

Understanding Wigan's Housing Markets

Background Information

Wigan Borough lies within Greater Manchester but borders extensive areas of Merseyside, Cheshire and Lancashire. It also lies on the north/south axis created by the M6 and the West Coast mainline. The Making Housing Count Report (2007) found that as a result Wigan related economically and functionally to a wide range of neighbours. However the links with Greater Manchester (GM) have meant that Wigan has been included within the Manchester Sub Regional area and within the recent Strategic Housing Market Assessment the borough has been linked with Bolton, Bury and parts of Salford to form the Greater Manchester North West area.

The Strategic Housing Market Assessment found that GM North West had looser links with the City Region than other areas and whilst we have experienced household growth we have neither experienced the affluence of GM South nor the deprivation levels associated with GM Central.

Figure 1 - Greater Manchester Housing Market Areas



Our Local Housing Needs Survey 2008 has shown that the borough's housing markets are relatively diverse with a market centred on Wigan in the west, one centred on Leigh and a third, more related to the rest of GM centred around Tyldesley. It also noted that there is a further degree of separation at township level.

It has been found that in overall terms the boroughs market has:

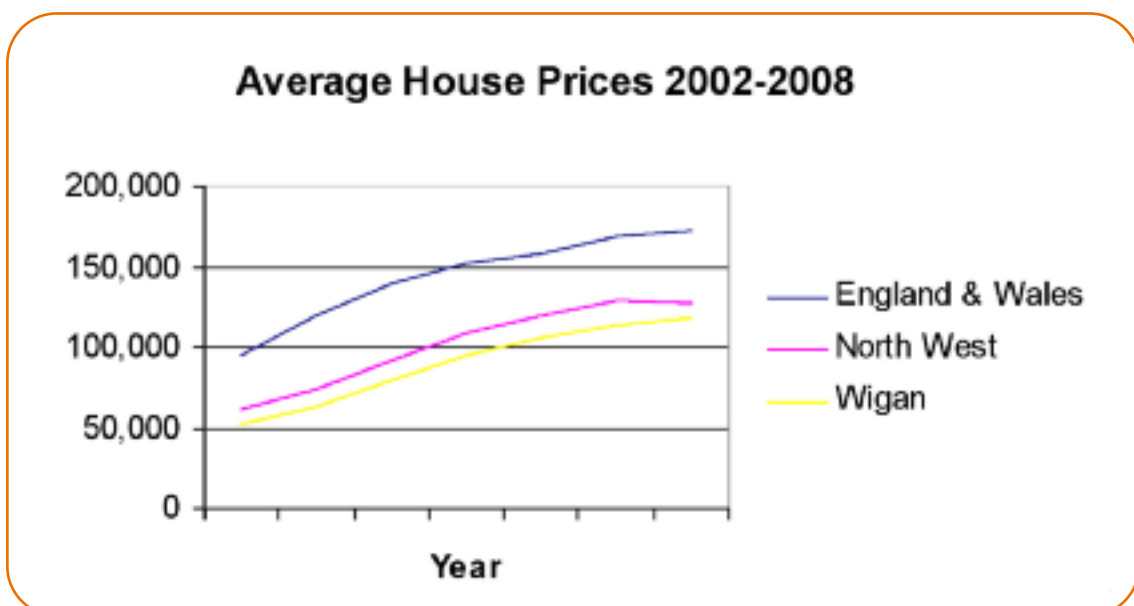
- Become less enclosed over time and has attracted more in-migrants than in the past (especially eastern parts of the borough)
- It is a relatively low priced area of housing compared to the regional and national average
- It also experiences considerably more economic mobility than residential mobility

Housing Trends 2002-2008

Rising prices

Since 2002 rapidly rising prices have occurred within the borough in common with elsewhere in the region. Prices have fallen somewhat in the second half of 2008 and are predicted to fall further however they still are much higher than in the past.

Figure 2 - Average House Prices



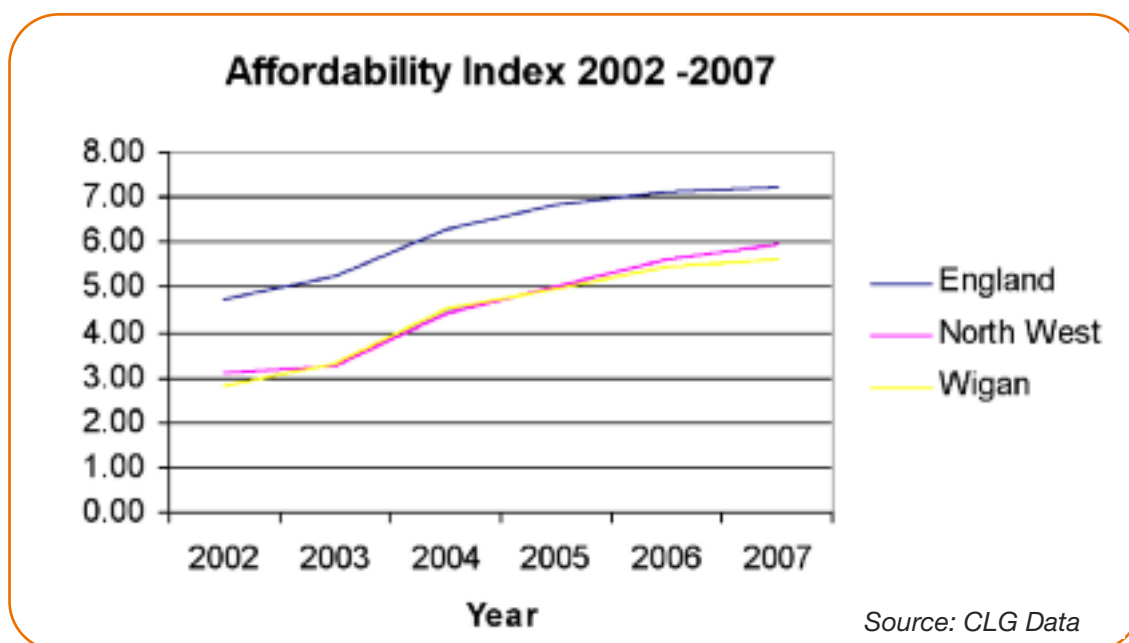
Source: CLG Housing Data

House price increases have been steepest at the lower end of the market, with lower quartile house prices rising by 154% in the period 2002 to 2008, compared to the average rise of 122%. Over the same period lower quartile earnings have risen by only 23.5%.

Declining affordability

Figure 3 below shows the deteriorating ratio between lower quartile income and lower quartile house prices. This has made it increasingly difficult for many residents, particularly first time buyers to enter owner occupation. At the time of our previous housing needs survey in 2003 it was estimated that 50% of newly forming households could afford to buy but in 2008 this had fallen to only 18%.

