



torus

Locality Plan - Liverpool

Strategy Team

22/06/20

Version 1

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Torus' current position and future ambition for Liverpool

Date 22/06/20

Executive Summary

To be completed once we've had feedback from tenants

Introduction

The Torus heartland plans will highlight how the organisation will help shape our heartlands of Liverpool, St Helens and Warrington. Torus are committed to having a significant social impact in the areas that we have a presence, and these plans will ensure that our community work is aligned to local needs. Our entire business model is centred around *Growing Stronger Communities* through an inclusive growth model. The plan will enable Torus to tailor its response to the regeneration work that needs doing and will ensure our impact is as far-reaching as it can be.

Torus' current standing in Liverpool

Great Homes

High quality, well-maintained homes and landlord services will always be at the heart of what we do. We go beyond simply letting properties. We deliver a 'landlord plus' scheme that includes a round-the-clock repairs and maintenance service, financial advice, employment and training support, as well as specialist support for older people and for those with complex needs.

Working closely with local partners, we are broadening the mix of home types and tenures we offer. The intention is for this document to ensure that that broadening reflects local need and that it supports and strengthens economic and social sustainability.

Our current housing stock in the city of Liverpool is 11,050. A total of 25% of all Torus housing stock in Liverpool consists of one-bedroom properties. Torus' tenant population in Liverpool contains a high proportion of over 65s, with this age bracket making up 28% of the total tenant population. There is also a high proportion (32%) of our tenant population who are registered as having disabilities.

Ambitious Developments

Torus recognise the significant impact we can have on shaping our heartlands. The importance of identifying local need and ensuring that our developments meet changing local demand is pivotal for our long-term ambitions.

Prior to the pandemic, Torus had a commitment to create at least 5,300 new homes by 2024. The long-term effects of the crisis and the economic contraction are yet to truly pan out, however, Torus remain committed to pursuing an ambitious development programme.

Torus currently have 1844 units on site across 33 different development sites, spanning 10 local authorities. Torus Developments has not let the current economic downfall affect its ambitions; Torus still has an extensive pipeline and there are no intentions to scale back. The Group has 1568 units in our approved pipeline and a further 2000+ in our strategic long-term pipeline.

344 of those 1844 units which are on site are in Liverpool. This represents 19.7% and is a good reflection of how, despite our exploration into other North West areas, Liverpool will remain a strategic priority for our developments programme. Over 200 of those units in Liverpool will be made available for Affordable Rent whilst the remainder will be split between Rent to Buy and Shared Ownership.

Strong Communities

Torus' overarching ambition that defines all of our service delivery is to *Build Stronger Communities*. The community support that we offer has an incredibly significant social impact in the areas that we operate in. By supporting the vulnerable, through vital interventions and through providing opportunities, we help empower the communities that have historically been marginalised.

However, that community ambition is not solely down to social impact, our economic contribution is just as important. Torus has a pre-crisis turnover of £190mil and employs 1500 members of staff, that's not to mention the considerable supply chain. Our contribution to the local economy through our policy of inclusive growth has enabled us to strengthen those communities even further. Our continuous presence as an anchor institution at the heart of our communities has ensured we are one of the biggest and most trusted employers in the region.

Torus' charitable arm, Torus Foundation, was created to ensure commercial profits made by the Group are used to make a positive difference for tenants and the wider community. Torus Foundation has had a wide-reaching impact throughout the region.

Examples of the work the Foundation does in Liverpool:

- FirFit Hub - a world class facility for young people that aims to get young people off the streets and into positive, healthy pursuits
- It provides free digital hubs and training sessions to ensure digital connectivity
- It provides health and wellbeing sessions with sessions focused on older people
- It provides financial support for those who are experiencing difficulties

Commercial Contracting

A big part of the landlord plus package, that our tenants have become accustomed to, is delivered by our in-house commercial contractor, HMS. HMS delivers all repairs and maintenance services for our 40,000 tenants across the North West.

The ever-expanding capacity of HMS has enabled Torus to pursue ambitious development targets. The combined efforts of Torus Developments and HMS ensured the Group delivered 649 homes in

2019/20, including 306 for affordable rent, 189 for Shared Ownership and (20) Rent to Buy, and 134 specialist homes for people with additional care needs.

Liverpool as a locality

Growth Planning

After a period of stagnation between 2006-2012, the city's economy saw a return to growth and, prior to the Covid-19 crisis, the economy was worth £30bil. The Liverpool City Region Growth Plan and Strategic Economic Plan (SEP) sets out future plans for growth. The key elements of that plan are as follows:

- 100,000 additional jobs by 2040;
- a net increase of 20,000 businesses over the next 25 years;
- an additional 50,000 people coming to live in the City Region by 2040;
- nearly doubling the size of the economy to £50 billion by 2040; and
- to achieve these ambitions, 1,739 houses per annum to be built between 2013/2033.

