

Housing for a fairer society

The role of councils in ensuring stronger communities



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APSE (Association for Public Service Excellence) is a not-for-profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority frontline services, hosting a network for frontline service providers in areas such as waste and refuse collection, roads and highways, renewable energy, parks and environmental services, leisure, school meals, cleaning, as well as housing and building maintenance.



Town and Country Planning Association (TCPA) founded in 1899, is the UK's oldest independent charity focused on planning and sustainable development. Through its work over the last century, the Association has improved the art and science of planning, both in the UK and abroad. The TCPA puts social justice and the environment at the heart of policy debate, and seeks to inspire government, industry and campaigners to take a fresh perspective on major issues, including planning policy, housing, regeneration and climate change.

The TCPA's objectives are:

- To secure a decent, well designed home for everyone, in a human-scale environment combining the best features of town and country.
- To empower people and communities to influence decisions that affect them.
- To improve the planning system in accordance with the principles of sustainable development.

Contributors

The project team was composed of Laura Heykoop, Hugh Ellis, Koen Rutten and Henry Smith from the TCPA and Paul O'Brien, Chief Executive of APSE.

Acknowledgements

The TCPA is extremely grateful to everyone who contributed their time and feedback to the case studies, online survey and roundtable debate which informed this report.

This report aims to reflect the opinions of a wide range of local authorities, private and voluntary groups, but not every detail contained within it will reflect the opinions of all the contributors to this work. It should, however, reflect the spirit of constructive collaboration and considered debate

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Contents

Foreword	5
Executive summary	6
Part 1: Introduction	8
1.1 Research approach	8
1.2 The role of housing in ensuring a fairer society	8
1.3 The current policy context	9
1.3.1 England	9
1.3.2 Wales, Scotland and Northern Ireland	12
Part 2: Case studies	16
2.1 Preston City Council	16
2.2 Swansea Council	18
2.3 Plymouth City Council	21
2.4 Fife Council	23
2.5 Manchester City Council – Age friendly Manchester	25
Part 3: Analysis and recommendations	29
3.1 Overview of analysis and changing policy context	29
3.2 Key themes	29
3.2.1 Delivering and retaining genuinely affordable homes	29
3.2.2 Housing standards and permitted development rights	33
3.2.3 Planning holistically for wider social and economic benefits	36
Annex 1: Survey questions and results	40
Annex 2: Longitudinal survey results	49
Annex 3: Roundtable attendees	52



Foreword

The current deadlock in UK politics is unprecedented and this continues to frustrate many of us who would welcome a much greater focus on some of the main policy crises of our time. Tackling the UK housing crisis remains one of the top domestic priorities which requires the focus of Government(s) in terms of time, effort and resource input.

This report 'Housing for a fairer society: The role of councils in ensuring stronger communities', is the fifth housing research collaboration between the Association for Public Service Excellence (APSE) and the Town and Country Planning Association (TCPA).

This study follows on from 'Delivering affordable homes in a changing world: ensuring councils can meet local housing need' published in 2018; 'Building homes, creating communities: ensuring councils provide innovative solutions to meeting housing need' in 2017; 'Housing the Nation, Homes for all: ensuring councils can deliver the homes we need' in 2016; and 'Building homes, creating communities: ensuring councils can deliver more and better homes' in 2015. These reports have tracked the changing landscape of housing and planning policy and what the implications of these changes are for local authorities over the period.

Drawing on feedback and insight from an online survey, a series of case studies and a high-level stakeholder roundtable, this report sets out recommendations for Governments to enable councils to deliver more and better homes of all tenures.

It is easy to get drawn into discussions around numbers when discussing the housing crisis but what is equally important is the notion of community, people's health and wellbeing and creating places where people want to live and work. The report points to a number of concerns that remain around Government policy, particularly in England, which impede progress on these vital issues. What defines affordability, a continued lack of investment, the negative impact of the right to buy, the viability test and permitted development all require improvement or reform. A much greater emphasis on sustainable construction, housing standards and community benefits would also be welcome.

APSE has pioneered a new model of local government, the 'Ensuring Council'. Based on the principles of stewardship, maintaining core capacity to provide services, municipal entrepreneurialism, collaboration, local political accountability and social justice. APSE believes the 'Ensuring Council' can connect strong core values with strategic decision-making and efficient delivery of services.

The 'Ensuring Council' principles lie at the heart of the solution to meeting the UK's housing crisis. As this report shows, there is tremendous opportunity for councils, to once again, play a full and active role in planning, delivering and managing social and affordable homes on a meaningful scale.

Paul O'Brien

Chief Executive, APSE

Executive Summary

Local authorities have a vital role to play in providing the affordable homes the nation so desperately needs. This report illustrates both the continuing housing crisis and the positive role local councils can play in providing more homes. But it is also clear that dealing with housing need is much more than just a numbers game. It's about the creation of communities which enhance the health and wellbeing of individuals and creating opportunities for fulfilling and productive lives. Government policy in England has made this vital objective much more difficult to achieve.

The question of how housing contributes to creating a fairer society and stronger communities involves elements of both procedural and substantive justice. The scope of this research report is on the latter.

The report sets out 10 recommendations aimed at increasing the delivery and retention of high-quality genuinely affordable housing and ensuring the multiple wider benefits of affordable housing delivery and development processes are realised. Analysis and recommendations are structured below under the following three key themes:

1. Delivering and retaining genuinely affordable homes
2. Housing standards and permitted development rights
3. Planning holistically for wider social and economic benefits

1. Delivering and retaining genuinely affordable homes

Recommendation 1: Government should reinstate a definition of affordable housing which links affordability to income.

Recommendation 2: Government should make significantly more investment available for social rental homes as well as other genuinely affordable tenures. While the removal of the HRA borrowing cap is very welcome, this does not substitute the need for direct grant funding for genuinely affordable housing. Government should also clarify how much of the funding announced to date is available for social rent, as opposed to more intermediate 'affordable housing' products.

Recommendation 3: Government should suspend the Right to Buy in England as happened in Scotland and Wales. If the Right to Buy continues, Government should enable councils to retain 100% of their Right to Buy receipts to reinvest into building new affordable housing.

Recommendation 4: Government should further reform the viability test in planning to close the loophole on land valuation enabling developers to avoid building affordable housing. Government should also make changes to the compensation code to remove 'hope value.'

2. Housing standards and permitted development rights

Recommendation 5: Government should adopt a set of robust mandatory national housing standards, including standards on safety, accessibility, space, environmental impacts, energy performance, flood resilience, noise, and light. The government should also ensure that adequate resources and systems are in place for the monitoring and oversight to ensure that quality outcomes are delivered.

Recommendation 6: Government should reverse the central imposition of Permitted Development Rights and give powers back to local authorities to reflect local circumstances. This will assist in maximising the number of affordable homes built through the planning process and prevent poor quality outcomes for people and places.

3. Planning holistically for wider social and economic benefits

Recommendation 7: In both national and local government, there needs to be a stronger emphasis on the link between place-making and the delivery of homes. High-quality place-making brings significant benefits to communities; improving health and wellbeing, life chances and the local economy. It has to be a key consideration in local and national planning policy

Recommendation 8: Local planning authorities should be empowered and adequately resourced to take on the role of 'master-developers' ensuring that Local Plans deliver real change. This requires changes to financing, skills and a stronger offer from central Government to reward local action.

Recommendation 9: The government should take a proactive role to incentivise domestic production of equipment and sustainable raw materials alongside exploring options for scaling offsite production and modern methods of construction. The government should produce a national labour strategy to support the expansion of the construction industry, recognising the current capacity constraints on delivery due to factors such as the availability of skilled workers. The government should also ensure accessibility, sustainability, and low carbon innovation is at the heart of a national labour strategy. This will assist the British construction sectors to become world leaders in creating high-quality sustainable homes that enhance people's health and wellbeing.

Recommendation 10: In order to address the very variable approaches to the use of Community Benefit Clauses, and broader mechanisms for community wealth building, the government should set out in the NPPF and PPG much stronger guidance and policies on the use of Community Benefit Clauses. This will ensure that local authorities more consistently maximise community benefit of localised procurement processes, skills development and employment opportunities within construction and development processes.

Part 1: Introduction

This is the fifth annual housing research project by the TCPA for APSE. While this latest report has been undertaken between autumn 2018 and spring 2019 it is important to note the far-reaching policy and legal changes to housing, planning, benefit provision, and regeneration funding since 2010.

The four previous research reports by the TCPA for APSE are listed below:

- Delivering affordable homes in a changing world: ensuring councils can meet local housing need (2018)
- Building homes, creating communities (2017)
- Housing the Nation, Homes for all, (2016); and
- Building homes, creating communities (2015)

In addition to providing an update on housing and planning policy this latest report looks more broadly to explore the multiple links between housing and wider social and economic resilience.

1.1 Research approach

There are four components to the research project, as follows:

1. Desk based policy review of the housing challenge and policy context – in terms of housing, planning, and finance – in England, Wales, Scotland and Northern Ireland.
2. Analysis of five case studies. Each case study aims to present different models of council leadership in delivering and managing social and affordable housing, set within the socio-demographic context of each local authority area. The case studies are Plymouth City Council, Preston City Council, Swansea Council, Fife Council and Manchester City Council (the case studies are set out in part two of the report).
3. An online survey which was sent to the Leader, Chair of Finance, Chair of Housing, Chair of Planning and Chair of Economic Development Committees, the Chief Executive, Chief Finance Officer, Chief Housing Officer, Chief Planning Officer and Chief Economic Development Officer in all local authorities in England, Wales, Scotland and Northern Ireland. The survey was conducted between the 25th February and 18th March 2019. The analysis of the survey is set out in part three of the report and the survey questions are set out in Annex 1.
4. An expert roundtable discussion was held on 26th March 2019 to test the analysis and draft recommendations (the roundtable participants are listed in Annex 3).

1.2 The role of housing in ensuring a fairer society

Housing can play a unique and powerful role in ensuring a fairer society. While housing is one piece of the public policy jigsaw, it is a vital one. Without decent housing all the other ambitions for a fairer society, where our communities have a decent place in which to raise their families, to grow old and access cleaner, greener and smarter local places, with buoyant local economies, starts to fail. Investment in high quality social and affordable housing, alongside other forms of housing, is an investment in the infrastructure of place.

The processes involved in housing development itself such as procurement processes, skills development, and employment opportunities offer opportunities for wider community benefits that can contribute to the social and economic resilience of people and places.

This research is set within the context of acknowledging the wider role that housing has as a vital piece of infrastructure for the cultural, environmental, social and economic future of a place. Housing

can be a powerful anchor that cements the ambitions of our local areas.

The first four projects highlighted the opportunity for councils to, once again, be at the cutting edge of solving the UK housing crisis, playing a full and active role in planning, delivering and managing social and affordable homes. This project also highlights the vital role of local authorities in maximising the multiple positive impacts that housing can bring in contributing to creating strong communities, making the case for investment in high quality, genuinely affordable homes.

1.3 The current policy context

While it is clear to see all four nations of the UK are prioritising action housing, the continued planning and housing policy reform in England reinforces the sense of diverging policy approach between the nations and regions of the UK, Scotland, Wales and Northern Ireland each have a distinctive policy environment in these administrations, discussed below.

1.3.1 England

The below table provides a timeline of the major political announcements, policies and legislation related to affordable housing and planning from early 2018 to spring 2019.

Table 1 – Political announcements, committee reports, policies and legislation during 2018 and early 2019

Date	Political announcements, committee reports, policies or legislation
11 January 2018	Launch of Homes England (the rebranded Homes and Communities Agency), as outlined in the Housing White Paper. Homes England is established with a greater focus on delivery, including land assembly.
16 February 2018	The government announces the award of £45million to 41 councils (in a total of 79 projects) to unlock council-owned land for building up to 7,280 homes.
24 February 2018	The first wave of the Planning Delivery Fund, amounting to £15.8million out of a £25million total budget, is awarded to 68 projects.
3 April 2018	The Homelessness Reduction Act 2017 comes into force.
26 June 2018	The government publishes the Additional Housing Revenue Account Borrowing Programme, a prospectus inviting local authorities in areas of high affordability pressure to bid for additional borrowing to build new council housing.
2 July 2018	£163million of support announced for communities outside London through the Community Housing Fund.
3 July 2018	Announcement of first wave of strategic partnerships between Homes England and eight housing associations, aimed at delivering 14,280 additional affordable homes by March 2022.
9 July 2018	Kit Malthouse MP is appointed as the new Housing Minister, the eighth Housing Minister in eight years and the third in just over a year.
24 July 2018	The government publishes the final version of the revised NPPF, with updated PPG.
9 August 2018	The government announces that all supported housing funding will be covered by the welfare system, dropping a proposal to give councils control of funding for short-term accommodation.
13 August 2018	The government publishes its Rough Sleeping Strategy, backed by £100million funding and a commitment to end rough sleeping entirely by 2027.
14 August 2018	The government issues A New Deal for Social Housing, its Social Housing Green Paper, for consultation until 6 November, and Use of Receipts from Right to Buy Sales, for consultation until 9 October.
19 September 2018	The Prime Minister announces that an extra £2billion will be made available to housing associations between 2022 and 2028/29.
3 October 2018	The Prime Minister announces plans to scrap the council Housing Revenue Account borrowing cap.