Figure 3 - Affordability

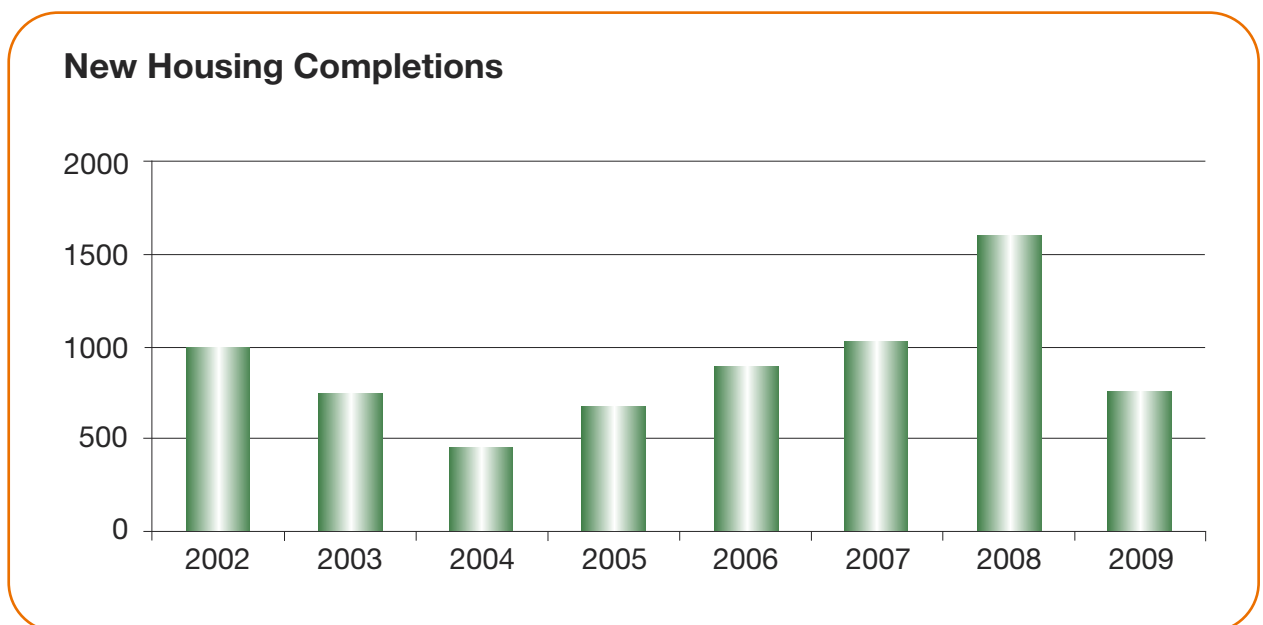


Whilst the recent falls in prices and the suppression of demand associated with the credit crunch should make properties more affordable in reality little is likely to change over the short term. This is partly due to current difficulties in obtaining mortgage finance without a large deposit and also because it would take a major and sustained fall in prices to enable this to occur. This would also have further adverse impacts trapping households in negative equity etc. As in the majority of the region Wigan needs a gradual rebalancing of prices and incomes and a rebuilding of confidence with an increase in affordable housing supply.

New housing completions

The increased difficulty of entering owner occupation has occurred despite the production of new housing in Wigan significantly exceeding the anticipated levels in recent years. New completions averaged 908 units per year between 2002 and 2008 and since 2005 had significantly exceeded the previous housing target. Completion rates have dropped dramatically to 756 units in 2009 and are likely to remain low in the short term due to the recession.

Figure 4 - New Housing Completions



Source: HFR returns

Increased demand for affordable housing

The increasing issue of affordability is illustrated by the massive increase in demand for social rented accommodation and the increased pressures on the homelessness service. At the same time the number of available social rented homes has decreased

This picture of a shortage of affordable housing can be seen in a range of ways including the significant drop in affordable housing supply (Fig 5), the major pressures faced in allocations and by the increased local activity relating to affordable housing.

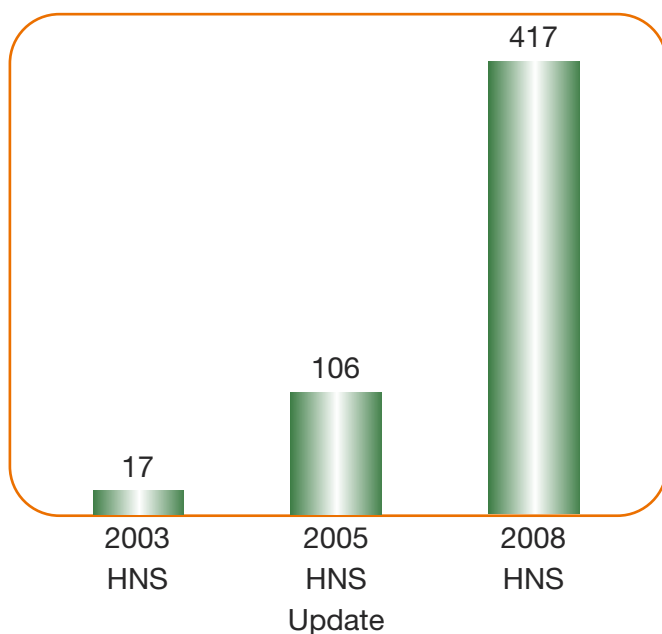
Figure 5 - Wigan's Affordable Housing Demand and Supply

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Number on housing register	5019	5684	4035	5801	5059	5991	4561
Number of LA re-let properties	3039	2483	2337	1972	2337	2151	2065
Overall demand app/letting	1.65	2.29	1.73	2.94	2.16	2.78	2.21
Other social lettings	664	557	394	462	513	555	610

Source: HSSA data

Figure 6 below shows the growing gap between affordable housing supply and projected demand over time as illustrated by the various Housing Needs Surveys.

Figure 6 - Rising Annual Affordable Housing Needs



Source: Wigan Housing Needs Survey

Understanding Wigan's Housing Markets

This information is now backed by the GM Strategic Housing Market Assessment (2008) which concluded that over 400 additional affordable housing units are needed per annum in Wigan. The Regional Housing Strategy Consultation paper estimates that the GM North West Housing Market Area needs to deliver up to 30% of all new housing as affordable housing units (905 units per annum for wider area).

Sustained increases in the number of households applying for social rented accommodation has increased the time taken to be rehoused substantially due to the backlog of households requiring accommodation. The Greater Manchester Strategic Housing Market Assessment found that the turnover rate of the stock in Wigan was just 3% per annum, compared to the GM average of 8% and that only 21% of applicants could be re housed in the year.

The type of accommodation becoming available also impacts on the demand and waiting times, with the study showing that smaller bedsit and 1 bedroom accommodation and sheltered accommodation had a higher turnover rate at 16%. The result being that waiting times and the number of bids received through choice based lettings for these types of properties was much lower than for family size accommodation.

Figure 7: Average number of bids received per vacancy by property type

	Bedsit and one bed	2 bed	3 bed	4+ bed	Sheltered
Greater Manchester	28	48	53	37	10
Wigan	28	61	82	94	13

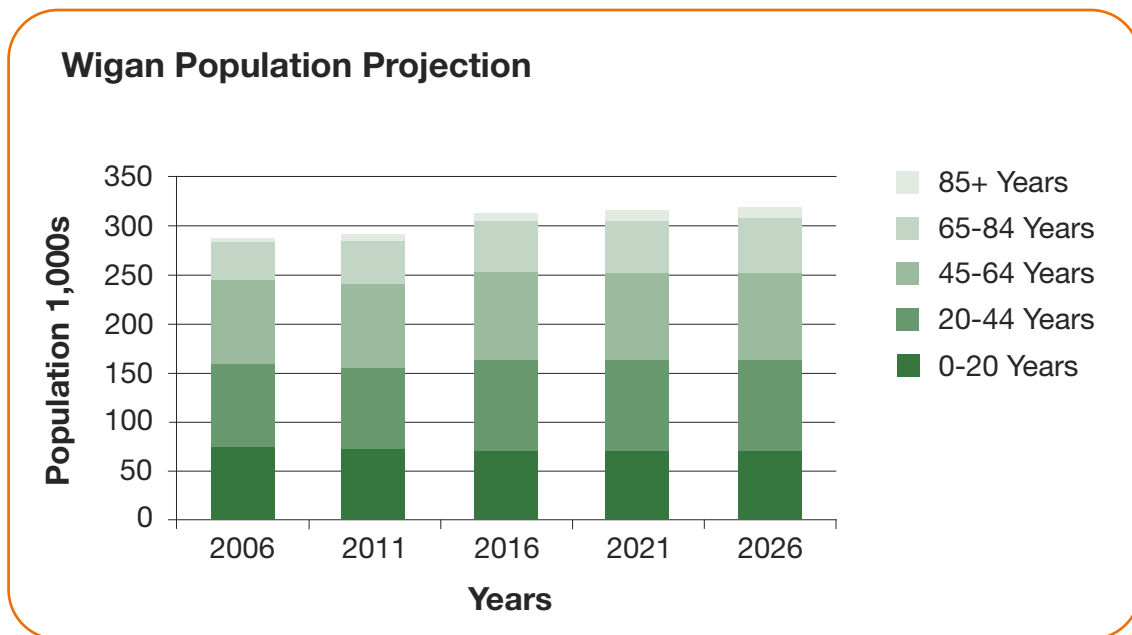
Source: GMSHMA

Future housing trends

Whilst housing demand fluctuates with the economy the underlying prospects for future housing demand remains strong over the long term. This is because Wigan and the surrounding area expects continued population and household growth. Latest population projections for the North West predict an increase of 25,000 to 37,000 people per annum for at least the next 20 years, a much

higher figure than previously suggested. Within Wigan the population is forecast to rise by 15,000 by 2026 This is illustrated by the latest population trends in figure 7.

