area and in preparing the forthcoming Local Development Plan (LDP) for the Inverclyde area. Other local authorities produce HTM reports on a regular basis and they are useful sources of information for the SDP, LDP and the LHS.

4.2 The Strategic Housing Team within the Safer & Inclusive Communities service, in consultation with Inverclyde CHCP and other services such as the Planning Policy Team within the Regeneration & Planning service, have brought together information from diverse sources to produce one comprehensive overview of the housing system in Inverclyde. The HTM report, updated on an annual basis, will provide information to support the work of all Inverclyde Council directorates and services and will allow for the analysis of changes over time reflecting the outcomes of policies and strategies aimed at addressing housing issues. It will also provide a point of access for stakeholders to obtain information on housing.

5.0 THE HOUSING TREND MONITORING REPORT

5.1 **Key Findings**

The Executive Summary of the HTM provides an extensive review of the housing system in Inverclyde. There are a number of topics that are of particular strategic importance in terms of planning housing and these are as follows:

- Population and Households – importance of Census 2011 results
- Changes to Housing Stock and Land Supply – continuing impact of economic down turn on private housing for sale and reduced funding for affordable housing
- Social Rented Sector – remains under pressure due to reduced funding for new supply
- House Sales – segmentation of the housing market is continuing with substantial differences in sales levels and process across Inverclyde
- Homelessness – on track to meet the Scottish Government’s 2012 target
- House Condition – overall improvement noted however some areas remain problematic and these are being tackled by Inverclyde Council and partner agencies
- Energy Efficiency and Fuel Poverty – overall energy efficiency is improving and fuel poverty is reducing however there are still areas and tenures that require further work

All of these topics are explored more fully in the Executive Summary that forms the Appendix to this report.

5.2 The full HTM report is a very substantial document of over 100 pages and contains very detailed information on the topics set out in paragraph 2.2 above. It was therefore not practical to append the full document to this report however copies are available on request from the Strategic Housing Team within the Safer & Inclusive Communities Service.

6.0 IMPLICATIONS

6.1 **Legal**

There are no legal implications affecting Inverclyde Council.

6.2 **Financial**

There are no financial implications for Inverclyde Council.

6.3 **Equalities**
When delivering services to our customers, full cognisance is taken of equality and diversity processes and procedures.

6.4 **Repopulation**
The HTM report will be a useful source of information for the SOA Repopulation Outcome Delivery Group and will help to inform the development of a repopulation strategy and associated action plan.

7.0 CONSULTATION

7.1 This report has been prepared in consultation with the following:

- Planning Policy Team, Regeneration & Planning Service
- Social Protection Team, Safer & Inclusive Communities Service
- Public Health & Housing Team, Safer & Inclusive Communities Service
- Inverclyde CHCP – Homelessness Service
- Inverclyde CHCP – Health & Community Care Service
- Locally-based and national RSLs
- Scottish Housing Regulator
- Scottish Government Housing Supply Division

8.0 CONCLUSION

8.1 The information from the HTM report will continue to be used to support and develop policy and to improve service delivery in relation to the strategic function of the Housing Team. A current and accurate evidence base is vital to the development of effective policies and strategies, and the HTM report will be updated on an annual basis in consultation with the services and partners noted in paragraph 7.1 above.

9.0 LIST OF BACKGROUND PAPERS

9.1 1. Strategic Housing Function: Update and Work Programme 2008/09; report to Safe, Sustainable Communities Committee, 6 March 2008. **Min Ref 06.03.08 Para 174**

2. Affordable Housing Investment: Strategic Local Programme; report to Education and Communities Committee, 4 September 2012. **Min Ref E&CC 04.09.12 Para 489**

3. Strategic Housing Investment Plan 2012-2015; report to Policy and Resources Committee, 27 March 2012. **Min Ref P&RC 27.03.12 Para 239**

4. Inverclyde Local Housing Strategy 2011-2016; report to Safe, Sustainable Communities Committee, 25 October 2011. **Min Ref SSCC 25.10.11 Para 698**

HOUSING TREND MONITORING REPORT
EXECUTIVE SUMMARY

1. Population and Households

1.1 The population of Inverclyde has been in overall decline for quite some time and this decrease is likely to continue over the short to medium term. Whilst in the early part of the last decade household numbers were increasing (slightly), in the latter part household numbers have declined, in particular in last few years when rate of reduction increased. However, the estimates for 2011 are the 'furthest' away from 2001 Census and the Census 2012 results may shed new light on the demography of Inverclyde. The 2011 estimates of population and households from the National Records of Scotland are 79,220 and 36,431, respectively.