29 October 2018	The <i>Independent review of build out: final report</i> is published, led by Sir Oliver Letwin, considering the cause of the significant gap between the amount of land allocated or permitted on large sites in areas of high housing demand, and housing completions
29 October 2018	Government issues <i>Planning reform: supporting the high street and increasing the delivery of new homes</i> , a consultation which ran until 14 January 2019 on a set of measures including proposed further extension of permitted development rights to allow for commercial buildings to be demolished and rebuilt for residential use
30 October 2018	Homes England's new 5-year strategic plan is published, explaining what the government's housing accelerator will do to support the affordable housing market
3 November 2018	Government announces a new commission 'Building Better, Building Beautiful', to develop a vision and practical measures to help ensure new developments meet the needs and expectations of communities, chaired by Sir Roger Scruton
15 November 2018	The latest housing statistics show a total of 222,190 net additional dwellings in 2017-18. 13,526 of these came through permitted development rights.
22 November 2018	Affordable housing statistics for 2017-18 reveal that there were 47,355 affordable homes delivered in 2017-18. Of these, nearly half (47%) were delivered through section 106 agreements.
30 January 2019	Government announces a further £497 million to be spent on over 11,000 affordable homes, including properties for social rent, through a new set of strategic partnerships with housing associations
19 February 2019	Updated NPPF published with further minor changes
13 March 2019	The Spring Statement announces a further expansion of permitted development to allow upwards extension of properties without full planning permission
9 May 2019	NPG Viability assessment guidance updated and clarified
28 May 2019	Further extension of PD rights
10 May 2019	£3bn affordable housing guarantee scheme

Policy context for housing and planning in England

The revised 2018 National Planning Policy Framework (NPPF) sets out the government's policy for local planning and has had a major impact on the content of plans and the outcomes of planning decisions. There are three key policy themes which define the NPPF approach to affordable housing:

- Focus on housing numbers
- The definition of affordable housing
- Viability testing

Focus on numbers

There is a focus on housing numbers but not on quality or affordability. The requirement for a five-year housing land supply, the new housing forecasting regime and the housing delivery test all focus on numbers of housing units and the penalties on local authorities for failing to deliver them. However, there is no robust test of quality or affordability (explained below). Neither is there any recognition that local authorities have no control over the build-out rates on land they allocate in plans.

Redefining housing affordability

The revised NPPF sets out a definition of affordable housing in the glossary. The definition includes a wide range of intermediate housing 'products' which cannot reasonably be described as affordable. The heart of the issue is the change that the government has made from a measure of affordability based on income to one fixed to an arbitrary percentage of market prices. This is not a true measure of affordability because it fails to factor in the ability of those on low incomes to pay.

In the glossary of the revised NPPF the definition of affordable housing is as follows:

"Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute at the time of plan-preparation or decision-making. Income restrictions should be used to limit a household's eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London)

c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement."¹

Viability testing

The 2018 NPPF made some welcome changes to viability testing. The detail is set out in the accompanying Planning Practice Guidance, which states that the 'price paid for land is not a relevant justification for failing to accord with relevant policies in the plan.'² The draft Planning Practice Guidance also makes clear that 'Existing use value is not the price paid and should disregard hope value.'³ Both these statements could make a major contribution to the fairer distribution of betterment values. This could have a positive impact on the delivery of vital Local Plan policy including 'affordable' homes by changing the way that viability testing is applied to planning policy requirements, including Section 106 obligations.

While the proposed changes are complex, they are directed at managing the system in a more systematic and transparent way, with agreed input factors for calculating gross development value (GDV). Most importantly, the proposed changes challenge the current formulation of the way that market values are calculated. This will now be based on an agreed value for land based on existing use value plus a premium for landowners. Hope value should no longer be part of this calculation, and this also increases transparency and clarity over landowner expectations. In theory, the requirement to set out clearly the expectation of Local Plan policy early on should result in developers paying less for land. However, it is not yet clear how this system would operate in detail. There are two particular issues that have not been addressed:

- The amount of affordable housing required (or other policy requirements) still depends on

¹ MHCLG, 2018, *National Planning Policy Framework*

² MHCLG, 2019, *Planning Practice Guidance*.

<https://www.gov.uk/guidance/viability>

³ Ibid.

market viability, which may not reflect local needs.

- While land prices may decline over the long term in reflection of higher policy requirements, how will the system operate in the short and medium term when large amounts of land have already been purchased by developers in anticipation of development consent with much lower planning obligations? It is possible that option agreements could be renegotiated to reflect the new approach to calculating GDV.

Permitted development

In 2013 the government introduced measures to convert commercial buildings into homes through permitted development (this requires a prior approval process but removes the need for the developers to make a full planning application to the local authority).

In 2017 the government announced plans to consult on extending permitted development rights to allow commercial buildings to be demolished and replaced with homes without requiring planning permission.

The revised NPPF needs to be seen in the context of a planning system which is now much less powerful than it was and a planning service that is chronically underfunded. Change to the system continues to be intense, and at the time of the writing this report, the consultation on the major relaxation of permitted development had not yet been published.

Permitted development, where office and commercial premises are being converted into housing units, is resulting in some very poor development and concerns are highlighted in the analysis in part three of the report. Not even the safeguards of the NPPF apply to this type of development, which is now on such a scale as to be in effect a shadow planning system, with no opportunity to secure decent quality or contributions for education or even basic children's play space.

1.3.2 Wales, Scotland and Northern Ireland

Wales

Planning and housing functions are largely devolved to the Welsh Government and Welsh local authorities. The Housing Act (Wales) 2014 sets out a legal framework for the devolved powers. The Act places duties on local authorities on homelessness, the provision of sites for Gypsies and Travellers and standards in housing management. It also reforms the Housing Revenue Account subsidy system and introduces a compulsory registration and licensing scheme for private rented sector landlords. The Welsh Government provides financial support through the Social Housing Grant and Housing Finance Grant which support Registered Social Landlords, although the amounts are relatively modest. The Wales national housing strategy, 'Improving Lives and Communities – Homes in Wales', contains the detailed policy objectives of the Assembly Government⁴. The Local Government Act 2003 already requires local authorities to produce local housing strategies.

Planning in Wales continues to reflect a distinctive and coherent approach with a national plan and guidance documents framing local development plan preparation by local authorities. The 10th edition of National policy was published in December 2018 with the Welsh Government committing to ensuring that:

- previously developed land is used in preference to greenfield sites;
- new housing and residential environments are well designed, meeting national standards for the sustainability of new homes and making a significant contribution to promoting community regeneration and improving the quality of life; and that
- the overall result of new housing development in villages, towns or edge of settlement is a mix of affordable and market housing that retains and, where practical, enhances important

⁴ www.gov.wales/topics/housing-and-regeneration/publications/strategydoc/?lang=en

landscape and wildlife features in the development.

The Welsh Assembly Government is currently preparing a National Development Framework (NDF)⁵ to sit alongside national policy. The NDF will set out a 20-year land use framework for Wales and will replace the current Wales Spatial Plan.

The NDF will:

- set out where nationally important growth and infrastructure is needed and how the planning system - nationally, regionally and locally - can deliver it
- provide direction for Strategic and Local Development Plans and support the determination of Developments of National Significance
- sit alongside Planning Policy Wales, which sets out the Welsh Government's planning policies and will continue to provide the context for land use planning
- support national economic, transport, environmental, housing, energy and cultural strategies and ensure they can be delivered through the planning system
- Planning policy in Wales contains a stronger and more coherent definition of affordability than the suggested changes to the draft English NPPF with a stronger recognition of the importance of, for example, social rent⁶. Local Planning Authorities must also include an authority-wide target for affordable housing (expressed as numbers of homes) based on Local Housing Market Assessments (LHMAs). Planning for housing is now more robustly framed around the well-being goals set out in the Well-being of Future Generations Act 2015, in particular under 'A Wales of Cohesive Communities' where planning should ensure that all local communities; both urban and rural have sufficient good quality housing for their needs, including affordable housing for local needs and for special needs where appropriate, in safe neighbourhoods.

Right to buy has now ended in Wales. The Abolition of the Right to Buy and Associated Rights (Wales) Act⁷ received Royal Assent on 24 January 2018. To ensure tenants are aware the Right to Buy is ending, the Act requires the Welsh Government to publish information, which social landlords must provide to affected tenants, within two months of Royal Assent.

Scotland

Scotland has extensive devolved powers on planning and housing. The Scottish Government sets overall national planning policy in the National Planning Framework and the 32 local authorities prepare local plans. The four major city regions also have to prepare a strategic development plan.

The Housing (Scotland) Act 2001 requires local authorities to prepare a local housing strategy supported by an assessment of housing need and demand. In March 2016, the Scottish Government launched its 'More Homes Scotland'⁸ approach to increasing housing delivery by innovative investment in housing, getting land ready for housing, and planning for new housing effectively. The Housing and Planning Delivery Framework (HPDF)⁹, is also aimed to make it easier for the housing and planning systems to work together in Scotland to increase the speed and efficiency of the planning process.

The framework aims to:

- increase housing supply in the long term
- make the housing system more responsive to demand
- improve long-term housing affordability
- reduce the volatility of the housing market

5 <https://gweddi.gov.wales/topics/planning/national-development-framework-for-wales/?lang=en>

6 See Para 4.2.25 page 59 of Planning Policy Wales. <https://gov.wales/sites/default/files/publications/2019-02/planning-policy-wales-edition-10.pdf>

7 http://www.legislation.gov.uk/anaw/2018/1/pdfs/anaw_20180001_en.pdf

8 Scottish Government, 2016, More Homes, The Scottish Government, UK. <https://beta.gov.scot/policies/more-homes>

9 <https://beta.gov.scot/policies/more-homes/housing-and-planning-delivery-framework/>

The affordable housing supply programme aims to deliver at least 50,000 affordable homes by 2021 backed by over £3.3 billion 35,000 of the 50,000 target will be for social rent¹⁰.

Scotland's 32 unitary authorities have responsibility for housing with financial and policy support from the Scottish Government who will invest £1.7 billion in new homes over the lifetime of the current parliament.

In 2015 the Scottish Government committed to a full and independent review of the planning system. The Planning (Scotland) Bill¹¹ was introduced to Parliament on 4 December 2017 and this legislation is at stage 2 of parliamentary process. The Bill is intended to strengthen the planning systems contribution to inclusive growth and empowering communities. The Bill sets out high level changes to the overall framework under which planning operate and the detail of how the new provisions will work in practice will be contained within secondary legislation and guidance.

These proposals would make changes to the way local authorities plan for housing including a reconfigured system of development plans. This will link with proposals to extend the role and scope of the National Planning Framework and Scottish Planning Policy. The objective is to promote delivery through greater integration of housing and infrastructure and to improve efficiency and transparency;

Scottish Planning Policy requires local authorities to identify functional housing market areas and a generous supply of land for each housing market area with involvement from developers, registered social landlords and local communities. Affordable housing is defined as housing of a reasonable quality that is affordable to people on modest incomes. Local development plans should clearly set out the scale and distribution of affordable housing requirements. Detailed national guidance on affordable homes and land audits is set out in Planning Advice Note 2/2010¹². The Right to Buy policy ended for all council and housing association tenants in Scotland on 31 July 2016.¹³

Northern Ireland

Whilst planning is a devolved matter in Northern Ireland the suspension of the Assembly in January 2017 has led to special set of circumstances with the Department for Infrastructure having responsibility of planning with oversight from Secretary of State for NI.

Housing in Northern Ireland has always had a number of distinctive aspects not least the legacy of community division and direct rule. Planning for housing has undergone a period of significant change with devolution of planning powers from central administration to 11 local authorities in April 2015. One of the major questions for the future is how to harness the opportunity and challenges of devolving housing provision to local authorities in Northern Ireland. Plan preparation remains a high priority and the age of plans, some of which have been adopted for more than 20 years, is a concern. One example of the new plans is the Belfast Local Development Plan 2035 where formal consultation closed in April 2018¹⁴

Housing and planning responsibility are split between the executive departments in Northern Ireland. Housing policy is the responsibility of the Department for Communities together with urban regeneration. The department is focused on the reform of social housing by, for example the designation of housing associations as social enterprises.

The Northern Ireland Housing Executive manages 89,500 homes and is the strategic housing authority for Northern Ireland working under the Department for Communities. The Executive sets out a

10 <https://www.gov.scot/policies/more-homes/affordable-housing-supply/>

11 [http://www.parliament.scot/Planning%20\(Scotland\)%20Bill/SPBill23S052017.pdf](http://www.parliament.scot/Planning%20(Scotland)%20Bill/SPBill23S052017.pdf)

12 <https://www.gov.scot/publications/pan-2-2010-housing-land-audits/>

13 Scottish Government, 2016 Right to Buy <http://www.gov.scot/Topics/Built-Environment/Housing/16342/rtb>

14 <http://www.belfastcity.gov.uk/buildingcontrol-environment/Planning/localdevelopmentplan.aspx>

number of strategies¹⁵ on homelessness, private rented sector, empty homes, and Housing Investment Plans for each of the new councils. This should provide a long term, holistic, cross tenure look at local housing markets. The Executive is responsible for undertaking the Housing Needs Assessment / Housing Market Analysis to inform local development plans, including social and affordable housing requirements.

Strategic planning, transport and regional developments functions are the responsibility of the Department of Infrastructure. The department publishes the Regional Development Strategy (RDS)¹⁶. The RDS sets policy directions for the provision of housing that aim to manage housing growth to achieve sustainable patterns of residential development (RG8). The Strategic Planning Policy Statement for Northern Ireland¹⁷, published in September 2015, requires planning authorities to deliver balanced communities and good design, with community cohesion a main theme. A draft Affordable Housing Planning Policy Statement¹⁸ was produced in 2014 but this has yet to be adopted.