Figure 8 - Population Trends



Source: ONS 2006 data

A significant element of this growth will arise from the ageing of the population brought about by improvements in health and age. Borough projections show a 45% increase in those aged 65-84 and a 77% increase in over 85s by 2026. Over the same period the population of younger age groups is predicted to fall

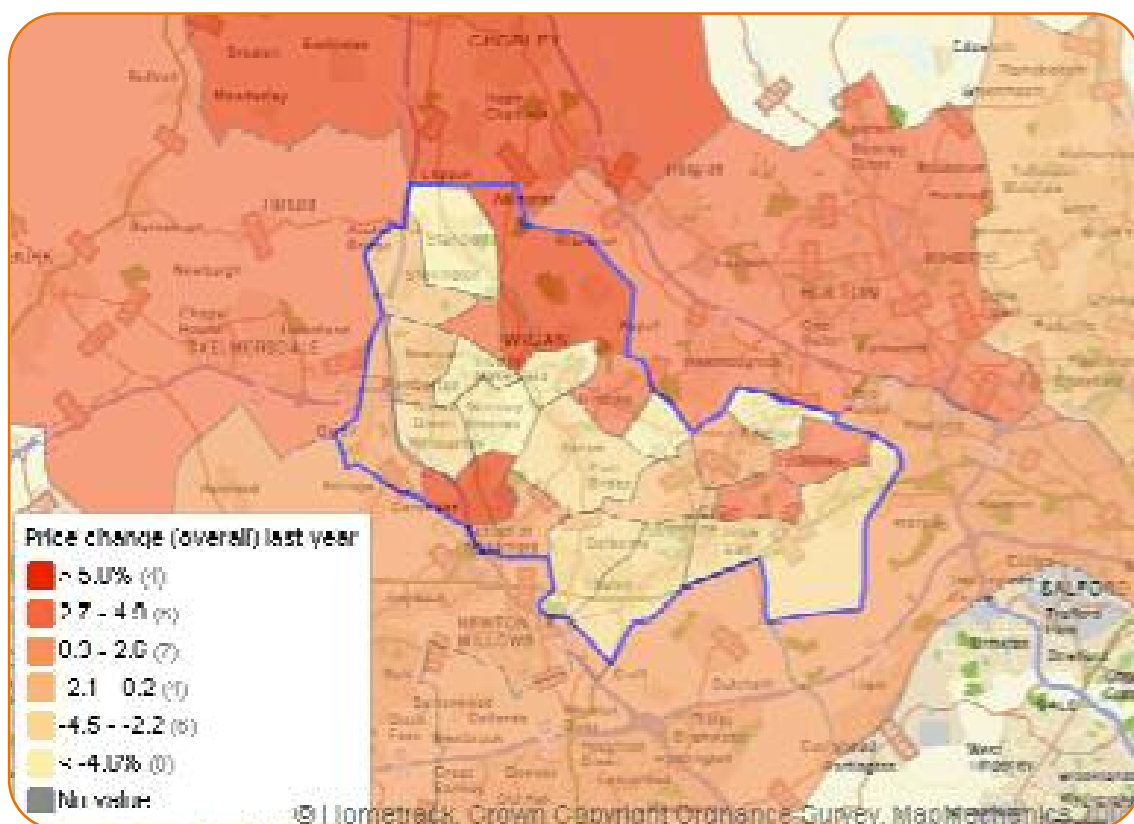
With the forecast increase in residents and the continued fall in household size, demand for housing will continue to grow. Whereas the population will grow by around 5% by 2026, the number of households is predicted to increase by 17% over the same period. This is likely to increase demand for housing and increase pressure on infrastructure and services.

Current housing pressures

The current economic slow down will clearly affect this optimistic picture of a growing housing requirement in the short term. The level of sales activity is extremely low, having fallen by 72% in the last year. Demand for new homes has fallen and there has been a rise in the number of unsold and unoccupied newbuild homes over the last year.

According to Hometrack data, house prices in the borough have fallen in 2008 by an average of 3.7%. However, price changes have not dropped uniformly across the borough, see map below, and have held or increased in some areas and for some property types. Surrounding boroughs have seen similar drops, for example St Helens -2.4%, Salford -1.0% and Chorley -4.4% with Bolton seeing a small increase of 0.2% over the year.

Figure 9 - Average price change over year to January 2009 by ward



Affordability

Despite recent falls in house prices affordability problems persist in the borough with ratios of incomes to house prices remaining high, with around 35% of first time buyers still being priced out of the market for an apartment or terraced property. Demand for affordable rented homes remains high and it is likely that demand within the private rented sector may rise. The length of this economic and housing readjustment is open to question but the prospects over the next couple of years appears to remain difficult but it is hoped that the longer term demand drivers will mean that housing growth will continue in medium and long term.

First time buyer barriers

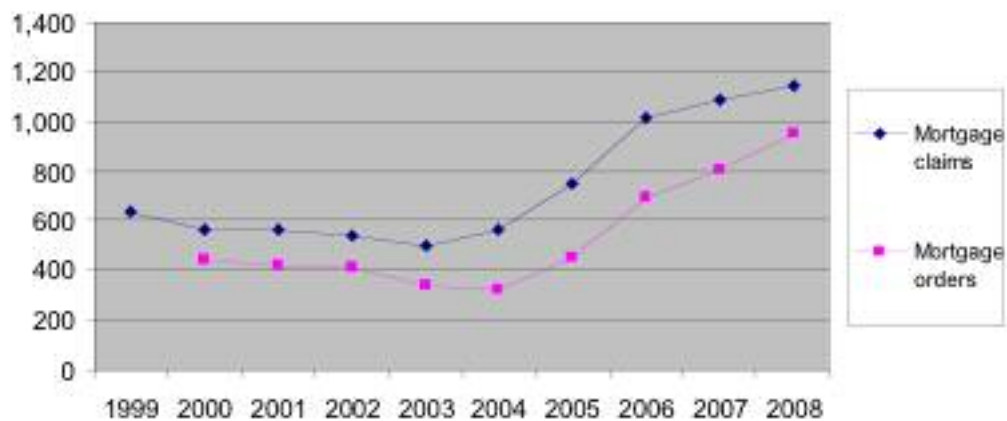
Whilst house prices have been falling over the past twelve months, prices remain at a high ratio compared to average incomes for concealed households. Reducing house prices have coincided with the crisis within the credit markets, with borrowers responding by asking for higher deposits from lenders. Currently, mortgage lenders are typically asking for a deposit of between 15 to 40% of a property's value. The Housing Needs Survey 2008 asked concealed households the level of savings they had available to meet a deposit, stamp duty and meeting costs on their new home. The majority (45.5%) had savings less than £1000, with only 5.1% having over £10,000 in savings. To illustrate, the barriers a first time buyer has in accessing owner occupation, an entry level property valued at £85,000 could require a deposit of between £12,750 and £34,000. Based on the findings of the Housing Needs Survey, it is unlikely that first time buyers will be able to find such deposits unless they have additional support, such as from parents. Even if a deposit is raised, the amount is likely to determine the amount of interest on the loan, with those making the lower loan to value deposits being charged a higher interest rate, therefore increasing their outgoings from their income on housing costs. Mortgages that are available for a higher loan to value also tend to charge higher mortgage arrangement fees.