1.2 In common with Scotland, Inverclyde has a growing older population however the proportion of older people will be significantly higher than the national average in future years. There are fewer children and young people in the Inverclyde population than the regional and national averages and this will have an impact in future years as there will be fewer people of working age contributing to local taxation. Whilst the overall population of Inverclyde is declining, there is a growing number of single person households made up of both older and younger people.

1.3 The overall demography, in particular migration patterns, masks significant variations across Inverclyde, reflecting wide differences in social and economic circumstances. Inverclyde West has been subject to population growth (from 2001-2008), driven by migration from outside of the local authority area.

1.4 There is significant variation in the type and age of households across the three tenures in Inverclyde; there is a higher proportion of single adult households in the rented tenures (41%-47%) than owner occupation (29%) and there is a larger proportion of older households in the owner occupied sector (33%) than in the social rented sector (26%).

2. Housing Stock Characteristics

2.1 Over half of the housing stock in Inverclyde is flatted accommodation; Greenock Central East and West Greenock have the highest concentration of flatted properties and Inverkip & Wemyss Bay and Kilmacolm & Quarrier's Village have the largest proportion of houses. The Inverclyde proportion of flatted accommodation (52%) is far higher than the national average 38% Inverclyde has the second highest concentration of flats in the GCV Region after Glasgow.

2.2 There are differences in the characteristics of stock between the social rented sector and the private sector. Just over 70% of the social rented stock in Inverclyde is flatted accommodation compared with 44% in the private sector however this is still higher than the national average of 28%. Tenement properties form a substantial proportion of the stock in both tenures (52%) which suggests there may be condition and quality issues now and at some point in the future.

2.3 Inverclyde has a large proportion of smaller sized properties with Greenock Central East having the highest concentration of one or two bedroom properties; this is a reflection of the town centre location and the large quantity of flats in this area.

2.4 In 2011/12, estimates for the tenure of Inverclyde dwellings were 28% for RSL owned dwellings, 10% in the private rented sector and 62% in owner occupation. Since 2008 there has been a sharp increase in the number of private rented sector households and dwellings which meant the level of owner occupation in Inverclyde has decreased. Greenock Central East has by far the highest proportion of affordable housing stock in Inverclyde with over half of the dwellings owned (or part owned) by a housing association; consequently the sub area has a low level of owner occupation (39% of dwellings). West Greenock, Gourock, Inverkip & Wemyss Bay, and Kilmacolm & Quarrier's Village all have relatively low levels of affordable housing.

2.5 Inverclyde has a high proportion of pre-1919 stock (22%) compared to the GCV Region (15%) which is perhaps a reflection of the historical development of the area. In particular, the private rented sector in Inverclyde has a high proportion of pre-1919 stock which may contribute to a high incidence of BTS housing and fuel poverty in the sector.

2.6 The proportion of vacant (void) stock in the affordable sector is the highest in the GCV Region and the long term private sector vacancy rate is in line with the GCV Region private sector vacancy rate (1.6%). Port Glasgow, Greenock Central East and Greenock South West have the highest vacancy (void) rates possibly due to the quality of the properties, the level of need/demand, and the ongoing social rented sector Reprovisioning Programmes in these areas

3. Socio-Economic Characteristics of Households

3.1 Household income in Inverclyde continues to be below the national average although there are geographic variations; the household median income in Kilmacolm & Quarrier's Village (£39,300) is almost twice the household income in Inverclyde East, (£20,500). Inverclyde West lies in the middle of the two sub areas (£30,700).

3.2 The employment rate (71%) is below both the Scottish and UK averages however it is a substantial improvement on the level of 63% in 2003. Relatively low rates of employment, especially in the younger age groups, would suggest that there is potentially a proportion of the population that has little financial means to access housing privately and is reliant on the affordable sector for accommodation or sharing accommodation with family and friends.