A baseline scenario without population growth estimates a need for 862 new houses in the city per annum; whereas, the ONS population growth model estimates a requirement for 1,498 new houses per annum. There is no evidence of scenario planning in the face of recession, but these baseline figures provide a limited indicator of alternative scenarios.

The Growth Plan states that the focus areas for development should be where employment is most prevalent, regions such as: North Liverpool, City Centre (including the Knowledge Quarter) Stonebridge / Gillmoss / Aintree, Central Liverpool, South Liverpool (including Speke and Garston), and Enterprise Zones – Mersey Waters (Liverpool Waters) and Liverpool City. Significantly, the Liverpool Waters development is a long-term plan, with an aim to develop over the next 30 years.

Prior to the crisis, the development of the port area and John Lennon airport was set to be a priority to improve Liverpool's connectivity. Infrastructure development was set to deliver some of the Council's most ambitious projects, including the new cruise liner terminal, Festival Park and Ten Streets. The first phase of the Liverpool City Centre Connectivity scheme was also about to begin – which would have seen a radical redesign of key streets such as Lime Street.

The need for revised figures, and revised priorities, that take into consideration the expected imminent economic contraction, is, of course, now pivotal. It is yet to be seen how much these ambitions will be affected by Covid-19, however, the appetite to grow and diversify the region, both economically and socially, will remain even if the figures aren't as ambitious. Torus envisage being a big part of the city's recovery and are already contributing significantly to the City Region's recovery plans. We do not anticipate our economic contribution decreasing, any drop in turnover will be very short-term with the long-term ambition being to increase capacity and build even stronger communities.

In 2019, the Mayor of Liverpool, Joe Anderson, announced a £230 million 'Green City Deal' to tackle climate change and boost the economy post-Brexit. The proposal would provide new skills and housing which would transform the city through new powers and funding, creating 10,000 new jobs, supporting 35,000 people into work and training 4,000 apprentices.

Torus have historically been very much at the heart of the region's target setting, whether that be actively having an input on plans or by providing services that help them reach the targets that have been set. Being a strategic partner to the local authority has ensured Torus has helped shape the economic direction of the region.

The issues that the City Region will face as it looks to recover from the effects of the virus will be significant and longstanding. Much of the city's economic upturn, post 2012, has been attributed to the hospitality and retail industry, industries that will be most affected by the crisis.

Demographic

The pandemic could also have an impact on the city's demographic. Prior to the crisis, Liverpool had a relatively young population, with only 14% of the population falling in the 65+ age group. Liverpool's large student population biased the tendency towards a younger population; prior to the crisis, it estimated that students make up 11% of Liverpool's population.

The city is however expecting a significant drop in student numbers post-Covid. This change in demographic will mean a change in local housing needs and a potentially significant surplus of student accommodation.

One third (33.7%) of the Liverpool population have at least one morbidity, 15% have multimorbidity, and 7.6% have physical and mental health comorbidity. Healthy life expectancy for females in the city is 59.6 years compared with 59.3 years for males.

Demand

A Strategic Housing and Employment Land Market Assessment (SHELMA) for Liverpool has identified a significant need for elderly housing, with a requirement set for 112 new elderly units per annum. Liverpool' pre-crisis Local Plan estimates that 40% of these elderly units will be affordable, equating to 45 units per annum, with a focus on extra-care units which are currently in short supply. The local plan proposes a retirement villages as one option for provision of elderly housing.

There is also a requirement set for 10% of new housing to be wheelchair accessible in new developments and also a requirement for new housing that is accessible and adaptable housing under building standards for M 4(2).

Liverpool does already have high levels of social housing and is one of the most affordable housing markets in the country. Although council plans have highlighted the high level of affordability and questioned the need for further affordable housing, evidence suggests there is still appetite for new types of affordable housing.

The Local Plan indicates a demand for 386 affordable homes per annum. This research calculates that if 1,739 new homes were built per year and 386 were affordable this equates to 22% new affordable homes. Proposals for new larger developments, with over 10 houses, indicate that 80% should be affordable/social rent and the other 20% should be intermediate housing.

Liverpool is characterized by terraced housing (41.0%) and flats/maisonettes (23.3%). The Local Plan suggests that Liverpool has an oversupply of terraced housing and flats\maisonettes, which make up 41% and 23% of the city's housing supply respectively, and an under representation of detached

dwellings. The local authority believe that by diversifying the type of houses in the City Region, it will attract a higher calibre of employment and in turn aid with regeneration efforts.