The Bank of England have reacted to the economic slowdown and credit crisis by reducing interest rates dramatically since October 2008 from 5% to 0.5% in March 2009. The fall in interest rates, has led to a reduction in the availability of popular tracker and variable mortgages that are linked to the Bank of England interest rate. Lower interest rates have also compounded the problems for first time buyers, in that accounts used to save for a deposit and associated house purchase costs have reduced their interest rates meaning less return on money saved.

Pressures for existing Owner Occupiers

Figure 8 shows mortgage possession activity in the courts for properties in the Wigan local authority area from 1999 to 2008. When a mortgage lender issues a possession claim it is the stage where the mortgage lender is signalling their initial legal intention to regain possession of properties due to mortgagees failing to comply with terms of their mortgage arrangements. The second stage for a lender to gain possession is by applying to the court to make a possession order. It is worth noting that possession orders made against a mortgagee does not necessarily mean that properties have been or will be repossessed. Possession orders can be suspended if the mortgagee enters into and keeps an agreement with their lender.

Figure 10 - Mortgage Possession Action in Wigan Local Authority Area



Source: Department of Constitutional Affairs

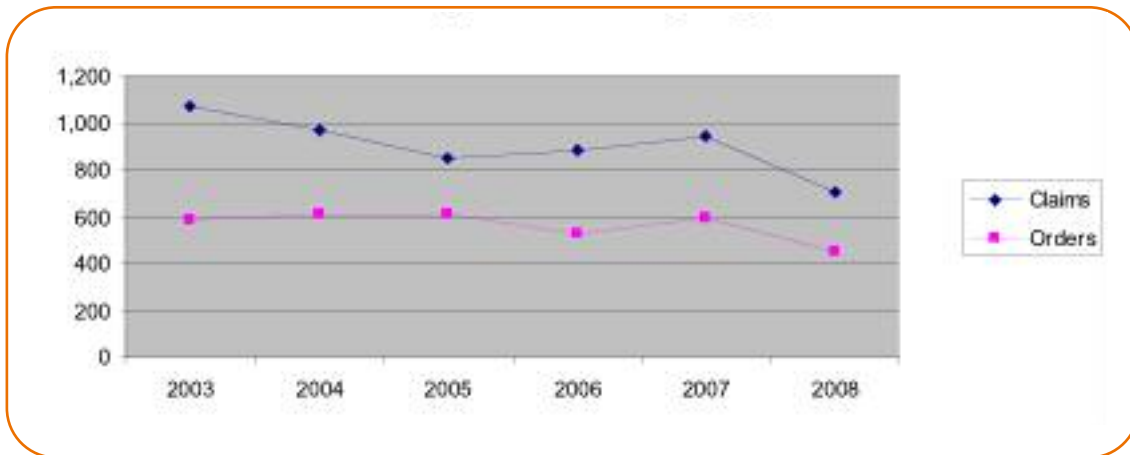
The chart shows significant increases in possession activity since 2003 and 2004. Mortgage claims against households in the borough increased by 131% from 495 claims in 2003 to 1145 claims in 2008. Mortgage orders against households in the borough increased at an even greater rate of 197% from 320 orders in 2004 to 950 orders in 2008. The increase in annual figures since 2003 and 2004 makes grim reading particularly as this was in a period when the UK's economy appeared to be in good health prior to the arrival of the credit crunch in 2007 and the recession in late 2008 going into 2009. Concern was that as the effects of the recession would lead to further increases in possession activity against owner occupiers. Action at a national and local level at present seems to have had an effect on minimising possession activity. Nationally, the government introduced initiatives such as the Mortgage Pre Action Protocol, the mortgage rescue scheme as well as increased funding of advice services. Locally, Wigan has reacted to the economic downturn by gaining acceptance as a trailblazer on the mortgage rescue scheme, coordinating a cross sector response to the crisis and improving homeless prevention to name several initiatives. Interventions appear to be working in Wigan with mortgage claims and orders leading to claims in the second quarter of 2009 down by 34% and 42% respectively when compared with the corresponding period in 2008.

The wider economic response to the downturn has also had an impact on owner occupiers. The Bank of England has responded to the economic slowdown by dramatically reducing interest rates to their lowest level in its 315 year history from 5.0% in October 2008 to 0.5% in March 2009. Interest rate cuts have been passed on by lenders in many cases to those with tracker and in some cases variable mortgages, therefore reducing mortgage payments for many households. However, there has been some reluctance from lenders to pass on rate cuts to borrowers, as they seek to balance the interests of borrowers and savers and manage the after effects of the credit crunch on their organisations. The effects of the credit crunch and the major reduction in interest rates recently has led to a major reduction in the mortgage products being offered. Popular tracker and variable interest mortgages have reduced in availability and this may prove a problem when households current mortgage deals come to end and they seek a new deal. In the long term as the economy improves the Bank of England is likely to increase interest rates which will lead to rises in lending and repayment rates for households with mortgages. The low interest rates are currently acting as a protective measure, as they rise mortgage arrears may increase causing greater mortgage possession activity. Rising mortgage arrears and increases in possession activity can also have negative double impact on those effected. A failure to maintain mortgage payments along with the decline in house prices since their peak in 2007 can lead to households being in a position of being in negative equity. This prospect is more likely for those who have bought in the peak years, with mortgages based on high loans to property value and high multiple to incomes ratios.

Pressures for existing tenants

Trends with the possession activity on landlords is less volatile than action against home homeowners. Landlord claims have remained consistently high against households in Wigan, ranging from 1070 and 710 claims between 2003 and 2008. These can be seen in Figure 9.

Figure 11 - Landlord Possession Activity - Wigan LA



2008 saw a significant reduction in possession activity by landlords. Claims reduced by 25% and orders made by 24%. It must be noted that the local authority and registered social landlords are by far the largest landlords in the borough (social rented stock is approximately 20% of all tenures). Social landlords take a proactive approach in managing rent arrears and the action taken against tenants. Social landlords will work with tenants falling into rent arrears to give them the best opportunity to remain in their home. When a possession order is made, it does not mean that the tenant will be evicted. Orders can be made to suspend possession, and social landlords will work with tenants so that they comply with the terms of the order and eviction will be used as only as a last resort. The greatest risk in regards to landlord possession activity in the current economic climate will be in the private sector. Those renting in the private sector may be at greater risk should they lose their employment and local housing allowance does not cover their rent. There is also the risk of landlords facing possession action which can have an effect on their tenants (this is discussed in the next paragraph).

The extent and the structure of the private rented sector in Wigan is largely unknown. The Housing Needs Survey indicated a private rented sector of 5.7% of all stock in Wigan. This is a 2% increase since the 2001 census. The last ten years has seen an expansion in the private rented sector through Buy to Let, again the extent of this activity in Wigan is unknown. Housing Strategy has for the last twelve months experienced a growing number of landlords approaching them for information and opportunities for renting their properties. Some of these enquiries have been from landlords who have multiple

properties in the borough. The increased supply of properties available for private rent has made the private rented market more competitive and landlords or their letting agents have been reducing rents and offering incentives. The increased supply of properties through buy to let and reductions in rent prices the buy to let landlord in a difficult situation. Rent being lost through properties being empty along with the reduction of rents in the present market, can often mean that the buy to let landlord is not covering the costs of their mortgage. Nationally the number of buy to let properties being repossessed has increased by 166% in the third quarter of 2008 to 2400 from 900 in the period for the previous year. For tenants of buy to let landlords, they can often know nothing about the possession action being taken against their landlord and repossession can happen without notice. In Wigan, the Housing Options Advice service has already being dealing with cases that have experienced their homes being repossessed due to action taken against their landlord. In response to this the government announced in August 2009 new rights for tenants who are facing eviction when their landlord is facing repossession.