3.3 The claimant count continues to be high. There are large variations in the claimant count rates across Inverclyde. Areas in Inverclyde West and Kilmacolm & Quarrier's Village have a relatively low claimant count compared to the authority average and areas in Port Glasgow and in Greenock Central East have significantly higher rates of unemployment.

3.4 There have been updates for SIMD income and the employment domains and between SIMD 2009+1 and SIMD 2009+2 levels of both employment and income deprivation have fallen slightly but remain above those observed in SIMD 2009.

4. Changes to Housing Stock and Land Supply

4.1 The majority of affordable housing stock change has been and is planned to occur in Port Glasgow, Greenock South West and, in particular, Greenock Central East. These sub areas are the focus of the Area Renewal Strategy where improving housing quality and widening housing choice are integral components. Widening housing choice includes introducing more private housing into an area and private completions in Inverclyde East were relatively high leading up to the downturn in the housing market. However, private completions declined sharply once restrictions to finance were introduced and demand for new build housing decreased. In 2011/12, private sector completions in Inverclyde were low and were mostly in Inverkip & Wemyss Bay, with very few in Inverclyde East.

4.2 Looking ahead, the affordable housing sector will be subject to further changes to meet the requirements of the SHQS by 2015. The sector is likely to see a reduction in the order of 1,400 dwellings over the next three years in Port Glasgow, Greenock Central East and Greenock South West to provide a total stock in the region of 9,900 dwellings. However, the number of affordable housing completions is very likely to be far lower than in previous years as restrictions on finance continue to hinder development.

4.3 Programmed land supply for the private sector is more evenly distributed across the authority than programmed affordable land supply, with the majority (57% up to 2018/19) in the Inverclyde East sub areas, thus assisting with Area Renewal objectives in terms of widening house choice.

4.4 The assessment of the market sectors likely to be provided from the programmed owner-occupied land supply (2012) indicates there is likely to be a reasonable balance of output across all sectors, with a slight bias toward the lower end of the market. The middle market is expected to have the largest proportion of new development across both time periods (over one-third), with the lower-middle market just under one third of all anticipated housing output. Greenock (and Inverclyde East) over both periods, is likely to have a larger proportion in the lower-middle market, while Gourock has the most balanced range of sites, but with an emphasis towards the upper-middle and middle markets.

5. Social Rented Sector

5.1 There are over 11,000 affordable housing dwellings in Inverclyde, the majority of which are owned by RCH (7,186). Greenock Central East has the highest number of affordable housing dwellings in the authority (4,858). The majority of provision is for general needs (90%); sheltered housing provision and wheel chair/ambulant disabled/other specially adapted properties are proportionally lower than the Scottish RSL average.

5.2 Letting voids and unavailable to let dwellings continue to be high in Inverclyde although it is anticipated that the number of unavailable to let dwellings will significantly decrease due to progress in the RCH demolition programme. There are still a number of unpopular, difficult let properties in Inverclyde, in particular in Greenock Central East.

5.3 Inverclyde still continues to have a high proportion of lets to transfer tenants, primarily as a result of the ongoing reprovisioning of the social rented sector. This subsequently impacts on the proportion of lets to households on waiting lists and section 5 referrals.

This situation is unlikely to change in the future as the new build element of the programme slows but there is still a need to meet the Scottish Housing Quality Standard by 2015 therefore the removal poor quality dwellings and rehousing of households will continue. Access to affordable housing is an issue for households with a non priority need.

5.4 The Inverclyde CHR was launched in January 2012; Cloch HA and Oak Tree are currently members and RCH, Larkfield and Link are planning to join soon. Single persons (46%) and families (43%) are the majority household types on the CHR. Applicants tend to be young (62% under age 35) and 10% of applicants are over 65 plus. In the forthcoming year Larkfield HA and Link Group will join the CHR.

6. House Sales

6.1 The impact of the current economic conditions on the performance of the housing market in Inverclyde is clearly evident from the information presented on private house sales. The volume of sales sharply dropped after 2007/08, as was the case for the whole of Scotland. In 2011/12 there were 798 market sales in Inverclyde; 711 in the Inverclyde HMA and 87 in Kilmacolm & Quarrier's Village. Greenock Central East benefitted most from the favourable economic conditions prior to 2007/08; however the sub area has seen the largest reduction in the number of sales and house prices since 2007/08. Demand for owner occupied housing in this sub area has significantly decreased as a result of the downturn in the economy.