15 <https://www.nihe.gov.uk/index/corporate/strategies.htm>

16 https://www.planningni.gov.uk/index/policy/regional_dev_2035.htm

17 https://www.planningni.gov.uk/index/policy/spps_28_september_2015-3.pdf

18 https://www.planningni.gov.uk/de/index/policy/planning_statements_and_supplementary_planning_guidance/revised_draft_pps_22_consultation_paper_-_june_2014_-_print_

Part 2: Case studies

2.1 Preston City Council

The housing challenge in Preston

Preston is the administrative centre of Lancashire, with a population (as of 2017) of 141,346. The Central Lancashire sub-region, which comprises the Lancashire authorities of Preston, South Ribble and Chorley has a combined overall population (as of 2017) of 367,518¹⁹.

The Central Lancashire Core Strategy, adopted July 2012, was jointly produced by the Central Lancashire authorities of Preston, South Ribble and Chorley, with assistance from Lancashire County Council. The Core Strategy states that 'the combined area functions as one integrated local economy and travel to work area. It is a single housing market area; nearly 80% of house moves take place within it. It is appropriate and efficient to consider the similar issues facing Central Lancashire in a collaborative way and so better plan for the future of the area'²⁰.

The Core Strategy sets out the number of new homes required in Preston, which equates to 507 dwellings per annum to 2026. As of April 2014, there was an undersupply of 1,217 units which were then factored into the housing requirement, bringing the total requirement to 7,301 units across the period 2014-2026²¹.

Preston City Council is not a stock-holding authority, having transferred its council housing stock to Community Gateway Association in 2005.

Preston has a large number of empty properties – Preston's Local Plan states that as of 1st April 2014 there were 1,142 long-term empty properties in Preston, 1.99% of the city's total housing stock, and up to 3% of housing stock in the city centre²².

The planning context

The Preston Local Plan 2012-26 was formally adopted in July 2015. The Local Plan sits underneath the Core Strategy, adopted July 2012. Within the Central Lancashire area, there is a strong sustainability argument for residential growth to be more focussed in Preston.

The Core Strategy identifies the hierarchy of settlements in Central Lancashire where growth and investment will be concentrated. It states that the Preston/South Ribble Urban Area will be the main focus for growth and investment, and identifies Central Preston and North West Preston as two of the strategic locations for growth along with a strategic site at Cottam.

Housing delivery & city centre housing

Preston's Local Plan states that *'despite the critical role the city centre plays in social, economic and environmental terms, there are serious issues that need to be addressed. There are high levels of vacancies in and around the core shopping area, the public realm in general is of a poor standard and movement through the heart of the city centre is dominated by traffic. Getting the right vision and policies in place for the city centre is going to be vital for its future success'*²³.

Preston's City Centre Plan, adopted June 2016, identifies an issue as being that *'the city centre currently*

19 <https://www.lancashire.gov.uk/lancashire-insight/area-profiles/local-authority-profiles/preston-district/>

20 Central Lancashire Core Strategy, July 2012

21 Ibid

22 Preston Local Plan 2012-26. Preston City Council, July 2015

23 Preston Local Plan 2012-26. Preston City Council, July 2015

*has relatively few houses and flats, resulting in a low city centre population, leading to low demand for services and facilities outside of working hours*²⁴. The Plan explains that *'more housing in the city centre will increase the number of people in the city centre, helping to improve economic and social activity at all times of the day and night. This increased activity will play an important role in boosting the local economy and enhancing the vibrancy of the city centre*²⁵.

Through Preston's City Centre Plan and the City Living Strategy, there is a clear priority for housing in Preston's City Centre to not only address housing needs, but to contribute to wider social and economic benefits of improving the city centre. A number of regeneration interventions in the city centre in the last five years (post adoption of the Local Plan) have enhanced the public realm and pedestrian environment for residents and visitors alike.

In accordance with the allocations in the Local Plan, there has been a lot of growth on the edges of Preston, specifically in the North West Preston Strategic Location. Indeed, since April 2014, a total of 2,980 new homes have been provided in the city, an average of 596 per annum. Preston City Council's current Housing Delivery Test score is 252%, the seventh highest score of all Local Authorities in the country. Of the 2,980 new homes provided since 2014, 741 new affordable homes (almost 150 per annum), of varying tenure, have been delivered in the city.

Despite the high levels of development in the city in recent years, the five-year housing land supply requirements of national policy has increased the pressure for sites not in accordance with the Local Plan to come forward for development, on a speculative basis. In requiring affordable housing contributions from developers, Preston City Council now proactively opt for off-site contributions where appropriate, which can be redirected to delivering affordable housing in preferred locations closer to the centre of the city.

Bringing empty homes back into use

The refurbishment of empty properties can provide much needed homes to those in the greatest housing need. Bringing homes back into use can also have a multitude of wider social and economic benefits. Preston City Council's website states for example that *'empty properties have a negative impact on communities. By bringing empty homes back into use, we can greatly improve an area's appearance and boost people's confidence in their neighbourhood*²⁶.

Preston's Local Plan outlines a strategic objective to bringing back into use long-term empty homes within the existing urban area. To tackle the problem of empty homes, the Making Homes from Houses Project, a partnership between Preston City Council and Community Gateway Association (CGA), aims to renovate empty properties and bring them back into use to be rented at affordable rent levels to those in greatest housing need. This is being delivered using off-site developer contributions for affordable housing secured through planning permissions on housing sites.

The Preston Model

Preston is well known for its innovative approach to Community Wealth Building. Preston City Council describe the "Preston Model" as being *'a term applied to how the council, its anchor institutions and other partners are implementing the principles of Community Wealth Building within Preston and the wider Lancashire area*²⁷. The Council states that *this involves ensuring that 'benefits of local growth are invested in their local areas, are used to support investment in productive economic activities and that people and*

24 Preston City Centre Plan. Preston City Council, June 2016

25 Ibid

26 Preston City Council 2019 <https://www.preston.gov.uk/yourservices/housing/empty-homes/selling-letting-or-renovating-an-empty-home/making-homes-houses-project/>

27 What is the Preston Model? <https://www.preston.gov.uk/thecouncil/the-preston-model/preston-model/>

*their local institutions can work together on an agenda of shared benefit*²⁸.

In the development of housing, applicants and developers are asked to provide an Employment Skills Statement and to detail how they will prioritise local suppliers and workers as part of the construction process. While this is written into supplementary planning guidance, it is not currently adopted as part of Preston's Local Plan, so while it is encouraged there is not currently the policy basis for enforcement. However, in the current review of the Local Plan there is the opportunity to ensure that these conditions are embedded within the Local Plan, making them enforceable requirements. Preston City Council is also trying to proactively encourage smaller house builders to enter the market, as they are often more easily able to meet these requirements than the large national multi-house builders.

Following the ethos of the "Preston Model" and a desire to maximise the provision of affordable housing in the city, Preston City Council has undertaken an options appraisal to explore how a Council-driven Housing Delivery Vehicle could be set up to deliver homes in the city. A decision on how the Council will take this initiative forward will be taken shortly.

Key lessons

- Prioritising Preston's city centre as an area for housing growth – both through new development and bringing long-term empty homes back into use – creates opportunities for wider social and economic benefits, contributing to city centre regeneration and vibrancy.
- The 'Preston Model' ensures that there is an effort to maximise the potential wider local economic and social benefits of housing construction and development processes – through a focus on local procurement and supply chains, investing in skills development, and local employment.

2.2 Swansea Council

The housing challenge in Swansea

The 2011 Census indicated that the City and County of Swansea has a population of 239,000, an increase of 15,500 from the figure recorded in the 2001 Census²⁹. The Council currently manages around 13,600 council homes making it one of the largest social landlords in Wales. All properties are let at social housing rent levels and consist of a variety of sizes and types. Swansea's Local Housing Strategy states that 'generally, demand for Council properties in the City and County has increased in recent times, which, according to the Housing Market Assessment, is attributed to a steep rise in property prices. It is now estimated that many first-time buyers have to save for 10 years before they can afford a deposit to purchase a property.'³⁰

The amount of council housing stock reduced drastically between 1996 and 2016, largely as a result of Right to Buy, from 17,387 to 13,496 homes, a reduction of 22.4%³¹. The Swansea Local Development Plan (LDP) 2010-2025, adopted in February 2019, states that provision will be made to deliver a minimum 3,310 affordable homes over the Plan period.

The planning context

The Local Development Plan outlines that the City and County of Swansea is forecast to see significant population growth over the next decade. It states that the area will 'need new homes, jobs, infrastructure and community facilities to support economic growth and raise standards of living, while respecting the County's cultural and natural heritage. It is crucial that growth is properly planned to maximise

28 Ibid

29 Local Housing Strategy 2015-2020. Swansea Council, 2011

30 Ibid

31 <https://democracy.swansea.gov.uk/documents/s31655/More%20Homes%20Strategy.pdf>

community benefit and bring forward development that is in the best interests of the County and its people³².

A new generation of council homes

In April 2015 two major changes that affect the financing of Council housing in Wales took place, these were the exit from the Housing Revenue Account Subsidy system (HRAS) and the introduction of a new policy for calculating the level of social housing rents. The combination of these key reforms, meant that stock owning Welsh Local Authorities were able to forecast more financial resources being available within their Housing Revenue Accounts (HRA), and could use these resources to return to Council house building. Swansea Council began a new generation of council house building, under the More Homes Strategy.

Swansea has a Direct Labour Organisation (DLO) which prior to the launch of the 'More Homes' project focussed mainly on the maintenance, adaptation and refurbishment of existing council housing stock, along with carrying out works on schools and other social infrastructure buildings.

In commencing the 'More Homes' project, the Council identified a pilot scheme to test the capacity of the Council to undertake a direct build project. The pilot scheme development of 18 new homes helped the DLO to build experience and internal capacity in the delivery of new housing and enabled the DLO to map out pitfalls and gain experience prior to moving onto larger sites or working in partnership with developers in the future. The DLO has approximately 450 tradespeople and front-line operatives, 120 technical and support staff and 60 apprentices at any given time. The Council's More Homes Programme is now moving forward at pace. Cabinet approved the Housing Revenue Account Development Plan in February 2019. This sets out the programme to develop over 140 new homes up to 2022.

The 'Swansea Standard'

The Council prioritises energy efficiency in the development of new council homes, and as part of the council house development programme one site was piloted as a fully accredited Passivhaus scheme - internationally recognised as low-energy homes.

While the Passivhaus homes delivered really high standards of energy performance, there were some challenges in internalising all of the works as contractors assisting in the building of Passivhaus homes have to be accredited to be involved, along with the specialist material supply chain.

Swansea Council has now developed a 'Swansea Standard' which builds on the fabric first concept, whilst adopting the key thermal properties and principles of Passivhaus. The pilot has now started on two new sites and will deliver a mixed development of 34 new homes for social rental. The 'Swansea Standard' will be a specific set of design standards that the Council will look to adopt instead of Passivhaus, essentially creating a locally-adapted set of standards that prioritise energy efficiency.

One 'Swansea Standard' site currently being developed sits alongside the previously completed Passivhaus scheme and once completed, will allow data analysis to compare the performance of both concepts. The data collection is currently being carried out (on the Passivehaus) site by Welsh School of Architecture (WSA) in collaboration with a local Comprehensive school which houses a WSA mini weather station.

The Council is also working with the Welsh School of Architecture at Cardiff University and Swansea University's "Specific" department in developing renewable energies which will effectively "bolt on" to the Swansea Standard developments. 'Homes as Power Stations' (HAPS) include ground source heat pumps, integrated solar photovoltaic and battery storage capabilities. In the development of HAPS Swansea Council are also carrying out a retrofit pilot with eight off grid properties as they explore

32 Swansea Local Development Plan 2010-2025. Swansea Council, February 2019

opportunities around its existing stock and the forthcoming Welsh Government decarbonisation agenda. Post occupancy monitoring of these standards, which will include the feedback from tenants living in them, will be used to help share learning across the sector.

Following on from the first Passivhaus pilot at Colliers way, the second phase of the More Homes project is already underway with development commencing at a further two sites. As part of this phase, 34 new homes will be built as 'Homes as Power Stations' using funds from a £1.5m Innovative Housing Programme grant from the Welsh Government.

Beyond Bricks and Mortar

Swansea Council describes Beyond Bricks and Mortar (BB+M) as 'an important initiative to secure community benefits from all suitable council activities in the City and County of Swansea for the lasting benefits of the community'³³.

The Council outlines that 'in order to address the issues of poverty, inactivity and social exclusion Beyond Bricks and Mortar (BB&M) is championing the use of Community Benefit clauses within developments associated with regeneration projects and all other relevant Council contracts and planning applications to bring added value... It aims to address barriers to entering the labour market and create opportunities for all Swansea's citizens, therefore helping to lift individuals and households out of poverty'³⁴.

Swansea Council has a specific 'City & County of Swansea Community Benefit Policy' document³⁵, which outlines the details of the approach to Community Benefit. The policy outlines that clauses can involve influencing the following areas:

- Targeted training and recruitment, e.g. long term unemployed
- Supply chain initiatives, committing to local sourcing
- Community consultation (considerate contractors)
- Contributions to education
- Promotion of social enterprises
- Environmental benefits during works and at completion

The policy is coordinated, facilitated and monitored by the Council's Beyond Bricks and Mortar (BB+M) team, which is part of the City Regeneration division. The BB+M team work with departments across the council to embed community benefits within a range of projects. The BB+M team work closely with the DLO in relation to housing construction to facilitate opportunities for trainees and apprentices, and facilitate work experience aimed at long-term unemployed people. These work experience opportunities are accompanied by mentoring to support those involved to work towards being 'work ready'.

Community benefits is a key priority for Welsh Government. While the Welsh Government requires clauses on community benefits to be written into contracts of £1 million and above, Swansea Council goes beyond this to ensure that community benefit clauses are used in all contracts, even for small value projects.