The Current Housing Offer

The vast bulk of future housing demand will need to be met from the existing stock. Part of the legacy of Wigan's industrial past is that a high proportion of stock will fall short of expectations and this will result in a failure to attract people into the borough and may contribute to people leaving the borough.

In comparison with the rest of the Greater Manchester sub region our overall housing stock compares favourably being on the whole slightly younger, having more owner occupied properties and being in much better condition. However the borough does have slightly more Band A properties and significantly less rented properties than across Greater Manchester as a whole. In national terms the boroughs stock is generally favourably represented especially in its condition. There are however some anomalies such as the predominance of family housing and whilst the private rented sector is small its stock condition is poor. Whilst having relatively good levels of insulation and heating the borough also faces fuel poverty issues due to its income profile.

Figure 12 - HHSRS Projection

	Non Decency (% of private stock)
Bolton	34%
Bury	24%
Manchester	34%
Oldham	78%
Rochdale	30%
Salford	35%
Stockport	37%
Tameside	48%
Trafford	51%
Wigan	21%
Gtr Manchester	37%
Region	38%

Source: Regional Private Sector Decency Study 2008, Penningtons

Figure 13 - Age of Stock

	Built before 1920	1921-1960	1961-1990	1991+
Wigan	23%	34%	35%	8%
GM	25%	37%	31%	7%

Source: GMSHMA 2008

Figure 14 - Council Tax Band

	Band A	Band E to G
Wigan	49%	5%
GM	46%	8%

Source: GMSHMA 2008

Figure 15 - House Type

Type	Detached	Semi Detached	Terraced	Flat
Wigan	17%	46%	30%	7%
GM	13%	38%	33%	16%

Source: GMSHMA 2008

Figure 16 - Tenure

	Socially Rented	Private (owner occupied and private rented)
Wigan	19.1%	80.9%
GM	21.9%	78.1%

Source: GMSHMA 2008

Energy Efficiency

Levels of energy efficiency are relatively high in Wigan, with local authority stock within the top quartile nationally. Efficiency in the private sector is also above average, however, there are particular issues with the standards of private rented and older stock in some areas of the borough.

Figure 17 - Energy Efficiency

	% with poor insulation levels (<40 SAP)
Bolton	10%
Bury	5%
Manchester	8%
Oldham	25%
Rochdale	9%
Salford	15%
Stockport	2%
Tameside	4%
Trafford	8%
Wigan	8%
Gtr Manchester	11%
Region	20%

Despite good performance, fuel poverty remains a concern in the borough due to the relatively low incomes and this has increased recently with current high fuel prices, it is estimated that for every 1% increase in fuel prices a further 40,000 households fall into fuel poverty nationally. From the Census 2001 figures and the national poverty figure of 23%, there are an estimated 8,600 pensioners in fuel poverty in the borough. A recent assessment of our performance estimates that 5.11% of vulnerable households are in fuel poverty currently.

There is a close link to seasonal excess deaths as fuel poverty has an impact upon ill health, particularly circulatory and respiratory diseases and other long term conditions.

Figure 18 - Warm Front Grant Take Up

	Investment	£ Per Non Decent Home
Bolton	£3.7m	£121
Bury	£1.7m	£98
Manchester	£3.1m	£100
Oldham	£3.3m	£118
Rochdale	£2.5m	£120
Salford	£2.1m	£90
Stockport	£1.8m	£45
Tameside	£1.9m	£54
Trafford	£1.5m	£37
Wigan	£3.6m	£157
Gtr Manchester	£25m	£88
Region	£75m	£84

Empty Homes

The number of long term empty homes is an indicator of both quality and demand for accommodation. There has been a reduction in the numbers of empty homes since 2001, particularly in the social stock. However, the proportion of homes being left vacant in the long term has increased over the period. In recent months we have seen a sharp increase, mainly due to the fall in completed sales for new properties.

Figure 19 - Vacant Stock

Vacant Stock	2001				2007			
	Social Stock	Private Stock	All Stock	All Vacant	Social Stock > 6 mth	Private Stock	All Stock	All Vacant 6 mth
Greater Manchester	12,601	39,043	51,644	19,366	7,250	41,205	48,455	17,082
Wigan	1,020	4,126	5,146	1,411	468	4,135	4,603	2,338

Source: GMSHMA

Looking in more detail, the problem of empty homes varies substantially across the borough, with levels of long term empty homes ranging from 5.25% in Douglas ward to just over 1% in Winstanley. The recent downturn in the housing market appears to be driving a significant proportion of the increase in empty homes, particularly the numbers of new build homes left unsold and unoccupied. Approximately 3 quarters of the recent rises in the levels of vacant homes are due to major increases in the numbers of newly built homes lying empty. This has been caused by a combination of the housing recession with a local increase in new housing production. Thus as a result over 600 newly built homes are currently vacant and have been for over 6 months. These homes are concentrated in the following 4 wards:

- Douglas
- Atherleigh
- Tyldesley
- Atherton

Whilst all types of property are affected by these trends it is clear that there is a particular problem with the supply/current demand for apartments.

Geographical Variations

Whilst Wigan's overall housing offer seems relatively good, in reality there are major local variations across the borough that show major issues are faced in developing sustainable communities and balanced housing markets. This has been illustrated by a series of reports that look at Wigan's different townships (Wigan's Changing Housing Markets 2005 and Update 2008). There are significant concentrations of deprivation, and of weak unbalanced housing markets and the latest report shows that the situation is not improving as significant numbers of residents wish to move to more attractive areas in the borough.

Figure 15 below provides a summary of the analysis. Using a range of indicators, it shows that the central older urban core of the borough suffers from having a weak housing market driven by concentrations of older property, rented homes, deprivation and poor transport links. In contrast the periphery of the of the borough exhibits many of the characteristics of successful housing markets/sustainable communities.

Figure 20 - Analysis of Townships by Weak Housing Market Indicators

	Ashton	Atherton	Golborne	Hindley	Leigh	Orrell	Standish	Tyldesley	Wigan North	Wigan South
Lower House Prices (entry level)	x	✓	✓	✓	✓	x	x	x	x	✓✓
High Levels of Socially Rented Stock	x	✓✓	x	x	✓	x	x	x	✓	✓✓
High Terraced Stock	x	✓	x	x	✓✓	x	x	x	✓	✓
Poor Housing Condition	✓	x	x	x	✓✓	x	x	x	✓	✓
Low Incomes/High Benefit Levels	x	✓	x	✓	✓	x	x	x	✓	✓✓
High Long Term Vacancy Rates	x	x	x	✓	✓✓	x	x	✓	✓✓	✓✓
Notional Surplus Housing (Needs Survey)	✓	x	x	✓	x	x	x	✓	✓	✓
2007 Deprivation Index (Significant Worst 10% Areas)	x	✓	x	✓	✓	x	x	✓	✓	✓✓
Significant Anticipated outflow of Residents 2008-11(Needs Survey)	x	x	x	✓	✓	x	x	x	✓✓	✓✓

Figure 20 - Analysis of Townships by Weak Housing Market Indicators

	Ashton	Atherton	Golborne	Hindley	Leigh	Orrell	Standish	Tyldesley	Wigan North	Wigan South
Making Housing Count (AGMA) Recommendations on Housing Regeneration Interventions	x	x	x	✓	✓	x	x	x	✓✓	✓✓
Higher House Prices (entry level)	✓	x	x	x	x	✓✓	✓✓	✓	x	x
Higher Proportion of Detached Housing	✓	x	✓	x	x	✓	✓✓	✓	x	x
Higher Income Levels	x	x	✓	x	x	✓✓	✓	✓	x	x
Anticipated High Flow of Residents 2008-11 (Needs Survey)	x	x	x	x	x	✓✓	✓	x	x	x
Low Long Term Vacancy Rates	✓	x	x	x	x	✓✓	✓	x	x	x
High Affordable Housing Needs (need v current position)	✓	x	✓	✓	x	✓✓	✓✓	✓	x	x

Vulnerable People

Housing and Support Services

The Supporting People programme was introduced in April 2003 when it assumed responsibility for delivering Housing Related Support. A Supporting People Strategy was developed for the period 2005 -10.

