

HOUSING STRATEGY 2018 - 2021

Background



Garden cities were the brainchild of Ebenezer Howard and Letchworth Garden City was developed as an experiment, in order to convince the public authorities that a planned approach of new settlements should be developed across the country.

There are several key elements to Howard's principles, including land value capture, community governance and long term stewardship; a social, community and economic model. At the heart of this was place making and providing good quality housing for all. Howard was influenced by poor housing conditions in Victorian England, where often tenants were paying disproportionately high rents, to live in poor conditions and no community benefit derived from those rents.

These slums created unhealthy living conditions, with often overcrowded homes with poor sanitation. Howard did however witness that this did not need to be the case, from his extensive research and travels, including the development of Chicago, and the worker villages at Port Sunlight and Bournville. These influenced thinking in his book, 'To-Morrow A Peaceful Path To Real Reform' published in 1898 and a large number of articles and speeches.

The desire for improved living conditions, gained popularity and the development of Letchworth Garden City was supported by philanthropic and limited dividend private investment.

At the heart of this concept and the development of Letchworth was a desire for decent homes for all, close to employment, recreation and open space. This included accommodation for factory and agricultural workers who generally did not have access to good quality housing.

The landowner and lead developer of Letchworth Garden City, First Garden City Limited, created a separate housing arm, Letchworth Cottages and Buildings (LCB), with objects:

- providing, facilitating and encouraging housing and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means
- providing, facilitating and encouraging for aged persons in need thereof housing and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons.

Due to legislation at that time LCB was not permitted to act as a Housing Association, therefore Howard Cottage Housing Association, was formed for the purpose of providing affordable homes, a key element of the Garden City Model. This remains today, but is separate from the Foundation.

LCB did however continue to hold a stock of homes that it provided at a subsidised rent. This was transferred to a Housing Association to manage, along with other properties rented by the Foundation in the early 2000s, the successor to this association is Clarion.

Current National Housing Situation

There is a national shortage of housing, prices are increasing and the access to homes across tenures is becoming increasingly difficult, particularly for younger generations.

In the 2017 Budget there is a recognition that national housebuilding needs to increase to 300,000 homes a year to meet current and projected need, which is a substantial increase from existing rates of new homes.

This is broadly welcomed by organisations such as Shelter, who seek to ensure that this new housebuilding benefits all and there is sufficient funding to support affordable housing delivery.

According to the Resolution Foundation, which is a 'non-partisan and award-winning think-tank' that seeks to improve living conditions for those who are on middle and low incomes, since those born in 1946-50, every age group has experienced lower home ownership rates than its predecessor at the same age.

Families headed by 30 year olds are only half as likely to own their home as the baby boomer generation was at the same age, and home ownership has declined across all regions and income groups.

With falling home ownership and a shrinking social rented sector, four out of every ten 30 year olds now live in private rented accommodation – in contrast to one in ten 50 years ago.

Millennials are more likely to be living with their parents in their mid-20s than previous generations, while families are much less likely to house their elderly parents than they were in the past.

Housing costs have taken up a growing proportion of disposable income from each generation to the next. This is true of private and social renters, but mortgage interest costs have come down for recent generations. However, the proportion of income being spent on capital repayments has risen relentlessly from generation to generation thanks to house price growth.

The average family spent just 6 per cent of their income on housing costs in the early 1960s. In 2016 those buying their home with a mortgage spent 18% of their household income on mortgage payments, whereas rent payments were 28% of household income for social renters and 35% of household income for private renters.

The quality of housing has in many respects improved hugely, but millennial-headed households are more likely than previous generations to live in overcrowded conditions. Today's under 45s on average live in smaller accommodation compared to previous generations and also have longer commutes despite spending more on housing.

Resolution is of the view that institutional investment into the private rented sector could help solve Britain's housing crisis for families on modest incomes, with investment into accommodation that provides rental models that are affordable to households on modest incomes. Shared ownership models can help meet an aspiration to own and generate much needed new housing supply and help address a growing wealth gap, while also reducing volatility in the housing market.