Lessons

- The work of Swansea Council in piloting Passivhaus and going on to develop a 'Swansea Standard' to localise energy efficiency standards demonstrates the commitment to increasing energy efficiency of council homes, which has both positive environmental impacts and

33 Beyond bricks and Mortar, Swansea Council <https://www.swansea.gov.uk/beyondbricksandmortar>

34 Beyond bricks and Mortar, Swansea Council <https://www.swansea.gov.uk/beyondbricksandmortar>

35 Ibid

- positive social and economic impacts through minimising the energy bills of council tenants
- The Beyond Bricks and Mortar initiative and the strong relationship between the BB+M team and the DLO shows how prioritising and resourcing a team to champion wider community benefits can lead to embedding local skill development and employment opportunities within housing development and maintenance processes.
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2.3 Plymouth City Council

The housing challenge in Plymouth

Plymouth City Council is a unitary authority in Devon. Plymouth has a population of approximately 263,000 people and plans to grow to nearly 300,000 people by 2034.

Plymouth is relatively affordable in comparison to its neighbouring areas but still has many local housing pressures, with 12,794 households on the housing waiting list of which 8,560 are in priority need. Plymouth is experiencing increases in homelessness and in the number of families in temporary accommodation. Over a third of all private rented housing, occupied by 7,500 people, is 'non-decent', and there are 715 long term empty homes in the city.³⁶

Plymouth City Council state that *'building the right type of homes, in the right place, at the right price, while creating quality environments, is necessary for Plymouth's citizens to thrive, and support growing the population of Plymouth to nearly 300,000 people by 2034. Without a new and improved supply of the right homes, the economic and physical regeneration of the city will be constrained.'*³⁷

Plymouth is not a council housing stock holding local authority and does not have a Housing Revenue Account.

The planning context

The Local Planning Authorities of Plymouth, South Hams and West Devon have for the first time worked together to produce a Joint Local Plan (JLP) which was adopted in March 2019. The JLP states that it 'sets out a strategy and key policies for the city and the wider area, bringing together the vision for the growth and transformation of Plymouth with the approach of fostering sustainable, thriving towns and villages in the surrounding rural areas. The aspirations for each area are complementary but need to be planned together in order to ensure that growth takes place in a sustainable manner'³⁸. As well as enabling more joined up planning, producing a JLP enabled resource savings and the pooling of services and expertise in the development of the plan itself.

The Joint Local Plan states that it seeks to deliver 26,700 new homes by 2034 across Plymouth and South West Devon, with 71% (19,000) of the new homes to be built in the Plymouth Policy Area, including 4,550 new affordable homes.³⁹

The Plymouth Plan, which was adopted in 2018 and refreshed in March 2019 is the City of Plymouth's single, integrated and holistic strategic plan. The Plymouth Plan is ground-breaking in that it sets the direction of travel of the city by bringing together the strategies of all the Councils' services, and those of its partners into one place.

The Plymouth plan is framed in terms of 'Plymouth as a healthy city', 'Plymouth as a growing city', and 'Plymouth as an international city'⁴⁰. The Plan sets out a clear growth agenda and states that *'this*

36 Cabinet Report, Plan for Homes 3, 5th March 2019. Plymouth City Council <http://democracy.plymouth.gov.uk/documents/s94755/190305%20Cabinet%20Report%20-%20Plan%20for%20Homes%203.pdf>

37 Ibid

38 Plymouth and South West Devon Joint Local Plan 2014-2034, March 2019 <https://www.plymouth.gov.uk/sites/default/files/JLPAdoptedVersion.pdf>

39 Cabinet Report, Plan for Homes 3, 5th March 2019. Plymouth City Council <http://democracy.plymouth.gov.uk/documents/s94755/190305%20Cabinet%20Report%20-%20Plan%20for%20Homes%203.pdf>

40 The Plymouth Plan, March 2019 <https://www.plymouth.gov.uk/sites/default/files/PPRefresh2.pdf>

is about using Plymouth's economic, social and environmental strengths to drive quality growth which transforms the city's long term prosperity, so that the needs of all of its people are met and they benefit from the highest quality of services and facilities'.⁴¹

The Plymouth Plan outlines that *'the City will implement a range of initiatives in a 'Plan for Homes' to ensure that a proactive approach is taken to driving and accelerating the delivery of the new homes needed to meet the City's growth aspirations. Planning powers will be used to ensure that sufficient sites are identified to enable this growth to happen and to ensure that the right mix and balance of housing is provided in accordance with the principle of sustainable linked neighbourhoods'.⁴²*

Plan for Homes

Plymouth's original Plan for Homes, an ambitious plan to support the delivery of 5000 homes over five years, was launched in November 2013 and then refreshed in March 2016. In the four years prior to the launch of Plan for Homes an average of 653 new homes per year were completed. In the four years post Plan for Homes that has increased to an average of 1,115 new homes per year. This includes meeting a wide range of housing needs, including extra care housing, a self-build housing project aimed at veterans, and the largest affordable Passivhaus scheme in the country⁴³.

Building on the success on the first two phases of Plan for Homes, Plymouth City Council are now launching Plan for Homes 3, which represents a series of further interventions to continue to support the delivery of at least 1000 new homes each year over the next 5 years.

The Plymouth Plan describes the Plan for Homes as providing for *'leadership, engagement and partnership working through proactive housing enabling, positive planning and development'⁴⁴*. The Plan for Homes has strong political and executive ambition and leadership which were cited as being key to its success in driving increased and accelerated housing delivery.

In taking an enabling approach to supporting the delivery of new homes, Plymouth City Council has done significant work to understand the specific local housing market failures and the needs of different sites in order to be able to play a proactive role in ensuring that good quality, affordable housing comes forward. The council works with partners to proactively identify sites and in some cases the council has directly acquired stalled sites and put in infrastructure to help unlock them.

As the council now has a track record of playing a positive role in bringing sites forward, they ensure that strong communication and PR is used in order to build trust, to rebrand previously stalled sites, and to ensure that people are aware of what is happening.

The council works in partnership with housing associations and coordinates regular meetings to identify potential ways to break down barriers and provide support. The council also works to try to encourage and support more SMEs to be involved in housing delivery in Plymouth.

Lessons

- The joined-up and holistic approach demonstrated by both the Joint Local Plan and The Plymouth Plan highlight a positive example of plan-making creating a clear vision, and demonstrate the importance of the delivery of good quality affordable homes in contributing to wider ambitions for people and places
- The Plan for Homes programme demonstrates the key enabling role that local authorities can play as master developers and shows the importance of understanding barriers to delivery and taking a flexible, multi-faceted approach to supporting housing delivery.

41 Ibid

42 Ibid

43 Cabinet Report, Plan for Homes 3, 5th March 2019. Plymouth City Council <http://democracy.plymouth.gov.uk/documents/s94755/190305%20Cabinet%20Report%20-%20Plan%20for%20Homes%203.pdf>

44 The Plymouth Plan, March 2019 <https://www.plymouth.gov.uk/sites/default/files/PPRefresh2.pdf>

2.4 Fife Council

The housing challenge in Fife

Fife covers an area of approximately 500 square miles. As of 2013, Fife had a population of 366,910 people having increased by 4% over the decade prior to 2013, with the most significant increase in population being within the 60+ age group. Fife has a total of 171,580 dwellings (mid-2013), around 80% being located in urban Fife and 20% in rural Fife. Fife has an occupancy rate of 95% with 3% vacant homes and 2% second homes⁴⁵.

The Plan for Fife states that *'too many homes in Fife are poor quality, and Fife has high levels of fuel poverty'*⁴⁶. In the context of an ageing population, the Fife Plan highlights that a particular issue is the lack of appropriate housing in villages and rural communities for older people. The Plan states that *'innovative solutions on sites within the heart of rural villages will be sought. This could free up single-occupancy homes while enhancing care for the elderly in the community'*⁴⁷.

The Fife Plan, adopted in September 2017 outlines that the plan will *'help accelerate the rate of house building through the revised policy framework and by providing for a continuous effective housing land supply and ensuring a consistent approach across Fife'*⁴⁸.

The planning context

The Plan for Fife (Local Outcome Improvement Plan 2017-2027) outlines the vision for a 'Fairer Fife' framed within four priority themes of 'Opportunities for All', 'Thriving Places', 'Inclusive Growth & Jobs', and 'Community Led Services'. The Plan for Fife outlines that *'our thriving places will be places where people feel they belong to their community, enjoy their environment and have access to high quality open spaces; good, affordable housing; and community facilities'*⁴⁹. Linked to the Plan for Fife, Fife's Local Development Plan sets out Fife's spatial strategy⁵⁰.

Developing new affordable housing at scale

Fife's Affordable Housing Programme is one of the biggest in Scotland. Fife Council had stopped building council homes in 1980 due to the start of Right to Buy (RTB). In 1984 Fife Council owned and managed 76,000 council homes. Due to the sale of properties through the RTB this number had reduced to 28,000 by 2016. In 2009 Fife Council embarked on building a new generation of council homes and is now achieving this at scale. The number of council homes in Fife has risen to 30,500, with the ambition to further increase to 32,000 by 2022.

Fife Council highlight a number of broader policy and funding factors as being key to making the decision to restart building council homes. Notably that the Scottish Government began to modernise the RTB in the early 2000s, fully abolishing it in 2016, and that the Scottish Government has a significant ambition for the building of new affordable homes, with a target of 50,000 new affordable homes to be delivered across Scotland by 2021, and they are providing funding to councils and RSLs to subsidise affordable housing delivery.

In Phase II of the Affordable Housing Programme, which ran from 2012-2017, Fife Council completed

45 Local Housing Strategy 2015-2020, Fife Housing Partnership, http://publications.fifedirect.org.uk/c64_160404MasterLHSandOutcomes1.pdf

46 Plan for Fife, Local Outcome Improvement Plan 2017-2027, published April 2018, Fife Council, http://publications.fifedirect.org.uk/c64_LocalOutcomeImprovementPlan-PlanforFife2017-2027.pdf

47 Fife Plan: Fife Local Development Plan, adopted September 2017, Fife Council, https://fife-consult.objective.co.uk/portal/fife_idp/fifeplan_-_adopted_plan_13/adopted_ffifeplan?pointId=4395822

48 Ibid

49 Plan for Fife, Local Outcome Improvement Plan 2017-2027, published April 2018, Fife Council, http://publications.fifedirect.org.uk/c64_LocalOutcomeImprovementPlan-PlanforFife2017-2027.pdf

50 Fife Plan: Fife Local Development Plan, adopted September 2017, Fife Council, https://fife-consult.objective.co.uk/portal/fife_idp/fifeplan_-_adopted_plan_13/adopted_ffifeplan?pointId=4395822

1,252 homes and the Fife Housing Association Alliance (FHAA) - made up of the four RSLs operating in Fife - completed 966. Of these homes 67% are for social rent with the remaining 33% being either mid-market rent or low-cost home ownership. 453 of these homes were delivered for tenants with specific needs⁵¹.

Fife's Affordable Housing Programme now has a third phase target to deliver 3,500 new affordable homes by 2022, again working in partnership with Fife RSLs.

Fife Council stress the importance of having high level political and executive support for the programme. Affordable Housing is an explicit administration priority, and the Programme Board is at Fife Council Executive Director/ Head of Service level. The Board also includes the Chief Executive of Kingdom Housing Association as representative of the FHAA.

Building in-house capacity and confidence

In starting up Fife's Affordable Housing Programme, team members from different council directorates were brought together within one programme team in order to ensure better collaborative working. Fife Council stress the importance of continuously building in-house capacity and confidence. As well as housing professional and project management staff, programme funding has also supported roles in planning and building control to assist overall delivery capacity.

In the current phase, an improving housing market in Edinburgh and the Lothians has seen large developers attracted to work there, which has reduced their interest in working in nearby Fife. There are some smaller developers in Fife but fewer than there used to be as many were negatively affected by the economic downturn – the Fife Plan highlights for example that *'housebuilding rates have recovered marginally since the market depression and still remains at only just over 50% of 2006/07 levels'*⁵². Fife Council tries to work with smaller firms where possible and also sees building the council's internal construction capacity as key to addressing gaps in the market, particularly for smaller-scale sites.

Availability of land

Fife Council note that the availability of land for new development is becoming an increasing challenge. Fife's Strategic Housing Investment Plan notes that *'Fife Council land has contributed greatly towards the delivery of new affordable housing in previous years, largely from the Housing Revenue Account and at Residual Land Value. This has helped substantially in the delivery of affordable housing. Fife Council continues to support the investment programme through the supply of sites both on the Housing Revenue Account and the Council's General Account. Housing Associations also maximise use of land in their ownership to deliver affordable housing. Many of the more deliverable sites have now been utilised for affordable housing but efforts continue to look for solutions to overcome any constraints'*⁵³ In order to ensure a steady supply of land, in addition to trying to maximise the use of council-owned sites, Fife Council has also been proactively exploring opportunities to work with other public sector bodies, and to acquire privately owned sites.

Lessons

- Fife Council's Affordable Housing Programme demonstrates how a local authority can develop new council homes at scale through building up in-house capacity and skills.
- The proactive approach of Fife Council in acquiring land and driving development processes demonstrates the crucial role that local authorities can play in taking on the role of master developer.

51 Affordable Housing in Fife – End of Programme Phase 2 Report 2012-2017, Fife Council, <https://indd.adobe.com/view/79b7bc68-d68f-4eb0-9746-2d4e4abdf413>

52 Fife Plan: Fife Local Development Plan, adopted September 2017, Fife Council, https://fife-consult.objective.co.uk/portal/fife_ldp/fifeplan_-_adopted_plan_13/adopted_fifeplan?pointId=4395822

53 Strategic Housing Investment Plan 2019/20 – 2023/24, Fife Housing Partnership, http://publications.fifedirect.org.uk/c64_SHIP2019-20-2023-24.pdf

2.5 Manchester City Council – Age-Friendly Manchester

This case study focuses specifically on older people's housing in Manchester in the context of Age Friendly Manchester (AFM).