Since the introduction of Supporting People there have been increasing needs for services and pressures on funding of services due to a curtailed budget. The Supporting People service was inspected by the Audit Commission in 2007 and since then there has been a recognition of the need to transform housing related support in the borough, resulting in an increase in funding in the period 2008 -11. The three main issues to be addresses are:

- Under developed short term services, addressing the needs of socially excluded groups including, homeless people, people with drugs/alcohol/ mental health issues, young people and offenders. The lack of adequate services in these areas increases the pressure on partner agencies. It also represents lost opportunities and lowered outcomes for service users.
- Over commitment in long term services which are jointly funded, providing support combined with care. The Wigan Supporting People program currently dedicates 43% of the annual spend in this area. The position regionally is moving towards a commitment of less than 30%. To achieve an appropriate balance within the program spend needs to be managed down in this area while working with funding partners to meet the personalization agenda.
- An outdated model of older people services, based on vertical model of delivery that depends on location based staff, often one person, delivering services across a range of issues. The majority of service provision is directly tied to social housing provision, is not delivered on the basis of service users need, but on occupancy of property which is allocated by the landlord. A move from this vertical silo provision to a horizontal model, delivered across tenures give equality of access and opportunity is required.

The new commissioning strategy will see a move away from long term support services to greater investment in short term services, focusing on excluded groups, such as homeless people and those with complex needs. A transformation of services for older people is proposed from a “vertical” service tied to tenancies within the social sector to a “horizontal” service that is able to address low level needs across all tenures. Services will be needs led, offer

choice and flexibility and achieve greater outcomes in terms of promoting independence.

The funding for services is to increase in the period 2008 -11 and the following levels are proposed.

Figure 21 - Supporting People Funding

Spend levels	2003/04		2007/08		2010/11	
	£m	%	£m	%	£m	%
Service areas						
Long term services	£3.44	46%	£3.17	43%	£2.63	27.50%
Short term services	£2.62	35%	£2.87	39%	£4.78	50%
O P services	£1.42	19%	£1.62	22%	£2.15	22.50%
Total	£7.48	100%	£7.36	104%	£9.55	100%

The following principles will apply to all services:

Needs based provision	Developing services and individual support that responds to an individuals needs
Cross tenure provision	Delivering services to those who need them irrespective of their type of housing
Equality of opportunity and access	Accessible services that promote independence and challenge discrimination
Involvement and consultation	Focusing on service users, engaging them in the developing services
Meets Value for Money and Quality standards	Meeting the QAF standards and pursuing continuous service improvement while delivering Value for Money
Affordability	Maximising the range and effectiveness of services within the available finances
Retaining and promoting independence	Enabling service users to enjoy the highest possible levels of independence

North West needs assessment model

There are a number of actions proposed to support the delivery of the Commissioning framework, one being to establish a baseline of provision and identify key gaps in relation to the designated vulnerable groups. Wigan's local needs data has been found to be robust and has been added into the North West Needs Model, although this has not been finalized, some key messages are emerging with regard to the borough.

Figure 22 - Key messages from the North West needs model

Substantial under provision in drugs and alcohol services, accommodation and floating support	Substantial under provision for homelessness, particularly families and rough sleepers
Substantial under provision for offenders, including mentally disordered and those at risk of offending	Substantial under provision for physical and sensory disability, accommodation based and floating support
Under provision for mental health, accommodation based	Substantial under provision for teen parents
Substantial under provision for domestic violence services	Substantial over provision in accommodation based services for older people but greater under provision in floating support services, including frail elderly
Lack of service for HIV/Aids and refugees/ asylum seekers	Over provision for adults with learning disabilities accommodation based but under provision of floating support

Note - under provision above is in relation to the model used, the Wigan needs analysis is in comparison to provision by the other LAs in the region. There are some differences in the two positions.

The vulnerable groups are discussed in more detail below.

Homelessness

Homelessness continues to be a particular issue in Wigan with continued high presentations, although these are now falling back to 2003 levels the pressure on services is likely to increase in the current economic climate. There have been a number of pressures on the housing market in recent years that have contributed to the problem.

- Rising house prices have made it increasingly difficult for families to resolve their housing issues themselves
- As there is a lower than average proportion of private rented homes, people are more reliant on social housing to resolve their housing issues when owner occupation becomes un-affordable.
- Significant falls in the number of vacancies arising in the social sector have increased waiting times for family accommodation via the housing register. This has had an impact upon homelessness amongst families as the strain on parents and relatives becomes too much as they accommodate them for longer.
- This results in more homeless families requiring temporary accommodation and over half of those living in temporary accommodation in the borough are families with children.

Homeless Families

Figure 23 - Main reasons for homelessness - families with children

Main reasons for homelessness - Families with children	% of homeless acceptances
Parents no longer willing to accommodate	19%
Violent breakdown with partner	15%
Non-violent breakdown with partner	13%

Single Homeless

- Single people account for over half of all homelessness presentations but only a third of acceptances. Only a quarter of single people who present are accepted as being homeless and in priority need, which means that 75% of single people receive a negative decision.
- Supporting People data indicates that when provision for single homeless people is measured against population of the borough, Wigan has a quarter of the regional average and fifth of the national average.
- There are only 6 units of emergency accommodation in the borough for 'non-priority' single homeless. This means that homeless assessment process is more likely to be a negative experience for single people than any other group.

Young People, including those at risk and teenage parents

- Young people aged between 16 and 25 make up approximately 12% of the boroughs population but 34% of all homeless presentations and almost 36% of homeless acceptances. However, presentations by 16 and 17 year olds has fallen by 77% since 2003/04 and 16 and 17 year olds now represent around 2% of homelessness acceptances compared to 9% nationally.

Figure 24 - Main reasons for homelessness - young people

Main reasons for homelessness - Young People	% of homeless acceptances
Parents no longer willing to accommodate	45%
Violent breakdown with partner	11%
Termination of shorthold tenancy	6%

- From April 2008, the Local Housing Allowance (LHA) has replaced Housing Benefit for people looking to rent privately who are on benefits or a low income. The new allowance means that private rented accommodation is an affordable option for more people. But for single people under 25, this is

restricted to the equivalent cost of a room in a shared house. This inhibits young people on limited incomes entering the private rented sector with entry levels for a 1 bedroom flat ranging from £300 to £395 per month across the borough, with the “shared room” allowance being just £50 or £60 per week dependent upon location.

- House price rises have made it increasingly difficult for young people attempting to purchase their own property as many are on incomes below that needed to access the cheapest property, around £20,300 (HNS 2008)
- Teenage pregnancy rates (2006) in Wigan are high, 52.9 cases per 1,000 15-17 yr old, compared to the north west rate (44) and national rate (40.4). The target for 50% reduction by 2010 is currently being missed and reducing teenage pregnancy has high priority in the LAA 2008-11.
- Teenage parents and the children of teen parents are more likely to suffer multiple deprivation and have poorer life chances. Teenage pregnancy rates vary across the borough and hot spots tend to correlate with areas of highest multiple deprivation, eg Norley, Ince, Abram and Leigh.

Domestic Violence

- People fleeing Domestic Violence account for almost 9% of all homeless presentations.
- Although a third of people that present as homeless because of domestic violence are found to be ‘not homeless’ on completion of enquiries, this is because many return home. It is therefore essential that when people do present as homeless, they are offered appropriate support and advice.
- Many women at risk of violence are staying in non-specialist accommodation and current services do not meet the level of demand. There are two specialist schemes in the borough but referral data indicates that less than one in five cases access the refuges due to limited capacity.