Why should the Heritage Foundation have a housing strategy?

As indicated in the previous section, housing is a key element of the Garden City Model and is something that has seen involvement from First Garden City Limited in the early 1900s, through to today.

We also hold a modest private rented portfolio of 130 homes, the greater proportion of which are town centre apartments, whilst Clarion Housing Association manage 252 properties, previously managed by the Foundation or LCB.

Following the transfer of LCB's affordable homes, the Foundations role in the provision of new development has been more limited, with the exception being some relatively modest schemes facilitated on our land. However, with the allocation of land for housing in the North Herts Local Plan (in particular Site LG1 (north of Letchworth) and LG3 (east of Talbot Way)), there is the first time for many years an opportunity for the Foundation to make a significant intervention in the provision of housing locally.

Discussions with local partners including Howard Cottage and Settle, formerly North Herts Homes, have revealed challenges of managing older solid wall homes, which can be difficult to keep warm and may not always meet current need. Both of these Housing Associations have invested heavily in their stock in Letchworth, but there is a need to work with these HAs and the local authority to ensure that the housing provided meets local needs.

With respect to private housing, we have found that often younger families and single person households are discouraged from living in Letchworth due to a lack of availability of accommodation that they can afford and that meets modern expectations.

We know through existing studies that there are serious pockets of deprivation, issues of overcrowding, concealed households and local people on housing waiting lists.

In addition there are issues regarding suitable stock across tenures for downsizing and to meet the needs of an aging population and we are also aware from our Economic Studies that additional housing is needed to sustain the local economy.

The Foundation's Strategic Aims 2018 to 2021, reflects issues concerning local housing, this states:

Be a great place to live by;

- *Increasing people's care, involvement and active use of the built and natural environment*
- *Developing exemplary new homes built to Garden City principles with strong community involvement that fulfil the opportunities of the Local Plan*
- *Offering more living opportunities for younger adults by increasing the levels of private rented homes in Letchworth*

In order to meet this aim, we are of the view that there needs to be a more detailed Housing Strategy, with the aim of facilitating positive working with community groups, funders, the Local Enterprise Partnership, North Herts District Council, Hertfordshire County Council, developers, private investors and local housing providers, particularly North Herts Homes and Howard Cottage.

There are opportunities to explore different entries into housing, through community and self-build models as well as through private and affordable methods.

We believe that the key themes of our Housing Strategy are:

- **Understanding & Meeting Letchworth's Need**
- **Supporting Sustainable Living**
- **Good Quality Homes For All**
- **Ensure Housing Has A Wider Community Benefit**

Each of these discussed in detail, with a total of 12 Strategic Objectives.

THEME ONE - Understanding & Meeting Letchworth's Need

In order to help shape the type of development that is constructed, it is of importance to have a deep understanding of local housing markets and need. We are of the view that this should go into more detail than the background studies prepared by North Herts District Council as part of the Local Plan process.

What We Already Know

North Herts Local Plan 2011-31

North Herts District Council has indicated in its Local Plan that 14,000 new homes are required in the period 2011 to 2031 to meet a North Hertfordshire's objectively assessed need.

As part of its research linked to the Local Plan, the Council's consultants identify the need for 5,400 affordable homes in this period.

This research also highlights the opportunity that the Private Rented Sector (PRS) can have in meeting housing requirements.

The Plan indicates that 33% of all new housing should be for affordable purposes in order to meet this need.