Looking forward, the Local Plan states that strategically up to 80% of all dwellings should be in the form of two and three bed dwellings and 60% of all dwellings should be in the form of terraced and semi-detached dwellings.

The Local Plan states there are some 480 ha (4.2% of total area) of vacant and derelict land across the City and some 9,500 vacant dwellings, which represents about 4.4% of total dwelling stock. The council has stated that it will support the provision of a range of new homes on previously developed sites in sustainable locations to meet the identified need for new housing across the various housing sub-market areas within the city.

Local partners

As indicated earlier, Torus is well connected in the region and is very much regarded as a strategic partner to both the City Council, as well as the Liverpool City Region Combined Authority. This relationship with the local authorities, as well as Torus Leadership being present on various boards including the Liverpool City Region LEP and Liverpool Chamber for Commerce, has ensured we have helped determine the economic direction of the region.

Our position locally as an anchor institution has ensured that we are a key contributor to the local economy and one of the region's leading employers. This status as a consistent beacon within our communities has allowed us to adopt a policy of inclusive growth where there is an interdependency between us, our tenants and the wider communities.

Torus leaders are also part of city forums and groups with a specific issue that they focus on. These groups are committed to tackling issues such as, inequality, poverty, elderly ill-health, gun and knife crime and lack of youth provision. Torus' affiliation with these groups, the emergency services and other local care providers has ensured our social impact has been substantial and far-reaching.

Equally important are the aspirations of national partners, most notably the Government and its housing accelerator, Homes England. The Prime Minister has stressed the importance of brownfield development and for transport and infrastructure improvements to make otherwise suitable areas available for development.

The Prime Minister also expressed his desire for more efficient and sustainable homes to be built. He is preparing a complete overhaul of the planning system which will allow developers to build better, build greener and also to build faster. Something of course Torus would welcome.

Homes England's ambition to challenge traditional norms to improve neighbourhoods and grow communities by building a better standard of homes at a faster rate is certainly something Torus can, and has been, contributing to. Being Liverpool's only Homes England strategic partner, Torus are best positioned to ensure their ambitions are reflected in the city.

Future ambitions in Liverpool

Housing

Torus Developments have already indicated to Homes England that they do not intend to let the crisis slow down progress made in our heartlands and emerging heartlands. Homes England are aware that Torus are in a position to increase capacity and deliver on our ambitious development targets.

As alluded to earlier, Torus still has an extensive development programme in place that it remains committed to delivering. Prior to the crisis, the city was meeting its long-term target of building 1,739 houses per annum between 2013/2033, set out in the Growth Plan. Torus were obviously a key contributor to that, and envisioned doing so for the immediate and long-term future. This, coupled with Torus' significant economic contribution directly contributing to the Growth Plan's ambitions for the economy, meant we have been an important part of the city's growth plans. It is yet to be seen how the current crisis will affect the figures set out in the Plan, however, given the fact Torus are actively involved in developing the City Region's recovery plans, we can expect a big role to play in service delivery in the years to come.

Our land-led approach and our focus on placemaking and regenerating existing communities, as well as creating new homes and places for people to live in and thrive, is very much aligned with the ambitions of Homes England. Torus' development and wider business strategy therefore strikes a chord both locally and nationally.

The focus areas for the Council, prior to the crisis, were in high employment zones, around the airport, the Knowledge Quarter, the Waterfront, Festival Park and around Ten Streets. It remains to be seen how these will be affected by the crisis, however, delays to the substantial Liverpool Waters development have already been announced. A recession could force the council to reassess priorities from delivering higher end developments in areas of high employment or connectivity, in favour of shielding the vulnerable neighbourhoods that will be hardest hit. As it stands, however, Torus are still committed to delivering high quality housing at the proposed Stoneacre and Festival Gardens sites.

Torus will adapt, as ever, to the changing demand as it becomes clearer. Historically, the Council's areas of focus areas have been areas where we have a big presence. The Council recognise the contribution Torus' presence at the heart of communities can have on the targets that they set. This interdependency between Torus and the local authority will be highlighted even further in the post-Covid environment.

Torus will be keeping a close eye on how the Liverpool City Centre Connectivity scheme develops. The Government has stressed the importance of increased connectivity and improved infrastructure, and allowing that to dictate where housing developments should take place. Torus are also looking to address the issue of surplus student accommodation in the region by bidding for accommodation that will not be used next academic year. Universities across the UK are forecasting a dramatic fall in numbers next academic year, especially in numbers of students not from the city and therefore requiring accommodation.

To appease local demand, Torus should focus on two or three bedroom houses for young to middle age people. This is due to the fact that there is currently an oversupply of one bedroom properties, and that Liverpool has a relatively young population compared to the national average with only 14% of the population falling in the 65+ age group, yet this age group occupies 28% of Torus housing stock in the city.