Substance Misuse Clients Including Offenders

- Amongst clients starting a new treatment journey during 2008/09 (up to the end of quarter 3) 440 out of 578 new treatment journeys had the housing status completed (with 24% missing records). For those clients who had a value for accommodation status 17% had some housing needs; 9% were listed as having a housing problem and 8% of these were listed as no fixed abode and needed urgent housing need. Wigan is below the national (17%)

Understanding Wigan's Housing Markets

and regional (15%) average for clients with a housing problem. However the percentage of clients recorded as being of no fixed abode is similar to the regional average (8%) and only slightly below the national average (10%).

Figure 25 - Housing status or substance misuse clients

Housing status	No. of clients	% of clients
NFA - urgent housing problem	34	8%
Housing problem	39	9%
No housing problem	367	83%
	440	

- Amongst offenders registered with substance misuse issues identified, there has been an increased number of clients identified with an urgent housing need and classed as being of no fixed abode. The number of clients in temporary accommodation has fallen significantly.

Figure 26 - Housing status of offenders with misuse issues identified

Housing status	2007/08		2008/31Jan 09	
	No. of clients	% of clients	No. of clients	% of clients
NFA	19	4%	25	7%
Settled	343	78%	281	80%
Temporary	76	17%	47	13%
	438		353	

- 42% of clients in settled accommodation lived in Local Authority or Registered Social Landlord properties, 22% are owner-occupiers, and 20% live in privately rented accommodation
- There is little difference between the core substance misuse clients and those clients who came into treatment via a criminal justice route with the majority in both cases stating that they have no housing problem. Clients living in suitable and settled accommodation are far more likely to succeed

in their treatment with those clients with a housing need at a significant disadvantage.

BME, including asylum seekers, refugees and economic migrants

- The 2001 census showed that Wigan had a relatively low BME population, making up just over 2.4% of the total population. Since then we know that there has been a considerable increase in the BME population due to the dispersal of asylum seekers and the arrival of economic migrants following the accession of the A8 countries into the European Union in 2004. Despite the increases the ethnic population remains below that of many other parts of Greater Manchester. Current accurate population figures are difficult to obtain and it is unlikely that precise figures will only become available following the 2011 Census. The data below should therefore be treated with a degree of caution.
- Since 2002, Asylum Seekers have been dispersed to the Wigan area as part of the national dispersal of asylum seekers. At its peak in June 2003 there were 921 Asylum Seekers dispersed to the Wigan Borough under the target contract. The numbers as at October 2008 are 539.
- All Asylum Seekers in Wigan are housed and supported in the private sector by three private providers contracted by the United Kingdom Borders Agency (UKBA). Whilst Asylum Seekers are awaiting a decision on their application, they are well supported. Difficulties often only arise when people receive a decision on their Asylum application, whether this is positive (resulting in loss of accommodation and support) or negative (often leading to destitution if 'failed' applicants are not returned to their country of origin).
- There are significant deficiencies in data for Refugees and an accurate picture of numbers cannot be formulated. However, anecdotal evidence suggests that small numbers of Refugees remain in Wigan once they have received leave to remain - many leave Wigan for larger cities where established communities exist.
- An accurate picture of the numbers of Migrant Workers is difficult to obtain. The data available relies on Workers registering on the Workers Registration Scheme and acquiring a National Insurance number. The data is out of date as soon as it is published and so cannot be relied on. Again anecdotal evidence suggests approximately 2000 - 3000 Migrant Workers, largely Polish, living in the Wigan Borough.

- Housing conditions for migrant workers are largely unknown. Whilst many migrant workers have moved for economic reasons, several have also moved to avoid persecution in their own country. Subsequently many migrant workers are fearful of public authorities such as the Police or the Council and will suffer in silence rather than ask for help.
- The findings from the Housing Needs Survey 2008 indicated that in general the BME population had similar incomes and housing needs to that of the whole population. They were slightly more likely to suffer overcrowding (3% compared to 2.2% in the whole population) and all moving BME households expressed a need for larger accommodation with 4+ bedrooms, all expressed a desire for home ownership.
- A growing issue in the borough is the increased support needed for asylum seekers granted leave to remain. The UKBA policy changes have resulted in the reduction in the timescale of decisions from a number of years to only 4 weeks, this has resulted in successful asylum seekers having little time to familiarise themselves with the local area and how to access services before support is withdrawn.

Complex Needs

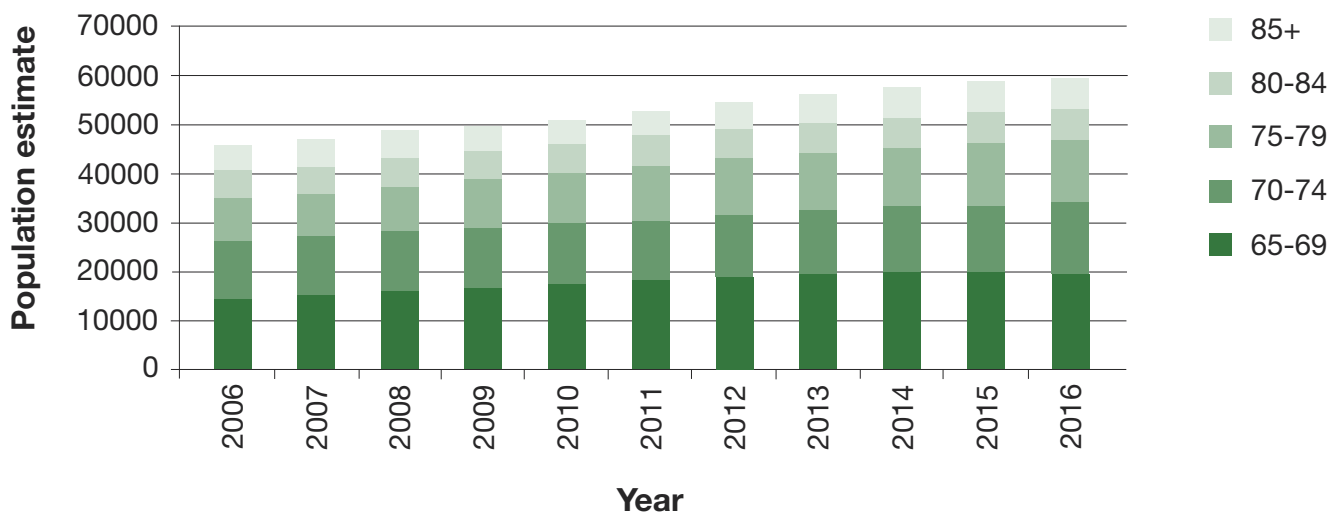
- According to estimates approximately 13,000 men and 18,500 women in the borough suffer mental health issues, around 1 in 5 people will experience some incidence of mental ill health at some time. Over 90% of sufferers do not access services available.
- Mental ill health has a strong correlation with deprivation eg unemployment, poor housing and poor physical health.
- In Wigan, there are only 6 emergency access beds for people over 25 (excluding women fleeing violence and priority need homeless) and no specialist provision for people with substance misuse problems. This inevitably has contributed to rough sleeping in Wigan.
- Research into rough sleepers in 2005 found that most rough sleepers were of White British origin and long term residents of Wigan.
- Two-thirds were known to have a history of drugs or alcohol misuse. Most, but not all, had a history of offending, 20% were known to have a history of violence.

- Time spent sleeping rough ranged between a few months and a few years. Most of those that had been sleeping rough for several years have spent various short periods off the streets with friends. None of those found on the night of the count appeared to be entrenched in the rough sleeping way of life; all wanted accommodation.

Older People

- The elderly population and particularly those living alone is forecast to increase.

Figure 27 - Wigan over 65s population projection



- Many health conditions are forecast to increase as the population ages, placing increasing pressure on health and social care services.