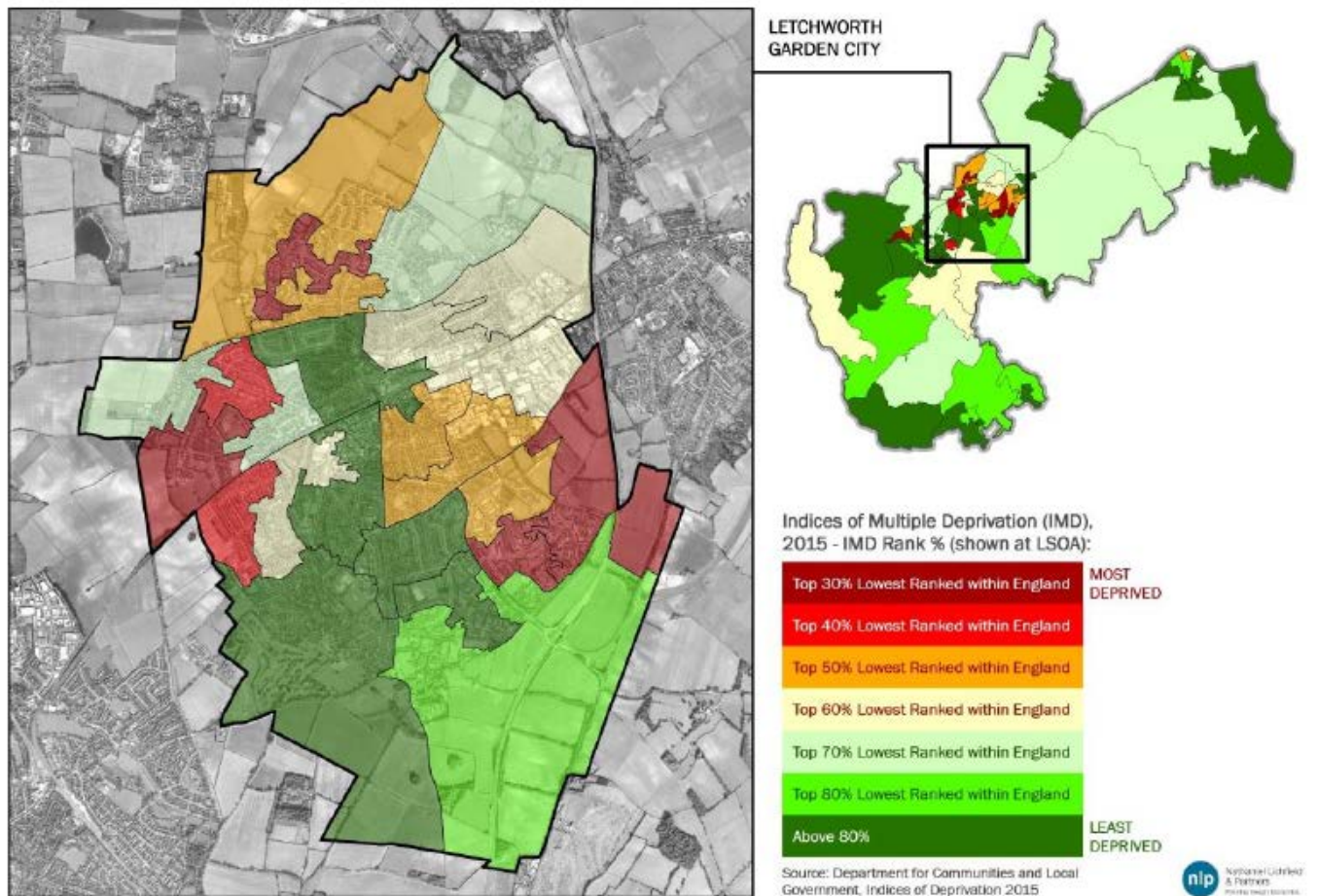
North Hertfordshire Housing Register

This register measures how many households are seeking affordable or social housing across the District

- 1,976 households are on the overall district register (June 2016).
- Only 13% of households on the general needs waiting list for North Hertfordshire are in need of a three or four bedroom home.
- 49% are in need of one bedroom accommodation.
- 64% of households on the register have at least one member in work in the last 2 years.
- 25% on the register are already living in Housing Association accommodation, 23% are renting privately and 23% are living with family.

Letchworth Deprivation

- In Letchworth there are pockets of deprivation found in the east and west of the town and these areas rank particularly low in terms of income, employment and skills.