6.2 In 2011/12 the median house value in Inverclyde was £93,500, which is 32% lower than the Scottish median value of £137,000, and has decreased by 11% since 2007/08. Kilmacolm & Quarrier's Village had the highest median house price in the authority whilst Port Glasgow had the lowest, £60,100. In terms of lower quartile values, i.e. the proxy for entry level housing, Port Glasgow also had the lowest in 2011/12 (£35,500) and Inverkip & Wemyss Bay had the highest in the authority (£143,500), reflecting the relative small range of housing types in the sub area. New build dwelling values have been little affected by the downturn in the housing market suggesting that private developers lower their output rather than house prices in response to decreased demand.

6.3 The origin of buyers of dwellings for the three HNDA sub areas varies greatly. The two sub areas that make up the Inverclyde HMA, Inverclyde East and Inverclyde West, have far fewer buyers from outside the authority than Kilmacolm & Quarrier's Village. In 2011/12, 53% of buyers in Kilmacolm & Quarrier's Village were from outside the local authority area; the comparative figures for Inverclyde East and Inverclyde West were 19% and 22% respectively. This large differential has been a consistent trend over the last ten years, although there were more buyers from the GCV Region moving into Inverclyde West and, in particular Inverclyde East, when housing market activity was at its peak. Historically, there has been very little movement by households from Inverclyde West to Inverclyde East and this continued to be the case in 2011/12.

6.4 Unsurprisingly, the ongoing economic downturn has affected the number of in-migrant households buying dwellings in Inverclyde, in particular in Greenock where there has been a drop of over 75% from 2007/08 to 2011/12. Kilmacolm & Quarrier's Village and Inverkip & Wemyss Bay remain popular destinations for in-migrant households. Both areas have been subject to decreased demand from in-migrant households but not as much as other areas in Inverclyde

7. Private Rented Sector

7.1 There has been rapid growth in the private rented sector over the last five years primarily due to the dual occurrence of demand from households unable to access home ownership and the social rented sector, and owner occupiers unable to sell their dwellings and becoming a landlord. There are around 3,300 private rented properties registered on the Landlord Register, which is an increase of around 50% since 2008. Through local sample surveys, it is estimated there are around 3,900 in the sector (10% of total stock) some of which have not been picked up by the Landlord Registration process. Areas of concentrated private rented properties are Greenock Central East and the Clune Park area of Port Glasgow.

7.2 Rental paid data is not easily obtainable therefore only limited analysis can be undertaken. Private rents in Inverclyde East tend to be in line with local housing allowance levels but rents in Inverclyde West and Kilmacolm & Quarrier's Village are at above average levels.

7.3 Very little is known about what role the private rented sector plays in the housing system; it is unclear whether the households in the sector are having their housing need meet and whether they view staying in the sector as long term housing solution or whether they are having difficulty their preferred tenure.

8. Homelessness

8.1 Homelessness applications continue to fall, in line with the national trend, and in 2011/12 there were 440 households applying to be assessed as Homeless, down 17% from 2010/11. This equates to 1.1% of households in Inverclyde which is the lowest in the GCV Region. The prevention work undertaken by the Homelessness Service has played a key role in the reduction of the number of applications.

8.2 Inverclyde has a high proportion of applicants who are single adults (75% of applicants) which is the highest in the GCV Region and one of the highest in Scotland. Most of these applicants are single male (51%) and this has been a long term trend in Inverclyde. The drop in overall applications has mainly been fuelled by the sharp drop in single male applicants over the last four years. There is a higher than average proportion of applicants staying with family/relatives which corresponds to the primary reason why households apply to be homeless (asked to leave).

8.3 The Homelessness Service is on target to meet the '2012 target' as 98% of all assessments were deemed to be priority need in 2011/12. The rehousing of homeless households in the social rented sector is a continuing issue in Inverclyde especially as the sector is continually under pressure to rehouse households affected by the reprovisioning programme.