Figure 28 - Wigan over 65s health conditions

	2006	2010	2016	2020
Over 65s population	46,200	50,900	59,500	62,500
Limiting long term illness	27,500	28,900	33,600	39,200
Depression	7,300	7,700	8,900	9,500
Dementia	4,300	4,700	5,500	5,800
Heart Attack	3,400	3,500	4,100	4,400
Stroke	1,200	1,200	1,400	1,600
Bronchitis/Emphysema	1,000	1,100	1,200	1,400
Falls, A&E attendance	2,800	2,900	3,400	3,800
Visual Impairment	4,000	4,100	4,800	5,700
Mobility	7,000	7,400	8,600	9,600

- Dementia is a term used to describe various brain disorders that have common loss of brain function that is usually progressive and severe. Some forms are treatable and manageable. According to estimates, there will be a 65% increase in cases by 2025. There will be implications for the care and support of sufferers and their carers.
- Seasonal Excess Deaths effect a larger proportion of older people, 33% of cases are aged over risks are higher than European and Scandinavian countries. The risk in the North West is 17% greater than nationally.
- The majority of elderly people live in their own homes and wish to remain there as they age.
- According to the Census 2001, 65.7% of pensioners own their own home, this is less than for the borough as a whole. Pensioners were more likely to live in social rented accommodation than the borough as a whole.

Figure 29 - Tenure of pensioner households

Tenure of pensioner households	%
Owner Occupiers	65.7
LA rented	23.4
HA rented	3.2
Private rented or rent free	7.7

- However, the tenure profile of pensioners will change as in future, there will be more older people in areas with higher owner occupation and the next generation are more likely to be home owners.
- Around 12% of the older population of the borough currently receive homecare or other community services that help them remain in their own homes, 2.5% are in residential care, 1.4% in nursing care. Wigan's performance in helping older people to live at home is improving but we are still in the lower quartile nationally and rates for residential care are higher than comparators.
- Findings of the Housing Needs and Demand Study 2008 indicate a need for 3,433 sheltered accommodation units in the next 3 years. 1,186 would be in the private sector and 2,247 in the affordable sector. Current turnover rates are around 200-250 units per year indicating a shortfall of provision.
- The study indicated a need for an additional 641 extra care housing units

We have undertaken a review of current specialist accommodation for older people in 2007, main findings were

- There are currently 72 specialist schemes for older people in the borough, with over 2,000 units of accommodation in total. There are 9 providers, Wigan and Leigh Housing are the largest with 48 schemes.
- Overwhelmingly the accommodation is for social rent, with only 1 leasehold scheme. There are three extra care schemes, a total of 100 units, currently.
- Over half of sheltered stock is 1 bed flats, 12% of stock is bedsits and only 6% have 2 bedrooms
- The majority of the stock is over 25 years old. There is low demand for some accommodation and the quality of some accommodation does not

meet the aspirations of older people.

- There is wide variation in distribution across the borough and range of size of schemes, in some areas there are many schemes, in others little provision.
- Two thirds of residents are female and only 20% of tenancies are couples.
- Over 99% White, British residents.
- Average age 77yrs in ordinary sheltered and 80 in extra care. Lot of 85+, particularly females resident.
- Over 40% of residents classed as independent by the scheme manager.
- 73.5% of sheltered residents receive family care and support.
- 10% of sheltered residents have gaps in service, mainly aids and adaptations, particularly level access showers.

Learning Disability

- An estimated 2% of the population have some form of learning disability, approximately 6,100 people in Wigan. Only 20% of cases may be known to social services.
- Wigan performs well nationally in helping people with learning disabilities to live at home, 4 per 1,000 18-64 age, compared to 3.5 in the North West and 2.9 in England
- People with learning disabilities tend to have poorer overall health than average.
- As people live longer there is predicted to be a larger increase in the number of over 65s with learning disabilities, (40% by 2025), this will have implications for commissioning housing, care and support for this age group.
- Research into the housing needs of people with learning difficulties found that there were a wide range of accommodation types and support and that different people identified with different models. These models of housing include examples such as individual tenancies, sharing with others, extra care housing and shared ownership schemes. All show how important good quality housing with the right support are to enable people with learning disabilities to truly gain citizenship and inclusion in society.
- The research showed a marked need for specialist information and advice for people with learning disabilities regarding housing options. Progress has

been made eg. through a housing advice line and the housemates seminars and Wigan officers have been able to tackle some of the more difficult problems that people with learning disabilities were facing in the area. The housing sub group have also become far more aware of the problems facing people.

- Although the numbers of people advised and supported were small due to the accessibility and nature of the schemes, the problems were difficult and time consuming. Officers came across situations where people supported and helped were living in substandard housing or living inappropriately for their needs. Sometimes with too little support and sometimes with too much.
- From a relatively small sample survey and looking at national statistics and policy in this area we can conclude that without specialist help and support people with learning disabilities in the Borough could struggle to achieve the housing and support they require.
- Wigan is moving towards new ways of provision of support and care through the start of personalisation and individual budgets in line with national good practice and Government agendas. Good housing, advice and support are vital components of a good life plan.
- We found that there is a need for a minimum of 207 new living arrangements in the Wigan over the next five years and have been able to categorise how urgently people need to be housed. This does not mean we need to provide 207 new homes: if a person needs to move out of their home because it isn't really suitable, that property could be ideal for another person.

Physical Disability

- The majority of recorded cases (78.5%) are over 65s
- Wigan performs well in helping people suffering from a physical disability or sensory impairment live at home, 5 per 1,000 population, compared to 4.7 in the North West and 4.5 nationally.

The Housing Needs and Demand Study 2008 found that;

- 26.6% (33,437 implied) households in Wigan include a member with a disability. This is high by comparison with other areas. Distribution varies across the borough from 34.5% in Atherton to 19.1% in Shevington

- Around 60% of these have a mobility problem
- Around 8% of households (10,918 implied) include a wheelchair user.
- Over 42% of people with a disability have support needs, support is primarily provided by family and friends
- 9.8% of homes are adapted

Gypsies and Travellers

- An estimate of Gypsy and Traveller Population (based on CRE, 2007) in Wigan showed there was a Gypsy & Traveller population of 1833 made up of 679 households.
- The AGMA Gypsy and Traveller Accommodation and Service Delivery Needs Study in Greater Manchester – 2007/8 highlighted that by 2015 there will be a shortfall in pitch supply for Gypsy & Travellers of 39.

Progress against the Housing Strategy 2002-2007 has been monitored on a six month basis throughout the 5 year period. These reports have consistently shown good progress against planned actions. This includes:

- Progress on the Older Persons Housing Strategy
- Implementation of measures to increase affordable housing supply including choice based lettings, RSL nomination agreements etc
- Good implementation of investment programmes in both the public and private sectors
- Improvements in energy efficiency of homes
- Improvements in the service provided by Wigan and Leigh Housing
- Good satisfaction levels
- Expansion of services for homelessness/vulnerable people.

Areas of more limited progress have involved attempts to reduce homelessness and reduce housing shortages. This is largely due to the major changes in the local housing market and the scale of these trends. Both have attracted significant attention in terms of strategies and resources in these services.

The Housing Strategy contained 21 SMART targets upon which performance against the Strategic Aim of “An affordable home for all within a desirable community” can be judged. Overall, 15 of the 21 targets were met.

Theme - Quality

In terms of progress the most solid achievements occurred in improving the quality of homes in the borough, both within the Council and the Private Sector. This is enhanced by good progress in energy efficiency and most importantly in resident satisfaction with these improvement works.

Theme - People/Choice

The picture within the area of People and Choice is a little more mixed. Good performance occurred in meeting equality standards, in maximising the use of existing affordable housing and in helping the older people maintain their own homes. More limited progress was made in homelessness and we continue to have high levels compared with the national position. Despite this, progress

has been made in reducing overall numbers, in reducing bed and breakfast and in helping to prevent homelessness. One area that worsened was the use of temporary accommodation. This is due to shortages of social housing but in comparison with other Councils we are still relatively low users of this accommodation.

Theme - Neighbourhoods

Within the neighbourhood theme, the borough is still considered to have a relatively balanced housing market. Some of the targets are hard to determine due to changes in Government definitions but a narrow failure was the level of empty homes in the private sector (2.17% against the 2.1% target).