Deprivation IMD 2015 - North Hertfordshire and Letchworth Garden City (source Lichfields 2016)

- Since 2010 there has been an increase in the variation in deprivation within Letchworth Garden City.
- In 2010, two areas within Letchworth ranked in the top 30% most deprived areas nationally.
- By 2015 this had increased to four part of the town. Parts of Letchworth Wilbury moved from being in the top 50% to the top 40% most deprived nationally, and parts of Letchworth South East moved from being ranked in the top 40% nationally to the top 30%.
- At the same time, large parts of Letchworth remain amongst the least deprived nationally, particularly areas in the south west of the town.

Letchworth Housing Study

In 2016 Nathaniel Lichfield and Partners (now known as Lichfields) undertook a Local Housing Study on our behalf. The main findings of this are as follows:

- There are 14,271 dwellings in Letchworth Garden City and in 2014, the population was 34,248.
- Between 2001 and 2014, Letchworth has seen limited growth compared to the rest of North Hertfordshire.

- Demand for homes has led to a sharp increase in house prices, particularly for terraced family housing. This housing sees the highest turnover.
- House prices are the second highest of the towns in North Hertfordshire, with high entry level prices. A lack of affordability for first time buyers is likely to be driving out-migration, often finding households moving out to more affordable towns.
- Letchworth has the worse affordability gap compared to North Herts towns, reflecting low wages as well as house prices. This has led to an increase in demand for rented accommodation, which has suffered from a lack of supply.
- North Hertfordshire is expected to grow faster than the region and nationally, with half of these in-migrants in to North Herts coming from neighbouring authorities.
- Between 2001 and 2011, overcrowding in Letchworth homes has increased, particularly for families with children.
- In 2011 893 households in Letchworth were defined as being overcrowded. 102 families are living in 1 bedroom accommodation and there are 135 concealed households.
- In June 2016 1,976 households are on the Council's waiting list for accommodation.
- 1,170 new homes are required to maintain the existing local workforce and 3,611 to sustain recent growth in local jobs.

If there is to be no additional housing, all ages groups below 65 would see a significant decrease and this could lead to the loss of 1,501 local jobs. There is a demonstrable need for 3 bedroom dwellings for private stock.

Letchworth Existing Tenure Split

	Letchworth Garden City	North Hertfordshire District	Hertfordshire	England
Owned outright	28%	30%	30%	31%
Owned with a mortgage	30%	35%	37%	33%
Shared ownership	1%	1%	1%	1%
Social rented: From council (local authority)	10%	7%	9%	9%
Social rented: Other	22%	12%	9%	8%
Private rented: From private landlord or letting agency	9%	12%	12%	15%
Private rented: Other	1%	1%	1%	1%
Living rent free	1%	1%	1%	1%

Letchworth Child Poverty

- Letchworth has 23.61% of children living in poverty, compared to 17.61% across North Hertfordshire.

Letchworth Fuel Poverty

- In 2014 8.5% of households in Letchworth Garden City were in fuel poverty, compared to the average in North Hertfordshire of 8% and 7.5% in Hertfordshire. (This equates to 1215 homes in Letchworth, where fuel takes up 10% or more of the household salary.)

- There are however some concentrations of fuel poverty in certain wards, for example in Letchworth East, this stands at 10.1% of households and 9.3% in Letchworth South West.

Letchworth Travel Modes

Travel to work studies show that 6% of these are by cycle and 32% by walking.

Commentary

From this summary, it is evident that additional housing across tenures is required to meet existing and future needs in Letchworth.

There is a concentration of socially rented housing and limited supply of new owner occupier or private rented stock, preventing an aspiration for tenants to move into private or intermediate tenures.

There is significant disparity between some of the most deprived parts of England and more well off areas and an affordability gap has grown and will continue to do so.

There is evidence of growing overcrowding and concealed households and a higher than average amount of households in fuel poverty.

There is a strong local market for private housing, although some local residents are priced out of purchasing a property in Letchworth and demand across property sizes, particularly smaller family housing.

The greatest need for affordable housing is for small households. In the 2016 Strategic Housing Market Assessment for Stevenage and North Herts the need is for 59% smaller (1 & 2 beds) affordable housing for rent and 41% 3 and 4 beds. For intermediate affordable housing, there is 36% need smaller (1 & 2 beds) and 54% needing 3 beds and 10% needing 4 beds.