This housing commitment should also focus on 'green' technologies and methods. City politicians and national politicians have stressed the importance of the 'Green Revolution' and Torus should not be

left behind. Concentrated efforts on lowering emissions and reducing our carbon footprint should therefore be of paramount concern in our development efforts.

There is a clear demand for Affordable Housing in the city, something Torus' current development commitments will go some way to addressing. Torus should maintain this level of affordable house building and there should be a proportion made wheelchair accessible, especially if trends of our tenant population are taken into account – where there is a high percentage registered as disabled.

There also appears to be an appetite, both nationally and locally, for utilising derelict and vacant land. Torus have a longstanding history of doing just that and envisage a continuation of that policy. Melwood, in North Liverpool, is a good example of how Torus is regenerating otherwise vacant land.

Other services

A vast proportion of Torus housing stock is situated in the city's most deprived areas. The Group therefore remain committed to ensuring tenants in these areas will continue to get the support they need, particularly in what are incredibly difficult times. This will include financial support and health and well-being provisions – particularly to Torus' older tenant population.

Some of these areas lack any means of connectivity, meaning a proportion of our tenant population is completely digitally excluded. Torus recognise the sector's potential to drive digital inclusion and will, therefore, continue to provide digital hubs to provide connectivity to those tenants who would otherwise have no access to the internet. We also intend to press the Government to do more to tackle the digital divide in our post-crisis lobbying efforts.

There will be a real appetite across the entire country, not just in Liverpool, to rebuild broken communities. The most vulnerable societies are the ones most likely to be affected by economic contraction. Torus intend to be at the forefront of these efforts to rebuild communities and to shield the most vulnerable in the region.

Throughout the city there are pockets of severe deprivation. At the centre of deprivation are residential neighbourhoods close to the City Centre, including the electoral wards of Kirkdale, County and Everton in the north through to Kensington and onto Princes' Park and Riverside to the south of the City Centre – all of which are wards that contain significant levels of Torus stock. Employment and levels of good health are very low in these areas and they will need the support of Torus Foundation more than ever.

The current crisis, coupled with the impending withdrawal of EU funding, has presented a number of funding difficulties for Torus Foundation. However, the Foundation remains committed to providing the services that so many people across the region rely upon and a fundraising strategy has been developed.

A key feature of this strategy is the positioning of FireFit Hub and the Foundation's Youth offer as a significant source of inward financial investment. The Group's youth provision that it provides is something that sets us apart from other providers, we therefore envisage it being a significant part of our lobbying efforts and subsequently a big part of our recovery process. FireFit Hub is well positioned to attract inward investment through a range of funding mechanisms including grant funding, corporate sponsorship or generating income through its enterprise activity. The Foundation therefore aims to support FireFit Hub to become financially independent within the next five years.

Having our own in-house commercial contractor of course brings with it a number of benefits, notably the ability to provide a reliable, readily available and cost-effective repairs and maintenance service to our tenant population. Torus remain committed to providing all aspects of our landlord plus package and the sustainability of HMS is pivotal to that. HMS has secured business loans to ensure its financial stability and envisage being running back at full capacity in the near future.

Torus has big plans to actively address the skills shortage. The shortage in skills in construction is well-documented and both HMS and the Foundation can offer employment support and can encourage new skills, either for staff or community residents, to build and maintain the homes of the future. This will be extremely beneficial for a city that is unproportionally reliant (compared to the rest of the UK) on at-risk sectors such as hospitality and retail.

Potential challenges

The underlying challenge present throughout this document, that the entire world is looking to overcome, not just Torus or the social housing sector, is of course Covid-19 and the effects the disease will have on our service delivery.

From a development's perspective, the crisis has already led to significant reductions in starts on site, handovers, sales, gross expenditure, grant income, sales income and net expenditure. This reforecast position will clearly have a significant impact on the Coronavirus Pandemic on the Development Programme and overall Development Budget. Torus Developments have already indicated that due to the crisis, schemes currently on site will be delayed by three months, whereas schemes not yet on site will be delayed by six months.

The majority of Torus' social impact in the city is coordinated by the Torus Foundation. The current crisis has, however, presented a number of funding difficulties for the Foundation. The amount Gift Aided to the charity from Torus Group's commercial activities has reduced significantly due to reduced workloads at Torus Developments and HMS.

This coupled with the end of EU funding at the end of the year will present a number of challenges for the Foundation. The European Structural and Investment Fund will be replaced by the United Kingdom Shared Prosperity Fund, however the full details of this funding stream are yet to be revealed so it is hard to gauge just how much the Foundation would be entitled to. Charities across the country are however anticipating access to funding to some extent, there just appears to be a certain level of apprehension at the levels of funding that will be made available.