The housing challenge in Manchester

Manchester's population continues to grow rapidly. The Manchester City Council Forecasting Model (MCCFM) estimates a rise from 559,500 people in 2017 to 572,500 in 2018, and projects the City's population to reach 644,100 by 2025⁵⁴.

Manchester's Local Plan (2012) acknowledged that *'there is a shortage of housing for elderly and disabled people. The number of elderly people is growing and there is likely to be a disproportionate increase in the number of disabled people as the population becomes older. To meet this need, additional housing is necessary, which is or can be adapted. This will include the provision of high quality small units which will encourage older households, which are currently under-occupying socially rented houses which are larger than they require, to move into smaller units in their local area'*⁵⁵.

This position was informed by a full engagement with all relevant service areas.

Strategic context and Age Friendly Manchester (AFM)

Recognising both the challenges and opportunities an ageing population brings, the World Health Organisation (WHO) established a network of Age-Friendly Cities and Communities in 2003. The WHO sets out the key themes which contribute to making a place more age friendly - the domain of Housing being recognised as a key ingredient. Manchester launched its Valuing Older People programme in the same year, and in 2010 became the first UK City to join the WHO network, renaming its programme Age Friendly Manchester (AFM).

The Council's website outlines that *'AFM bases its work around the City's ageing strategy Manchester: A Great Place To Grow Older, which was launched in 2009. The strategy was updated and relaunched in 2017. The City's ambition is that as its citizens age they remain independent, able to maintain good health, strong social and cultural connections, and have access to healthy, good quality employment'*⁵⁶.

The need for a greater focus on housing for older people is a common theme across key strategic documents. One of the key priorities in the Council's Residential Growth Strategy includes *'provid[ing] appropriate housing options for retirement living'*⁵⁷. The Council's Housing Strategy outlines that *'we have to prepare for the future growth in the older population who need a wider choice of housing so we can provide an offer that allows them to age in place, close to families and communities, and with care available close by'*⁵⁸. Aspirations for the City's diverse population are set out in the Our Manchester Strategy 2016 which looks to create a progressive and equitable City by unlocking the potential of its many communities⁵⁹.

The Care Act 2014 shifts the focus of the care and support system from, essentially, a crisis response to holistic prevention and early intervention. It is focused on wellbeing and an individual's ability to live independently for as long as possible. This, and AFM, gave the Council the opportunity to

54 State of the City report 2018, Manchester City Council https://secure.manchester.gov.uk/info/200088/statistics_and_intelligence/7353/state_of_the_city_report_2018

55 Manchester's Local Plan, Core Strategy, Development Plan Document, adopted 11th July 2012. Manchester City Council https://www.manchester.gov.uk/downloads/download/4964/core_strategy_development_plan

56 WHO 2019 Age Friendly World Network – Manchester <https://extranet.who.int/agefriendlyworld/network/manchester/>

57 Manchester's Residential Growth Strategy https://www.manchester.gov.uk/downloads/download/5666/residential_growth_strategy

58 Manchester: A Housing Strategy 2016-2021, Manchester City Council https://www.manchester.gov.uk/downloads/download/6689/housing_strategy

59 Our Manchester 2016 https://www.manchester.gov.uk/downloads/download/6426/the_manchester_strategy

develop the *Living Longer, Living Better: Housing for an age-friendly Manchester, Strategy Statement 2014-20* which sets out the vision for how the housing sector can contribute to the age-friendliness of Manchester and also describes 'how we can build to make the City an attractive place for people to grow older, living as independently as possible for as long as possible'⁶⁰. Furthermore, one of the Councils flagship policies is the ambitious integration of services to better deliver health and care services. The Our Healthier Manchester Plan⁶¹ shifts the focus of delivery from hospital to joined-up neighbourhood services, keeping people healthier at home wherever possible. It's a key priority and the City is using opportunities offered through the Greater Manchester Devolution deal to deliver innovative new ways of working.

Focus on extra care housing

The Council and Registered (housing) Provider partners have an ongoing development programme for new extra care schemes, with 7 schemes already opened since 2017. Another 500 apartments will be added to the current total of 432, including a second dementia specific extra care scheme, giving the City almost 1,000 extra care apartments in 14 schemes by 2022. The priority for the programme has been increasing housing choice for older people, improving quality of life and reducing social isolation. Increased access to extra care housing can also enable rightsizing, freeing up under-occupied housing as well as achieving a strategic priority to drive down a reduction in residential care.

Neighbourhood apartments

There are now 28 fully furnished and equipped neighbourhood apartments located across the City in sheltered and extra care housing schemes. Originally, 'step down' care and support from hospital, the remit has broadened to include 'step up' care and support, allowing for referrals from the community in cases of hoarding, domestic abuse, safeguarding and housing adaptations. The service is fully focused on reablement to independent living. Both this and extra care housing are developed with a view to enabling access to the right levels of care in order to maintain independent living, reduce the need for higher-intensity residential care and reduce the rates of delayed discharge from hospital. Analysis of activity across the apartments reveals that 60% of short-stayers remain in the scheme as they apply for permanent housing. The apartments give residents a taste of living in a supported environment and, as a result, demand for sheltered housing amongst this cohort has increased.

Housing Options for Older People Service (HOOP)

The original remit of the service was to offer a housing 'MOT' for people over 50, enabling them to make an informed choice about their future housing in the context of their health, finances and existing networks of support. The service quickly evolved into being an expert point of contact for health and social care professionals where inappropriate housing is exacerbating a health condition. In 2018/19 there were 824 referrals from over 20 health/social care/voluntary teams. In addition to advice and support, the service facilitated 257 moves: 31% into other general needs (adapted/age-restricted/ground floor properties); 25% to Extra Care; 32% to Sheltered/Retirement and only 9% into residential care. The service was initially provided by one HOOP worker managed by the Council's ALMO, Northwards, but its success has resulted in four posts being funded from a number of sources including the Council, Health and registered housing provider partners. The HOOP officers are located in housing partners' offices.

⁶⁰ Living Better: Housing for an age-friendly Manchester, Strategy Statement 2014-20, Manchester City Council https://www.manchester.gov.uk/downloads/download/6143/housing_for_an_age_friendly_manchester

⁶¹ Our Healthier Manchester
<https://healthiermanchester.org/>

LGBT housing and kite mark

In early 2017 the Council announced plans for the UK's first majority LGBT extra care housing scheme⁶². The Council and LGBT partners are also developing an LGBT 'kite mark' for care providers in Manchester which would be used as a quality standard mark for care providers to demonstrate that they are LGBT affirmative.

The Northern Gateway

Following feedback from the AFM Older People's Board the Council has entered into a collaboration to investigate how the development of 15,000 homes over the next 20 years in north Manchester might adopt age friendly design and development principles; to create a neighbourhood for all age groups. This collaboration includes the private developer, Far East Consortium, the Council's Regeneration and AFM teams, Manchester Institute For Collaborative Research On Ageing (MICRA)⁶⁴, Manchester School of Architecture⁶⁵ and the Centre for Ageing Better⁶⁶. The partnership regularly reports back to the AFM Board to ensure older people's voice helps inform its work.

This work builds on Age Friendly Neighbourhood principles developed in Manchester which are now being rolled out across Greater Manchester⁶⁷.

Accessible design standards

The Council has long sought for development in the City to be accessible, inclusive and sustainable.

Prior to any national guidance Manchester introduced a Design for Access⁶⁸ manual and this, and LifeTime Homes⁶⁹, are set out in the Core Strategy⁷⁰ as good practice. Manchester's Local Plan states that *'all new dwellings must be of sufficient design quality and size to allow for adaptations to meet changed housing needs and provide satisfactory levels of privacy for existing households. The Council will work with developers to promote a high standard of internal design and space standards in new developments'*.

More recently the Council has introduced the Residential Quality Guide⁷¹ which is a pivotal document for steering the quality agenda. The guide has been endorsed by Executive and provides a clear direction on what is required to deliver sustainable neighbourhoods of choice for all.

The quality agenda takes a holistic approach to design across all residential developments. The guide is clear that developments should be adaptable and flexible. This includes the need to facilitate adaptation to meet the needs of an ageing population; where proposals are designed for a specific demographic applicants will have to provide illustrative plans to demonstrate the building is sufficiently flexible to convert and that a design response to specific needs is set out.

62 Announcement of LGBT scheme:

https://secure.manchester.gov.uk/news/article/7628/uk_s_first_lgbt_older_person_s_community_planned_for_manchester

63 State of the City Report 2015 – Manchester's older LGB community

https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/FENT__1431527810_11145_State_of_the_City_Report.pdf

64 Manchester Institute of Collaborative research on Ageing

<https://www.micra.manchester.ac.uk/>

65 <https://www.msa.ac.uk/news/item-8529/>

66 <https://www.ageing-better.org.uk/>

67 <https://mafn.org.uk/background>

68 Manchester Design for Access 2

https://www.manchester.gov.uk/downloads/download/5366/design_for_access_2

69 Lifetime Homes Standards

<http://www.lifetimehomes.org.uk/pages/revised-design-criteria.html>

70 Manchester Core Strategy

https://secure.manchester.gov.uk/info/200074/planning/6573/core_strategy_2012-2027

71 Manchester Residential Quality Guide

https://secure.manchester.gov.uk/downloads/download/6682/residential_quality_guide

Lessons

- Age Friendly housing is a key priority for the City and has strong political support. To facilitate the delivery of the extra care programme, Executive Members approved measures, which enabled housing partners to bring forward schemes which may not have been viable without this support.
- The knowledge of, and advice from, the Age Friendly Manchester Programme team, the AFM Board, the AFM Older People's Assembly, and strategic partners has been invaluable to the delivery of Age Friendly housing. It has brought the voice of older people into decision making and promoted the need for the Council to explore a range of housing options which meet the changing needs of people as they age. It is worth noting that the chair of the Board is elected from the Older People's Assembly, and the Board includes two Elected Members, who are the political leads for ageing in the city.
- This case study provides examples of how strong partnership working in the City, and funding opportunities arising from Devolution, have enabled housing, health, care and planning to deliver increased housing choice for older people. Providing timely support and access to appropriate housing options (such as extra care housing) delivers a multitude of actual and strategic benefits including reducing the length of hospitalisation.

Part 3: Analysis and recommendations

3.1 Overview of analysis and changing policy context

Part 3 of this report sets out an analysis which has identified a number of challenges and opportunities in delivering and retaining genuinely affordable, good quality housing, and in maximising the wider social, economic and environmental benefits that can be achieved through development and construction processes.

The analysis of challenges and opportunities set out in this chapter is based upon a survey of local authorities across the UK (see annexes 1 and 2), five case studies (set out in part 2 of the report) and a stakeholder roundtable (see annex 3).

The analysis explores how local authorities can play a fuller role in overcoming these barriers and realising opportunities, and sets out a series of recommendations that aim to establish a more enabling environment for local authorities to operate within. In undertaking the policy analysis, it is clear that the devolution of some powers to Scotland, Wales and Northern Ireland has created a distinctive policy environment in each of these administrations. As such the recommendations below are predominantly focused on the housing and planning policy framework for England which is in a period of significant reform.

Analysis and recommendations are structured below under the following three key themes:

1. Delivering and retaining genuinely affordable homes
2. Housing standards and permitted development rights
3. Planning holistically for wider social and economic benefits

3.2 Key themes

3.2.1 Delivering and retaining genuinely affordable homes

Fundamentally, there is a great need for more genuinely affordable housing. The final report of Shelter's commission on the future of social housing for example made the recommendation that '*Government should deliver enough social homes over the next 20 years for the 3.1 million households who will be failed by the market, providing both for those in need, and also a step up for young families trying to get on and save for their future*'⁷².

When we asked in the online survey the question: '*How would you characterise the need for affordable homes (i.e. homes available for subsidised or social rent) in your local authority area?*', 98% of responses from across the UK described their need as either severe (59%) or moderate (39%). As we have asked this question in the online survey for the past 4 years, we can see that responses have stayed largely consistent across this time (see Annex 2).

Investment in genuinely affordable housing is a key part of ensuring mixed and thriving communities. Affordable, good quality homes are key to health, wellbeing and realising better life chances. In addition to the multiple human costs of poor housing, evidence shows the extent to which the delivery of genuinely affordable homes can save public funds. Multiple studies have looked to put figures on some of the many financial costs of poor housing to councils and to the wider public sector, for example in terms of health, care services and temporary accommodation costs. In research into the cost of poor housing on the NHS in England for example, BRE calculate this as being £1.4 billion per

⁷² 'Building for our future: A vision of social housing'. Shelter, January 2019 https://england.shelter.org.uk/__data/assets/pdf_file/0005/1642613/Shelter_UK_-_A_vision_for_social_housing_full_interactive_report.pdf

annum⁷³, while research also shows that between 2013/14 and 2017/18, local authorities in England paid a total of £3.97 billion on temporary accommodation costs – with costs increasing hugely year on year⁷⁴

Definition of affordable housing

The revised NPPF does not include a meaningful definition of housing affordability. The definition set out in Annex 2 of the NPPF includes a wide range of intermediate housing ‘products’, many of which cannot reasonably be described as affordable, and some of which may not retain their level of relative affordability in perpetuity. The government has made a change from a measure of affordability based on income to one fixed to an arbitrary percentage of market cost - within a context in which the government itself, (in the housing white paper) describes the housing market as ‘broken’. This is not a true measure of affordability as it fails to factor in the ability of those on low incomes to pay.