There is however a requirement for further in depth knowledge of local housing requirements for Letchworth, which was agreed by the Inspector at the Public Examination for the North Herts Local Plan in order to understand our specific circumstances.

Strategic Objective One – Housing Delivery

We will implement at least 1,180 new homes in Letchworth Garden City on land owned by the Foundation in the period up to 2031 in support of the North Herts Local Plan allocation of sites. These will be developed in line with our principles.

The Foundation has supported the allocation of sites under its ownership through the Local Plan Public Examination. In particular this includes Site LG1, which is a strategic allocation of 900 homes on land to the north of Letchworth.

This followed a review of the Council's own research regarding a need for housing, the Objective Assessed Need and an analysis of the socio economic and demographic circumstances in Letchworth.

We have adopted core principles for Site LG1 and will seek to implement this development in line with these principles.

Strategic Objective Two – Housing Need Assessment

In 2018 we will undertake a housing need assessment, working with local stakeholders and by way of community engagement, to understand in greater detail Letchworth’s local requirement for affordable housing and to ensure that this housing also helps supports and enhance the local economy.

Further research is required to understand local housing need in greater detail, particularly affordable housing. The Council’s background studies are for North Herts and Stevenage and we are of the view that the circumstances differ significantly in Letchworth due to the large proportion of socially rented accommodation that already exists.

At the conclusion of this assessment, this will inform the type of affordable housing to be provided on sites LG1 and LG3 included in the North Herts Local Plan and smaller Heritage Foundation led development, in order to meet Letchworth’s needs as well as a wider District wide need.

Strategic Objective Three – Affordable Housing

We will provide affordable housing in line with the overall proportions sought by the Local Plan.

40% affordable housing will be provided on Sites LG1 and LG3. We are of the view that more information is needed on the specific type and tenure of affordable housing to meet Letchworth’s need (Strategic Objective Two), as well as a wider District wide need. However, the Foundation supports the overall proportion of affordable housing in line with the Local Plan.

Strategic Objective Four – Housing Type and Tenure

Following a Housing Need Assessment (Strategic Objective Two), we will examine private rented sector, low cost private housing, community housing and affordable self-build models, along with traditional socially rented and shared ownership/equity provision, as part of an overall package of affordable housing.

Our current research shows a gap in provision between those who qualify for socially rented housing and those who can afford to purchase a home. The assessment of local need will examine the extent of this group and how alternative housing models may support them residing in Letchworth.

THEME TWO – Supporting Sustainable Living

This theme is focussed on meeting modern living needs for all parts of the community. Therefore, housing should be provided that supports independent living. The right homes should be provided in the right places and there should be choice across tenures. This may mean regeneration of existing housing areas, as well as new development.

Homes should be efficient and comfortable to live in and have good access to amenities and non-car transport modes.

Properties most suited to younger and older people should be provided in close proximity to local transport, services and facilities including the town centre and in tenures that provide the level of flexibility sought by these groups.

Strategic Objective Five – Right Homes in the Right Places – Smaller Households

We will grasp opportunities to provide accommodation for smaller households in locations of high accessibility and close to local services. There will be a range of tenures to meet need, influenced by the assessment referred to in Strategic Objective Two.

There is a lack of good quality private rented sector accommodation, which suits younger people, which is competitively priced and of a good quality. This housing will also help support the vibrancy of the town centre.

Similarly, there is a need for good quality private accommodation for seniors and recent development by McCarthy & Stone has sold well.

Town centre locations mean that residents are close to local services and also present a downsizing opportunity, freeing to existing homes that exceed need.

In addition, specialist accommodation is also required to meet specific needs, particularly in the affordable housing sector.

From the information currently available, it is understood that there is strong demand for affordable smaller accommodation.

Strategic Objective Six – Right Homes in the Right Places – Family Housing

Family housing should be part of a mix of accommodation across tenures on new development sites on Foundation owned land, where suitable facilities, access to schools and gardens are provided. In particular owner occupier three bedroom accommodation for younger/smaller families should feature on Sites LG1 and LG3.