9. House Condition

9.1 Overall, house conditions in Inverclyde are improving however this should be expected as there is legislation in place to raise condition standards. The measure of quality in the social rented sector is the SHQS and in this regard Inverclyde still performs poorly compared with the rest of Scotland. At the 31st March 2012, 36% of applicable social rented dwellings did not meet the standard whilst the equivalent figure for all social landlords in Scotland was 25%. The three criterions that dwellings are falling are 'Free from Serious Disrepair', 'Modern Facilities and Services' and 'Health Safe and Secure'. In total 1,324 dwellings were brought up to the standard in 2011/12.

9.2 The majority of stock owned by RSLs in Inverclyde will achieve the SHQS by 2015 however, RCH is projecting a number of properties that won't meet the standard. RCH has an extensive investment programme up to 2015 to bring a large number properties to meet the standard as well as a demolition programme to remove dwellings that can not be brought up to the standard. The properties that may not meet the standard may be put in abeyance, which is effectively a suspension.

9.3 Condition in the private sector is improving and it is performing well against the national picture although there are concentrated hotspots of poor quality in Gourock and Greenock Central East, in particular, the Clune Park area in Port Glasgow. A significant number of dwellings in the Clune Park regeneration area are BTS and the investment costs to bring the properties up to standard are high. The approved Regeneration Plan primarily concerns the rehousing of the residents from the area and the removal of the dwellings.

9.4 The Inverclyde Scheme of Assistance (SoA) was established in 2010 and sets out the strategic approach to housing investment for the private sector which ranges from advice & information to practical assistance and financial assistance. In 2010/11 and 2011/12, 2,587 cases were assisted through the SoA.

10. Energy Efficiency and Fuel Poverty

10.1 Energy efficiency levels in Inverclyde are above the Scottish average in the private sector although there are geographical variations in performance; Greenock West, Kilmacolm & Quarrier's Village and Gourock all have lower than average levels of energy efficiency. In terms of NHER, the social rented sector in Inverclyde performs better than the private sector and the Scottish social rented sector. However, in terms of the more rigorous SHQS energy efficiency standard then proportionally there are more dwellings failing the standard than the whole of Scotland. At 31st March 2012, 1,595 social rented dwellings did not meet the SHQS energy efficiency criteria.

10.2 Levels of fuel poverty are below the Scottish average but remain significant and are increasing as fuel prices continue to rise. The SHCS 2008-10 estimates 26% of all households in Inverclyde are in fuel poverty. The impact of fuel poverty varies geographically and across household types; it has a higher prevalence in Greenock Central East, the private rented sector and it also impacts more strongly on younger and older households. Schemes such as the Inverclyde Local Energy Savings Scheme (LESS Inverclyde), which have benefitted from funding from the Scottish Government's Universal Home Insulation Scheme (UHIS), have played a pivotal role in improving the energy efficiency of homes in Inverclyde in recent years.

11. Housing Support

11.1 The majority of Home Care provision in Inverclyde is provided to older people, in particular people aged over 75. The Inverclyde CHCP is by far the largest service provider of Home Care in the area and there is less provision of Home Care by the private sector and voluntary services in Inverclyde than nationally. Most of the Home Care provision is intensive (10 hours plus) for people over 65 and the rate of provision per population was the third highest in Scotland in 2011, thus suggesting, in part, that there is more requirement for these types of services in Inverclyde than nationally. A Shifting of Balance of Care Objective is to increase the provision of care at home and in 2011 this proportion stood at 38% of all intensive services.

11.2 Inverclyde has the third highest rate of older people supported in a care home in Scotland; in 2011 the Inverclyde rate was 42.2 per 1,000 of 65 plus population. The number of care home places has increased since 2001, more so than the Scotland and the GCV NHS area. Respite provision in Inverclyde is particularly high. A growing elderly population, with potentially no family network to support them, will also have implications for the care sector. More resources will require to be targeted towards support for a larger elderly population.

12. Neighbourhood and Household Wellbeing

12.1 Effective regeneration is dependent upon communities and households being happy and feeling safe in their home and neighbourhood. The number of overall crimes and offences carried out in Inverclyde continues to fall, in particular serious assault and drug supply. The majority of households are satisfied with Inverclyde as a place to live (72%) and households are even more satisfied with their own neighbourhood (84%).