Survey responses and discussion at the roundtable event re-emphasised the degree to which the term ‘affordable’ had been devalued, that the term has become increasingly confusing, and that there needs to be a clear distinction between intermediate housing products and a genuine measure of affordability.

The definition in the NPPF will devalue what can be required through Section 106 contributions and risks shifting the focus away from the provision of genuinely affordable tenures such as social rent in favour of more intermediate housing ‘products’ (despite social rent being re-included within the wider affordable housing definition in the final revised NPPF).

Recommendation 1: Government should reinstate a definition of affordable housing which links affordability to income.

Funding social and affordable housing

As outlined in the policy context section of this report, a significant Government announcement made in October 2018 was that the Housing Revenue Account (HRA) borrowing cap would be removed. This is a policy shift that had been long advocated for by many local authorities, by APSE and the TCPA, among other actors. Our 2018 report ‘Delivering affordable homes in a changing world: Ensuring councils can meet local housing need’, for example, recommended that:

‘The government should respect the principles of self-financing by returning control to local authorities over their investment plans, rents and assets including extending the budget commitment to lifting the HRA borrowing cap on councils of ‘high affordability pressures’ to all authorities with housing stock and enabling councils to retain 100% of their Right to Buy receipts to reinvest into building new affordable housing.’⁷⁵

The removal of the HRA borrowing cap since this recommendation was made, is very welcome. When asked in the online survey ‘What impact do you think the removal of the Housing Revenue Account borrowing cap will have on your ability to deliver social and affordable housing in your local authority area?’ 22% of responses stated that it would have a ‘significant positive impact’ and 36% of responses stated that it would have a ‘slight positive impact’. Some positive comments from respondents included:

‘Due to the lifting of the Cap the Council now has commenced a development plan to deliver over 300 homes per annum’

73 ‘The cost of poor housing to the NHS’. BRE 2015 <https://www.bre.co.uk/filelibrary/pdf/87741-Cost-of-Poor-Housing-Briefing-Paper-v3.pdf>

74 ‘The cost of homelessness: council spend on temporary accommodation revealed’. N Barker, Inside Housing, August 2018 <https://www.insidehousing.co.uk/insight/insight/the-cost-of-homelessness-council-spend-on-temporary-accommodation-revealed-57720>

75 ‘Delivering affordable homes in a changing world: Ensuring councils can meet local housing need’ APSE & TCPA, May 2018 <https://www.apse.org.uk/apse/index.cfm/research/current-research-programme/delivering-affordable-homes-in-a-changing-world-ensuring-councils-can-meet-local-housing-need/>

'We can deliver more through the HRA and also start to replace poorly performing housing'

On the whole survey respondents thought that the removal of the cap would have a positive impact. However, many responses caveated this by highlighting that increasing the borrowing headroom of the HRA still required applying prudential borrowing principles. Respondents also highlighted that even with the removal of the borrowing cap, multiple other barriers remain that impede their ability to deliver genuinely affordable homes, including challenges with purchasing land, a lack of in-house skills for housing delivery, challenges with viability processes, and the deterrent posed by Right to Buy (RTB). Respondents to the survey made the following comments:

'Councils still have to consider the wider business case and apply prudential borrowing principles. In areas of lower land values and development viability issues additional borrowing is not the panacea'

'We can borrow more, but don't own much land so would need to fund both land purchase and cost of building'

'The removal of HRA borrowing cap will result in some additional council development but the lack of grant still remains an issue'

"RTB associated with HRA means as an investment proposition, it doesn't work"

'This [the removal of the HRA borrowing cap] releases us to accelerate housing delivery. However, more flexibility on the use of the money and Right to Buy receipts would assist further.'

In addition to the wider contextual challenges, it is important to note that a large proportion of local authorities no longer have a Housing Revenue Account. Of the local authorities responding, 32% of them noted that they do not have an HRA.

Survey responses and discussions at the roundtable event clearly highlighted that while the removal of the HRA borrowing cap is very welcome, this does not substitute the need for direct grant funding for affordable housing.

The need for more direct grant funding for affordable housing delivery was also highlighted in responses to questions about councils' dominant model for delivering social and affordable homes. In responding to the online survey, 72% of responses from England stated that the dominant model of delivering social and affordable housing in their local authority area was through the planning system via Section 106 agreements. This compares to 75% from Wales, and 17% in Scotland.

High levels of reliance on the planning system for the delivery of affordable homes through 106 contributions is problematic, especially because of the low levels of affordable housing that are being delivered through 106 agreements in some areas. Some comments from survey respondents in relation to this included:

The planning system will never secure sufficient social or affordable housing. It needs direct provision by local authorities.

The lack of public funding for necessary infrastructure places this burden on developers and therefore the % of affordable housing is reduced.

In a May 2018 blog titled 'Does building more council homes make good financial sense?' Savills estimated that it would cost £6.8 billion to build 100,000 new social rented homes each year, which would result in an estimated saving of £431 million each year. The blog concluded that "grant funding to build social rented homes makes real economic sense and could be considered a good investment"⁷⁶.

Recommendation 2: Government should make significantly more investment available for social rental homes as well as other genuinely affordable tenures. While the removal of the HRA borrowing cap is very welcome, this does not substitute the need for direct grant funding

⁷⁶ 'Does building more council homes make good financial sense?' blog, Savills, May 2018 <https://www.savills.com/blog/article/241072/residential-property/does-building-more-council-homes-make-good-financial-sense.aspx>

for genuinely affordable housing. Government should also clarify how much of the funding announced to date is available for social rent, as opposed to more intermediate 'affordable housing' products.

Right to Buy

As noted earlier in this report, there is an increasingly divergent policy context when comparing England with Scotland and Wales. This is particularly highlighted for example when it comes to policies around the Right to Buy; where the Right to Buy was ended in Scotland in 2016 and was ended in Wales in 2018. By contrast, in England, the amount of discount was increased in 2012 with the maximum discounts today being £102,700 in London and £77,000 across the rest of England, with the Housing and Planning Act 2016 making provisions for the extension of the Right to Buy to housing association tenants.

The Right to Buy has had a significant impact on the amount of affordable housing since it was introduced to council tenants in 1980. A report published by the Chartered Institute for Housing (CIH) in 2018 highlighted that *'as the need for homes at the genuinely affordable rents is increasing, the number is decreasing. Our analysis shows that, since 2012, we have lost 151,000 of the homes at the lowest 'social' rents. This is through a combination of sales to sitting tenants who have the Right to Buy, converting vacant homes from social rents to 'affordable' rents at up to 80 per cent of local market rents, and demolition. We expect to lose a total of 230,000 homes by 2020'*⁷⁷.

In comparing the numbers of genuinely affordable rental homes being lost, to the number of new genuinely affordable homes being built, CIH note that *'Over the past five years only 50,290 new genuinely affordable homes have been built – just 5,380 in 2016/17. Two thirds of these were all funded by social housing providers using their own reserves and without any government subsidy'*⁷⁸.

CIH called on the government to *'Suspend the Right to Buy, explore other ways to help tenants into home ownership and, in the meantime, move the barriers which prevent local councils from replacing the homes lost through Right to Buy'*⁷⁹.

In responding to the online survey question on the removal of the Housing Revenue Account borrowing cap, multiple respondents commented that Right to Buy poses a disincentive to councils building new council homes.

Comments from survey respondents on the RTB included:

'The Right to Buy remains a disincentive and will continue to deplete the affordable social rented housing stock, even if a few more homes get built'

'RTB means that we are losing nearly as many as we are building'

In interviews carried out for both the Swansea and the Fife case studies, Right to Buy being ended in Wales and Scotland respectively was cited as a key factor behind these councils deciding to re-start building council homes for the first time in a generation.

Recommendation 3: Government should suspend the Right to Buy in England as happened in Scotland and Wales. If the Right to Buy continues, Government should enable councils to retain 100% of their Right to Buy receipts to reinvest into building new affordable housing.

Viability

As previously mentioned, the survey results highlight the strong reliance on the planning system for the delivery of affordable homes. This is problematic, as viability assessments have provided an opportunity for developers to argue that the required contribution, as set out in Local Plans, towards

⁷⁷ 'Rethinking Social Housing', Chartered Institute for Housing, June 2018 <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Final%20Rethinking%20social%20housing%20report.pdf>

⁷⁸ Ibid

⁷⁹ Ibid

affordable housing and other key infrastructure contributions are not viable.

As highlighted in Part 1 of this report, recent changes made to the viability test in the 2018 NPPF and PPG include that the updated PPG makes an attempt to prevent inflated land prices from resulting in fewer affordable homes being delivered by stating that *'under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan'*⁸⁰. The updated PPG also makes clear that *'Existing use value is not the price paid and should disregard hope value.'*⁸¹

In this context, as part of the online survey, councils in England were asked whether they thought the changes to the new viability test would help or hinder their local authority's ability to secure sufficient social and affordable housing to meet local needs. 32% of respondents thought it would help, 24% thought it would hinder, and 25% weren't sure. This indicates that while some improvements have been made to the viability test there remain significant changes to be made. The complexity of the viability test process also adds to confusion around how to approach and negotiate in relation to viability. Comments made by respondents in relation to viability included:

'Viability will inevitably still be challenged by developers, much will depend on the robustness of the planning process in dealing with this'

'The proof will be dependent on how this works, developers are likely to find a loop hole somewhere!'

'Councils have no chance whatsoever of operating on a level playing field with developers when it comes to viability'

'Hopefully it [the changes to the viability process] will reduce the viability claims at planning application stage but this currently remains unclear as to whether the reality will match the intentions'

Despite the changes made to the viability test in the NPPF and PPG, many challenges remain, including the lack of transparency of viability processes, and the imbalance of power and resources of parties in the negotiating process. Greater clarity is also required on the proposed changes to how market values are calculated. Calculations will now be based on an agreed value for land based on the existing use value of the land plus a premium for landowners. The challenge is that the 'plus' is not defined, so greater clarity is needed on what might be an acceptable range of values.

Recommendation 4: Government should further reform the viability test in planning to close the loophole on land valuation enabling developers to avoid building affordable housing. Government should also make changes to the compensation code to remove 'hope value'.

3.2.2 Housing standards and permitted development rights

Housing standards

Public health data⁸² reinforces the powerful link between outcomes for peoples' health and wellbeing and the state of their homes and built environment. At the moment, too many new homes fail to enhance people's quality of life - being built, to the detriment of people's health, safety, wellbeing and life chances.

The degree to which there are clear mandatory standards in place for different aspects of housing quality, for example standards for space, accessibility and energy performance is very varied.

In the online survey, in answering the question *'Do the current Building Regulations and housing standards regime ensure the homes built in your local area by the private sector have decent space standards?'* responses varied considerably across the four nations, with the following percentages of

⁸⁰ 'Viability'. National Planning Policy Guidance. MHCLG, July 2018 <https://www.gov.uk/guidance/viability>

⁸¹ Ibid.

⁸² See, for example, Spatial Planning for Health: An Evidence Resource for Planning and Designing Healthier Places. Public Health England, Jun. 2017. <https://www.gov.uk/government/publications/spatial-planning-for-health-evidence-review>

respondents answering 'yes': England 33% (118 responses), Scotland 92% (12 responses), Wales 60% (10 responses), Northern Ireland 50% (2 responses).

Two of the case studies in this report also touch on different areas of housing standards: the Swansea case study demonstrates the council's proactive approach to developing localised energy performance standards, while the Manchester case study highlights the challenges faced by local authorities in trying to ensure new homes are adequately accessible to be suitable and adaptable for different accessibility needs and across different stages of life.

The TCPA has launched a campaign for a 'Healthy Homes Act'; a campaign which seeks to secure primary legislation to make sure that all new homes are of a decent quality. The current draft of the 'Healthy Homes Bill' sets out ten high-level principles, which taken together define what constitutes a decent home. Some of the principles focus on the individual home, but others address homes' surrounding neighbourhood.

Recommendation 5: Government should adopt a set of robust mandatory national housing standards, including standards on safety, accessibility, space, environmental impacts, energy performance, flood resilience, noise, and light. The government should also ensure that adequate resources and systems are in place for the monitoring and oversight to ensure that quality outcomes are delivered.

Permitted development rights

Evidence from across the built environment sector underlines the negative impacts of permitted development rights (PDR/PD) on housing quality and the wider wellbeing of communities.

With regard to housing quality, the damaging consequences of extending permitted development rights include:

- Poor design, quality of development and location of housing – recent research has found that in its survey sample only 30% of units delivered through this route met minimum national space standards⁸³
- Poor energy performance and lack of climate resilience measures

Responses to the online survey showed that in England a shocking 49% of respondents thought that homes created through the use of permitted development rights could prove to be dangerous to health and wellbeing. Further to this, 49% of respondents thought that vulnerable people are likely to be disproportionately negatively affected by development delivered through the use of Permitted Development Rights. One respondent referred to the use of permitted development rights as creating '21st century slums'. Comments made by respondents on the quality of conversion through the use of permitted development rights included:

'Conversions can be carried out that do not reach Health & Safety standards'

'[Conversions] seem to be built purely for profit with no thought to how people actually live'

'The homes created through permitted development are often in the wrong place and often do not provide sufficient amenities for future occupants'

'Most commercial units are in inappropriate locations and environments for residential development'

'Often such development is not properly provided for and vulnerable people and young children can and are ending up living in the middle of employment sites. PD is building up problems now and for the future'

'Applications have been received for units significantly smaller than nationally described space'

83 B Clifford et al: 'Extending Permitted Development Rights in England: The implications for Public Authorities and Communities' RICS, May 2018 <https://www.rics.org/uk/news-insight/research/research-reports/assessing-the-impacts-of-extending-permitted-development-rights-to-office-to-residential-change-of-use-in-england/>

standard, and with no outdoor amenity space. Applications have been received in locations... within industrial estates, reducing the potential residential amenity significantly'

'We have seen a number of homes provided with inadequate space standards, very poor levels of sunlight and daylight, no access to external amenity space and in locations prone to noise disturbance'

'If they have been poorly converted then they will likely be let at low rents and attract some of our most vulnerable members in the community'

'It is hard to impossible to regulate this process so cheap and nasty is the norm'

'There is a risk that poor PD schemes end up being occupied by vulnerable people who cannot afford better quality options'

'It is almost inevitable that those people with least choice in the housing market will end up living in the poorest accommodation.'