There is a continued need for family housing across tenures. The Foundation's 2016 Housing Study highlighted a need for privately owned 3 bedroom accommodation. A lack of supply for this type of private housing is one of the reasons that younger families are moving away from Letchworth.

It is of importance that such developments provide or are in close proximity to schools and other local community facilities.

Strategic Objective Seven – Promoting Sustainable Lifestyles

We will promote sustainable living by:

- i) In the period 2018 – 21, work with partners such as the Letchworth Sustainability Forum and Transition Towns Letchworth, to develop a strategy to proactively engage with local people, businesses and community groups to help encourage more sustainable lifestyles.**
- ii) Providing information on sustainable living in the home to the local community, including reducing carbon use and encouraging biodiversity.**
- iii) Promote non-car transport modes within easy walking distance of homes, including the encouraging the implementation of the Foundation’s Cycling Strategy and the development of a Town Wide Travel Plan.**
- iv) As part of a European Union funded project (EdiCitNet) 2018 - 2023, undertake an analysis of the opportunities to incorporate food growing through productive landscapes into existing housing areas.**
- v) Continue education and associated programmes as part of the Foundation’s home gardening initiative for all local residents.**

There is an opportunity to work with partners to encourage more sustainable living, through information provision and sign posting and partnership working, which will also reduce their living costs.

It is essential for the promotion of non-car modes that there is easy access to public transport, pedestrian and cycling routes, providing access to services and facilities and open space, as part of a positive place making strategy.

Food production is one of the key elements of the Garden City Model, which is often disregarded. Despite the provision of allotments across the town, there is the opportunity to encompass urban agriculture principles in large development sites.

Strategic Objective Eight – Adapting Existing Homes

We will support occupiers in their existing homes by:

- i) Work with local partners, the Building Research Establishment and water companies to provide technical information on how to make homes efficient, comfortable and affordable to live in.**
- ii) In 2018 undertake a programme of staff training in order to provide energy efficiency advice to assist homeowners and social landlords to improve the performance of homes, without harming their heritage value.**
- iii) In 2018 publish advice to help families considering housing an elderly relative or who require an annex meet the Foundation’s Design Principles,.**
- iv) Introduce in 2019 a programme of grants to help improvements to the energy performance of homes.**
- v) In 2019 publish the results of the Eco Home project in Common View.**

Many homes existing can be adapted to meet modern needs.

As indicated previously, there are 1,215 homes in Letchworth subject to fuel poverty (where 10% or more of income is spent on fuel) and there are many poorly performing solid wall homes. We have sought to investigate methods of enhancing energy performance whilst retaining the heritage value and also not giving rise to damp problems, through the Eco Home project in Common View, the results of which are being assessed.

It is recommended that a programme is developed utilising service design methodology in order to provide advice and information for local people to help improve the efficiency of their homes. This will include working with key partners such as Citizen's Advice, local authorities and housing associations and linking into existing programmes.

The Foundation's Heritage Advisory Service staff will also be trained to provide initial advice and signposting to help homeowners seeking to improve the performance of their homes.

Similarly, many homeowners are seeking to alter their homes to accommodate and care for an elderly relative and this is a trend that will grow. Where possible this is to be encouraged, but associated external alterations normally require our approval under the Scheme of Management or leases on most homes. There is a need for advice to help homeowners understand if these changes may be necessary.

There is also an opportunity to shift our Heritage Grants programme away from solely supporting like for like replacement of doors, windows and roof tiles, with an opportunity to encourage improvements to the performance of homes.