Beyond the direct impacts to the health and wellbeing of the occupants of substandard housing units created through the use of permitted development rights, there are also wider damaging consequences to people and place, including:

- A loss of contributions to much needed community infrastructure and affordable housing, creating a major windfall for the private sector as developers are able to bypass the planning system. With regard to affordable housing contributions, for example, Shelter and the Local Government Association have independently estimated that between 2015-16 and 2017-18 at least 10,000-10,500 additional affordable homes could have been built if conversions had gone through the planning process.⁸⁴
- Negative impacts on the local economy as vital business space is lost in a way that cannot be controlled by local authorities

Comments from survey respondents on these wider impacts of the use of permitted development rights included:

'It's been very unhelpful to have little or no say over so many developments in the city'

'Homes have been provided without section 106 contributions towards schools putting pressure on school places'

'Not all of the accommodation built under prior approval has been of a poor standard - some of it has been relatively up market although clearly this itself creates a problem when the development makes no provision for any social housing'

As noted in that last comment, not all conversions carried out through the use of permitted development rights are of low quality, and some make positive contributions to places through re-utilising existing building stock in a positive way. However, in cases such as these, there remains a question of additionality - as good quality homes, positively re-utilising existing buildings in a beneficial way, being delivered through the use of permitted development rights would arguably in all likelihood have been granted planning permission had the application not been able to bypass the planning system. In going through the planning system, the delivery of these homes would have then contributed to much needed community infrastructure and affordable housing, while at the same time ensuring that the loss of the previous use of buildings would not result in negative economic impacts in the local area.

Recommendation 6: Government should reverse the central imposition of Permitted Development Rights and give powers back to local authorities to reflect local circumstances.

⁸⁴ T Weekes: 'Revealed - the true scale of affordable housing lost to permitted development rights'. Shelter Blog, Dec. 2018. <https://blog.shelter.org.uk/2018/12/revealed-the-true-scale-of-affordable-housing-lost-to-permitted-development-rights/>; and 'LGA - 10,000 affordable homes potentially lost through office conversions'. WiredGov, Nov. 2018. <https://www.wiredgov.net/wg/news.nsf/articles/LGA+10000+affordable+homes+potentially+lost+through+office+conversions+27112018094000?open>

This will assist in maximising the number of affordable homes built through the planning process and prevent poor quality outcomes for people and places.

3.2.3 Planning holistically for wider social and economic benefits

The broader benefits of delivering genuinely affordable housing

Beyond the vital importance of good quality, genuinely affordable housing for the health, wellbeing and life-chances of residents, responses to the online survey and the discussions at the roundtable event highlighted multiple ways in which the investment in high-quality housing and related development, either through direct delivery or partnership, is also of great importance in enhancing the financial and social resilience of places.

Survey responses and discussions also demonstrated the importance of housing delivery and related development for the financial resilience of councils' own financial strategies in the short, medium and long-term. This is within the context of both cuts to the amount of core funding that councils receive from the government, and in the context of local authorities in England moving towards self-financing, in addition to the importance of growing council tax bases, generating revenues from new housing developments and business rates.

Housing delivery was described by one survey respondent as being '*critically important for the strength of our communities and the health of our economy*'. A number of key areas highlighted in relation to this were:

- **Ensuring people aren't priced out of the area** – multiple respondents highlighted the need to ensure that adequate levels of genuinely affordable housing was available in order to ensure that certain groups were not priced out and displaced from areas. This was noted for example particularly in the case of young people and young families - recognising not only the impact of being priced out on individual households themselves but also recognising the negative impacts of the broader demographic shift that this would create if this took place at scale.
- **Attracting new people into the area** – many respondents highlighted that as well as the need to ensure housing options for existing residents, the availability of the right housing types is an important part of attracting people with the relevant skills into the area which is vital to ensure there is a workforce to sustain existing economic activity and/or underpin economic growth ambitions. Some respondents also highlighted the benefits of growth in growing their local authority's council tax base.
- **Reducing pressures on other sectors** - providing the right types of housing was mentioned by multiple respondents as being vital for reducing pressure on social care, health and homelessness services. The Age Friendly Manchester case study, for example, highlights proactive approaches to ensuring that investment in older people's housing has positive impacts on residents' quality of life, while also reducing the burden on health and social care services.
- **City centre and wider regeneration of areas through housing development** –the focus on city centre housing as part of a strategy for city centre development is demonstrated in the Preston case study - showing the strategic role that housing can play in contributing to broader social and economic regeneration
- **Trust** – one respondent highlighted trust as being a key broader outcome of the delivery of good quality genuinely affordable homes, commenting that the council '*need high quality homes to secure trust with communities for future development*'.

The below comments from online survey respondents highlight the degree to which the delivery of high-quality housing is not only vital in order to address direct housing need but is also vital for the broader economic and social vibrancy of places.

'Housing plays a major role in the local economy and the economic performance and resilience of the Borough. Achieving the right mix and quality of homes influences: job creation; the ability to retain our working age and economically active population; income generation for the Borough (including Council-Tax); the health of the local economy; and investment into the Borough and within local communities'

'We understand that a balance of new homes, including family sized homes, is an important part of attracting economically active workforce and strengthening our economy. We also recognise that we need to support some of our poorest communities to prosper and requires intervention and support from the Council- this has become increasingly difficult with the lack of focus on regeneration from central government in lieu of a drive for more and more homes'

'Better quality homes deliver better outcomes for residents in terms of health, educational attainment and a range of social indicators. By promoting better and more suitable housing, the Council can potentially avoid spending more resources on poor health and social care. There is also an economic angle in that to redress a declining workforce demographic we need to attract people of working age to sustain our economy. Good housing is a key part of this'

'Growth is seen as a way of securing increased revenue, and infrastructure improvements. Town centre regeneration, with a significant component of housing above and on edge of centre sites is also seen as critical to the wellbeing of the borough'

In thinking holistically about communities and about place, local authorities need to also ensure that the key elements of social, cultural and environmental infrastructure – such as green infrastructure and parks - are invested in as part of housing development.

In responses to a question in the online survey in relation to investment in green infrastructure and parks through commuted sums received through Section 106 agreements and the Community Infrastructure Levy (CIL), many respondents outlined that while they would like to more highly prioritise the use of these pots of money for investing in parks and green infrastructure, the multiple competing priorities for the use of these funds mean that often green infrastructure cannot be prioritised as highly as respondents may have liked.

Recommendation 7: In both national and local government, there needs to be a stronger emphasis on the link between place-making and the delivery of homes. High-quality place-making brings significant benefits to communities; improving health and wellbeing, life chances and the local economy. It has to be a key consideration in local and national planning policy.

In order to ensure the delivery of good quality, genuinely affordable homes as part of joined-up thinking around place-making, as outlined in the Raynsford Review, the government should amend the NPPF to set out the value of a stronger public sector lead in the delivery of new and renewed communities⁸⁵. The Plymouth case study for example demonstrates the proactive role that a local authority can take in enabling housing delivery, even when not through direct delivery.

One of the key barriers to a more active public sector is local authority resourcing and capacity. In discussions at the roundtable event it was highlighted that the capacity of housing, planning and regeneration teams in local authorities varies hugely, with many local authorities having fallen below what was considered the base level of in-house skills and capacity required to effectively commission and manage external expertise.

Recommendation 8: Local planning authorities should be empowered and adequately resourced to take on the role of 'master-developers'; ensuring that Local Plans deliver real change. this requires changes to financing, skills and a stronger offer from central Government to reward local action.

85 The Raynsford Review of Planning. TCPA, November 2018. <https://www.tcpa.org.uk/raynsford-review>

Construction skills, employment opportunities and material supply chains

The findings of the online survey indicate that Brexit continues to generate a strong element of uncertainty in the sector. In answering the question 'What do you think will be the impact of Brexit on your local authority's ability to meet housing need in the short term (within the next 5 years)?', 3.24% of respondents thought Brexit would have a 'positive impact', 47.2% thought it would have a 'negative impact', 15.15% thought it would have no impact, and 34.4% opted for 'don't know'. Comments relating to this question largely cited issues with labour shortages and material supply chains as being the predicted impacts of Brexit on the construction industry.

To caveat this, participants at the stakeholder roundtable event commented that while Brexit has created additional uncertainty and risks greatly amplifying these issues of material and labour shortages, these were in fact already significant problems long before the EU referendum.

The Letwin Review highlighted multiple potential constraints to the build-out of housing sites. The report states that '*On the availability of skilled labour, my conclusion was that an insufficient supply of bricklayers would be a binding constraint in the immediate future if there was not either a substantial move away from brick-built homes, or a significant import of more skilled bricklayers from abroad, or an implausibly rapid move to modular construction techniques.*'⁸⁶

Recommendation 9: The government should take a proactive role to incentivise domestic production of equipment and sustainable raw materials alongside exploring options for scaling offsite production and modern methods of construction. The government should also produce a national labour strategy to support the expansion of the construction industry, recognising the current capacity constraints on delivery due to factors such as the availability of skilled workers. The government should ensure accessibility, sustainability and low carbon innovation is at the heart of a national labour strategy. This will assist the British construction sector to become a world leader in creating high quality sustainable homes that enhance people's health and wellbeing.

In addition to the multiple benefits of the results of good quality, genuinely affordable housing delivery, there are also multiple benefits and opportunities that can be realised through development and construction processes themselves. Notably in relation to jobs, skills development and wider procurement processes.

In answering the online survey question 'Do you think the delivery of more social and affordable housing in your local authority area could help to boost local skills in the construction industry?', 80% of responses were 'yes', while 13% of responses were 'don't know'.

The Swansea case study demonstrates a very strong example of how embedding skills development and training within construction processes can have really positive impacts. The case study demonstrates that this approach has significant positive impacts not only for the individuals who participate in these work experience and apprenticeship programmes, but that also the training up of people for different roles in housing construction supports employers in succession planning and in scaling their workforce. As discussed in the Swansea case study, embedding skills development and employment opportunities within construction processes is done through the use of community benefit clauses.

As part of the online survey there was a question asking respondents if they could provide examples of the use of community benefit clauses. Responses to this question were very varied, indicating that a minority of local authorities had specific policies and approaches in place to proactively maximise community benefits from construction and development processes, while the majority of respondents did not have examples to share or were unaware of what these processes would involve.

The Preston case study highlights the use of community benefit clauses in Preston and also highlights

⁸⁶ 'Independent Review of Build Out, Final Report'. Rt Hon Sir Oliver Letwin MP, October 2018. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752124/Letwin_review_web_version.pdf

the well-known 'Preston Model' of community wealth building through which Preston City Council look to maximise localised benefits of procurement processes.

Recommendation 10: In order to address the very variable approaches to the use of Community Benefit Clauses, and broader mechanisms for community wealth building, the government should set out in the NPPF and PPG much stronger guidance and policies on the use of Community Benefit Clauses. This will ensure that local authorities more consistently maximise community benefit of localised procurement processes, skills development and employment opportunities within construction and development processes.

Annex 1: Survey questions and results

The TCPA sent an online survey to the Leader, Chair of Finance, Chair of Housing, Chair of Planning and Chair of Economic Development Committees, the Chief Executive, Chief Finance Officer, Chief Housing Officer, Chief Planning Officer and Chief Economic Development Officer in all local authorities in England, Wales, Scotland and Northern Ireland. The survey was conducted between the 25th February and 18th March 2019. All responses were treated as anonymous.

SUMMARY	
Total responses	159
Countries	Total number of responses
England	134
Scotland	12
Wales	13
Northern Ireland	2

SUMMARY	
Total responses	159
Political party	Total number
Conservative	54
Labour	46
No overall control	44
Liberal Democrat	12
Independent	3

About your local authority

Q4: How would you characterise the need for affordable homes (i.e. homes available for subsidised or social rent) in your local authority area?

133 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Severe	77	57.89
Moderate	54	40.60
Not substantial	2	1.50
Don't know	0	0.00
Scotland		
Severe	6	50.00
Moderate	5	41.67
Not substantial	1	8.33
Don't know	0	0.00
Wales		
Severe	8	80.00
Moderate	2	20.00
Not substantial	0	0.00
Don't know	0	0.00

Northern Ireland		
Severe	1	50.00
Moderate	1	50.00
Not substantial	0	0.00
Don't know	0	0.00

About your authority's approach to delivering more affordable homes

Q5: What is the dominant model of delivering social and affordable housing in your local authority area?

126 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Direct delivery	21	21.00
Through the planning process via Section 106 agreements	72	72.00
Joint Ventures on council-owned land	7	7.00
Other	26	0.00
Scotland		
Direct delivery	4	33.33
Through the planning process via Section 106 agreements	2	16.67
Joint Ventures on council-owned land	3	25.00
Other	3	25.00
Wales		
Direct delivery	2	25.00
Through the planning process via Section 106 agreements	6	75.00
Joint Ventures on council-owned land	0	0.00
Other	2	0.00
Northern Ireland		
Direct delivery	1	50.00
Through the planning process via Section 106 agreements	0	0.00
Joint Ventures on council-owned land	0	0.00
Other	1	50.00

Q6: Are you currently considering or have already set up a local housing delivery company?

126 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Yes - a wholly owned subsidiary of the council	59	46.83
Yes - as a joint venture	24	19.05
No	31	24.60
Don't know	12	9.52

Scotland		
Yes - a wholly owned subsidiary of the council	1	8.33
Yes - as a joint venture	4	33.33
No	7	58.33
Don't know	0	0.00
Wales		
Yes - a wholly owned subsidiary of the council	3	30.00
Yes - as a joint venture	1	10.00
No	5	50.00
Don't know	1	10.00
Northern Ireland		
Yes - a wholly owned subsidiary of the council	0	0.00
Yes - as a joint venture	0	0.00
No	1	50.00
Don't know	1	50.00

Q7: [England only question] What impact do you think the removal of the Housing Revenue Account borrowing cap will have on your ability to deliver social and affordable housing in your local authority area?

123 councils from England responded to this question.

Answer	Totals	Percentages
England		
Significant positive impact	27	21.95
Slight positive impact	44	35.77
Negligible impact (but do have Housing Revenue Account)	3	2.44
Slight negative impact	0	0.00
Significant negative impact	1	0.81
Don't know	9	7.32
Don't have a Housing Revenue Account	39	31.71

New tenures

Q8: Is your council currently delivering or exploring private rented sector homes (PRS) as part of the solution to creating new homes in your local authority area?

124 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Yes - currently delivering PRS	31	25.00
Yes - exploring PRS as an option	48	38.71
No	38	30.65
Don't know	7	5.65
Scotland		
Yes - currently delivering PRS	4	33.33
Yes - exploring PRS as an option	4	33.33
No	4	33.33

Don't know	0	0.00
Wales		
Yes - currently delivering PRS	4	40.00
Yes - exploring PRS as an option	1	10.00
No	4	40.00
Don't know	1	10.00
Northern Ireland		
Yes - currently delivering PRS	0	0.00
Yes - exploring PRS as an option	0	0.00
No	1	50.00
Don't know	1	50.00

Local authority financial resilience

Q9: How important is the delivery of high-quality housing and related development in your area for the long-term financial resilience of your local authority?

121 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 1 council from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Extremely important	49	40.50
Very important	45	37.19
Somewhat important	25	20.66
Not so important	2	1.65
Not at all important	0	0.00
Don't know	0	0.00
Scotland		
Extremely important	7	58.33
Very important	4	33.33
Somewhat important	0	0.00
Not so important	1	8.33
Not at all important	0	0.00
Don't know	0	0.00
Wales		
Extremely important	4	40.00
Very important	3	30.00
Somewhat important	3	30.00
Not so important	0	0.00
Not at all important	0	0.00
Don't know	0	0.00
Northern Ireland		
Extremely important	1	100.00
Very important	0	0.00
Somewhat important	0	0.00
Not so important	0	0.00
Not at all important	0	0.00
Don't know	0	0.00

Community benefits of construction processes

Q10: Do you think the delivery of more social and affordable housing in your local authority area could help to boost local skills in the construction industry?

120 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Yes	94	78.33
No	8	6.67
Don't know	18	15.00
Scotland		
Yes	11	91.67
No	1	8.33
Don't know	0	0.00
Wales		
Yes	9	90.00
No	1	10.00
Don't know	0	0.00
Northern Ireland		
Yes	2	100.00
No	0	0.00
Don't know	0	0.00

Standards

Q12: Do the current Building Regulations and housing standards regime ensure the homes built in your local area by the private sector have decent space standards?

118 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Yes	39	33.05
No	62	52.54
Don't know	17	14.41
Scotland		
Yes	11	91.67
No	0	0.00
Don't know	1	8.33
Wales		
Yes	6	60.00
No	3	30.00
Don't know	1	10.00
Northern Ireland		
Yes	1	50.00
No	1	50.00
Don't know	0	0.00

Q13: Do the current Building Regulations and housing standards regime ensure the homes built in your local area by the private sector have a sufficient proportion of accessible and inclusive homes for older and disabled people (previously known as the Lifetime Homes standard)?

118 councils from England responded to this question. 12 councils from Scotland responded to this question. 10 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Yes	19	16.10
No	76	64.41
Don't know	23	19.49
Scotland		
Yes	6	50.00
No	2	16.67
Don't know	4	33.33
Wales		
Yes	3	30.00
No	3	30.00
Don't know	4	40.00
Northern Ireland		
Yes	0	0.00
No	1	50.00
Don't know	1	50.00

Planning framework

Q14: Do you currently have an up-to-date plan with an adopted 5-year land supply?

137 councils responded to this question

Answer	Totals	Percentages
Yes	91	66.42
No	37	27.01
Don't know	9	6.57

Q15: [England only question]The revised NPPF and Planning Policy Guidance (2018) include changes to the viability test. Going forward, do you think the new viability test will help or hinder your local authority's ability to secure sufficient social and affordable housing to meet local needs?

110 councils from England responded to this question

Answer	Totals	Percentages
Helped	35	31.82
Hindered	26	23.64
Don't know	49	44.55

Q16: [England only question]To what degree is investment in parks and green infrastructure one of the priorities for the use of commuted sums received through Section 106 agreements and the Community Infrastructure Levy (CIL)?

108 councils from England responded to this question

Answer	Totals	Percentages
High priority	33	30.56
Medium priority	57	52.78
Low priority	18	16.67

Permitted development rights

Q17: Since 2013, what is the approximate total number of housing units completed through Permitted Development in your Local Authority area?

106 councils responded to this question

Answer	Totals	Percentages
0-50	3	2.83
50-200	7	6.60
200-500	1	0.94
500-1000	1	0.94
1000-6000	4	3.77
Don't know	90	84.91

Q18: Since 2013, what percentage of the total number of housing unit completions in your Local Authority area was achieved through Permitted Development?

112 councils responded to this question

Answer	Totals	Percentages
0-5%	8	7.14
5-10%	1	0.89
10-25%	1	0.89
25-50%	2	1.79
Don't know	100	89.29

Q19: Do you think homes created through Permitted Development could prove to be dangerous to health and wellbeing?

107 councils from England responded to this question.

Answer	Totals	Percentages
England		
Yes	52	48.60
No	23	21.50
Don't know	32	29.91

Q20: Do you think that vulnerable people are likely to be disproportionately negatively affected by development delivered through the use of Permitted Development Rights?

108 councils from England responded to this question.

Answer	Totals	Percentages
England		
Yes	53	49.07
No	22	20.37
Don't know	33	30.56

BREXIT

Q21: What do you think will be the impact of Brexit on your local authority's ability to meet housing need in the short term (within the next 5 years)?

108 councils from England responded to this question. 11 councils from Scotland responded to this question. 9 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Positive impact (able to build more homes)	2	1.85
Negative impact (able to build less homes)	43	39.81
No impact	24	22.22
Don't know	39	36.11
Scotland		
Positive impact (able to build more homes)	0	0.00
Negative impact (able to build less homes)	6	54.55
No impact	3	27.27
Don't know	2	18.18
Wales		
Positive impact (able to build more homes)	1	11.11
Negative impact (able to build less homes)	4	44.44
No impact	1	11.11
Don't know	3	33.33
Northern Ireland		
Positive impact (able to build more homes)	0	0.00
Negative impact (able to build less homes)	1	50.00
No impact	0	0.00
Don't know	1	50.00

Q22: What do you think will be the impact of Brexit on your local authority's ability to meet housing need in the medium term (next 5 – 10 years)?

108 councils from England responded to this question. 11 councils from Scotland responded to this question. 9 councils from Wales responded to this question. 2 councils from Northern Ireland responded to this question.

Answer	Totals	Percentages
England		
Positive impact (able to build more homes)	2	1.85
Negative impact (able to build less homes)	28	25.93
No impact	21	19.44
Don't know	57	52.78
Scotland		
Positive impact (able to build more homes)	0	0.00
Negative impact (able to build less homes)	6	54.55
No impact	2	18.18
Don't know	3	27.27
Wales		
Positive impact (able to build more homes)	1	11.11

Negative impact (able to build less homes)	3	33.33
No impact	1	11.11
Don't know	4	44.44
Northern Ireland		
Positive impact (able to build more homes)	0	0.00
Negative impact (able to build less homes)	1	50.00
No impact	1	50.00
Don't know	0	0.00

Annex 2: Longitudinal survey results

This is the fifth report in this annual housing research series. A handful of the questions asked in the online survey are repeated each year to gauge changes in local authority perceptions and approaches over time. This enables us to take a look back and see trends in responses over the 5-year period.

It should be noted however that while the survey will have been sent out to all local authorities in England, Wales, Scotland and Northern Ireland over these 5 years, the local authorities responding will vary from year to year, so this cannot be interpreted as a direct comparison.

Q: How would you characterise the need for affordable homes (i.e. homes available for subsidised or social rent) in your local authority area?

United Kingdom								
	2016		2017		2018		2019	
Answer	Total	%	Total	%	Total	%	Total	%
Severe	69	58	96	63	89	63	92	58
Moderate	44	37	54	36	49	35	64	40
Not substantial	4	3	2	1	3	2	3	2
Don't know	1	1	1	1	0	0	0	0

Q: What is the dominant model of delivering social and affordable housing in your local authority area?

United Kingdom										
	2015		2016		2017		2018		2019	
Answer	Total	%								
Direct delivery	25	22	24	21	31	24	27	26	28	24
Through the planning process via Section 106 agreements	78	68	87	75	85	65	65	62	81	68
Joint Ventures on council-owned land	11	10	5	4	14	11	13	12	10	8
Other	19						34		33	

Q: Are you currently considering or have already set up a local housing delivery company?

United Kingdom								
	2016		2017		2018		2019	
Answer	Total	%	Total	%	Total	%	Total	%
Yes - a wholly owned subsidiary of the council	38	33	65	52	58	42	65	43
Yes - as a joint venture	18	16	23	18	34	24	29	19
No	47	41	31	25	37	27	44	29
Don't know	13	11	7	6	10	7	14	9

Q: Is your council currently delivering or exploring private rented sector homes (PRS) as part of the solution to creating new homes in your local authority area?

United Kingdom								
	2016		2017		2018		2019	
Answer	Total	%	Total	%	Total	%	Total	%
Yes – currently delivering PRS	19	16	29	19	24	18	40	27
Yes - exploring PRS as an option	36	31	70	46	64	47	53	36
No	49	42	42	28	33	24	47	32
Don't know	12	10	10	7	14	10	9	6

Q: Do you currently have an up-to-date plan with an adopted 5-year land supply?

United Kingdom										
	2015		2016		2017		2018		2019	
Answer	Total	%								
Yes	59	54	66	57	90	61	81	64	91	66
No	45	41	48	41	57	39	43	34	37	27
Don't know	6	6	2	2	1	1	2	2	10	7

Q: The revised NPPF and Planning Policy Guidance (2018) include changes to the viability test. Going forward, do you think the new viability test will help or hinder your local authority's ability to secure sufficient social and affordable housing to meet local needs?

England											
	2015		2016		2017		2018		2019		
Answer	Total	%	Total	%	Total	%	Total	%	Total	%	
Helped	13	14	11	11	17	14	12	11	35	0	
Hindered	50	53	72	71	77	61	66	60	26	0	
Don't know	31	33	17	17	32	26	32	29	50	0	

Q: What do you think will be the impact of Brexit on your local authority's ability to meet housing need in the short term (within the next 5 years)?

United Kingdom							
	2017		2018		2019		
Answer	Total	%	Total	%	Total	%	
Positive impact (able to build more homes)	5	3	4	3	3	2	
Negative impact (able to build less homes)	53	34	37	30	54	41	
No impact	36	23	31	25	28	21	
Don't know	63	40	52	42	46	35	

Q: What do you think will be the impact of Brexit on your local authority's ability to meet housing need in the medium term (next 5 – 10 years)?

United Kingdom						
	2017		2018		2019	
Answer	Total	%	Total	%	Total	%
Positive impact (able to build more homes)	6	4	6	5	3	2
Negative impact (able to build less homes)	49	31	33	27	38	29
No impact	34	22	30	24	25	19
Don't know	67	43	55	44	65	50

Annex 3: Roundtable attendees

A high-level roundtable discussion was held on the 26th March 2019 at the TCPA, 17 Carlton House Terrace, London SW1Y 5AS. Attendees at the roundtable:

Samer Bagaeen, Trustee, TCPA

Stephanie Baxter, Housing Enabling Officer, Uttlesford District Council

Martin Collett, CEO, English Rural Housing Association/ Rural Housing Alliance

Hugh Ellis, Director of Policy, TCPA

Chloe Fletcher, Policy Director, National Federation of ALMOs

Sandra Fryer, Trustee, TCPA

Dr Chris Foye, Knowledge Exchange Associate (South England), Collaborative Centre for Housing Evidence (CACHE)

Vickie Hacking, Principal Advisor, APSE

Laura Heykoop, Projects and Policy Manager, TCPA

Cllr John Kerr Brown, Councillor, Warrington Borough Council

Duncan Neish, Policy Officer, National Housing Federation

Paul O'Brien, Chief Executive, APSE

Cllr Mark Pengally, Councillor, Corby Borough Council

Cllr Paul Scott, Councillor, London Borough of Croydon

Henry Smith, Projects and Policy Manager, TCPA

Matthew Thomas, Growth and Development Manager, Essex County Council

Kennedy Walker, Communications and Campaigns Officer, Community Land Trust Network

Cllr Graham Wells, Councillor, Wealden District Council

This report aims to reflect the range of opinions expressed at the roundtable, but not every detail contained within it will reflect the opinions of all attendees at the discussion. It should, however, reflect the spirit of the constructive collaboration and considered debate.

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