THEME THREE – Good Quality Housing For All

Strategic Objective Nine – Existing Rented Property - Decent Homes

We will work with private landlords and Housing Associations to ensure that all homes in Letchworth Garden City meet Decent Homes Standards and explore opportunities for further improvements by:

- **In the period 2018 - 21 approach North Herts District Council and local Housing Associations to gain a greater understanding of the quality of existing affordable housing stock and any barriers that may exist if improvements are needed.**
- **In the period 2018 - 21 investigate whether there are any covenants in leaseholds or the Scheme of Management to require decent quality standards for private rented property.**
- **Encourage private landlords to improve their properties and signpost grants which may be available.**

Decent Homes Standards is the absolute basic standard for accommodation, ensuring that it meets current statutory minimum standards, is in a reasonable state of repair, has reasonably modern facilities and services and provides a reasonable degree of thermal comfort.

Generally social housing providers meet these requirements, but there are some private landlords who offer a poorer quality accommodation, often to vulnerable people. Although we have no statutory authority, we will reach out to landlords to assist in meeting this requirement and if a lease allows apply pressure to ensure compliance.

Strategic Objective Ten – New Housing

To facilitate a national design competition to promote the debate on high quality design as part of a place making approach to Garden City design.

To provide Design or Development Briefs for all housing sites under the Foundation's ownership and sole control in the North Herts Local Plan, which ensures that a high quality design is produced, which reflects a modern interpretation of Garden City Design Principles. This will include good quality well designed homes that are efficient, attractive and provide a great place to live. These briefs will include:

- **Community engagement to give full opportunity for local people and stakeholders shape development proposals.**
- **Good quality design which respects the scale of the built form in Letchworth and Garden City Design Principles.**
- **A cohesive approach to sustainable transport.**
- **Minimum dwelling size.**
- **Work with the Building Research Establishment to provide standards that lead to energy efficient new homes, taking a fabric first approach.**
- **Sustainable approach to water management, including surface water.**
- **Homes with decent gardens, with a stated minimum depth.**
- **Lifetime Homes compliance for all dwellings – (in excess of Building Regulations M4 (2), making homes suitable for all ages.**
- **10% of new homes to be wheelchair accessible, in accordance with Building Regulations M4 (3).**
- **The use of sustainable sourcing of materials.**
- **Considerate Contractors compliance.**

- **Tenure blind affordable housing, distributed evenly across development sites.**
- **High quality landscaping schemes which include structural street planting, front and rear gardens that incorporate native tree planting and opportunities for the inclusive of urban agriculture principles.**
- **Timely delivery of needed community and educational facilities**
- **Long term stewardship programmes in place, which will ensure that completed developments are properly cared for.**

We are able to control the type and quality of housing and also need to ensure that this is viable providing a reasonable return for reinvestment via our charitable commitments, but should be exemplar development, recapturing the early pioneering spirit of the Garden City Movement. This will be informed by a national design competition – ‘Re-imagining the Garden City’, in partnership with the RIBA and other leading national advisors.

There should also be basic minimum standards which will provide high quality accommodation to meet current and future needs, whilst minimising carbon and water use. This will be achieved by detailed briefs for all sites, but in particular Site LG1 and LG3.

THEME FOUR – Ensuring Housing Has a Wider Community Benefit

Strategic Objective Eleven – Economic Benefit

Housing will be used to support the local economy by:

- **The provision of accommodation in the town centre, including private rented models for younger people.**
- **Discussion with local employers, the Local Enterprise Partnership and Business Improvement District to understand the type of housing that will support economic investment and meet staffing needs.**
- **The retention of younger families by the provision of the type housing to meet their needs.**

Housing generates an opportunity to help support the local economy and the potential to work with local employers and sustain the town centre by creating more vibrancy.

By encouraging accommodation that is attractive to younger people this will support these aims, this will help support the local economy.

Strategic Objective Twelve – Training & Employment

We will work with North Herts College and other educational providers, to ensure that new housing development will provide local people with opportunities for training and apprenticeships for construction and related roles. This will in particular focus on younger local people and the unemployed, particularly those living in the most deprived parts of the town.

New housing leads to investment into the local economy, by bringing employment and local business, but there is an opportunity to enhance this by developers and their contractors being part of a comprehensive programme of training, led by a recognised provider. We are developing this programme with North Herts College, who have a significant apprenticeship and training programme, including for construction employment.

There will be a requirement that developers on land being marketed by the Foundation will be part of this training scheme.