

Housing work programme

For discussion and direction.

Summary

At its meeting in April, the People and Places Board identified housing as a priority area for further work. This paper provides an update on activity and sets out a proposed work programme for the Board's comments and decision.

Recommendation

That the board agree the proposed projects in **paragraphs 6 to 14**.

Action

Officers will develop and implement the work programme in line with Members' comments.

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Background

1. Housing has continued to dominate the political debate. The most recent house building figures, published by the government in May 2014 show that whilst a gradual increase in house building is visible housing delivery remains significantly below the house building peak of 2006/7¹. In the lead up to the next election the level of house building and debates concerning how best to meet rising demand for housing is likely to remain under scrutiny.
2. We are currently not building enough homes to meet current or future demand, and this cannot be met by the private sector or housing associations alone. There is therefore an opportunity to demonstrate that councils have the appetite and skills to scale up their delivery of housing and to press for the tools to do allow this.
3. The LGA has proactively championed the role that councils could play to help deliver the homes that are needed to meet rising demand for housing including the positive and proactive role that councils are playing to bring forward sustainable housing development. This includes the use of finance, land and planning powers to unlock stalled sites, and build both directly and in partnership.
4. There are two significant reviews of housing currently taking place.
 - 4.1. The Labour Party announced a review of Housing, independently led by Sir Michael Lyons at their party conference in 2013. The review is concerned with identifying measures to increase the supply of new homes in England above 200,000 a year by the end of the next Parliament. The review will complete its work by Summer 2014.
 - 4.2. The government announced a review of the Local Authority role in supporting housing supply as part of its Autumn Statement in late 2013. The review will be led by Cllr Keith House (Eastleigh Council and Vice Chair of LGA Environment and Housing Board) and Natalie Elphick (Chair of Million Homes, Million Lives²). The review will report jointly to the Secretary of State for Communities and Local Government and the Chief Secretary to the Treasury by the end of 2014.
 - 4.3. The LGA has submitted written evidence to both reviews which press for a stronger role for councils in housing delivery. Our proposals include lifting the housing borrowing cap, reforming the right to buy and developing a single local surplus public land bank to support housing development locally. Copies of the LGA's submissions are attached at **Annex A**.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/311515/House_Building_Release_-_Mar_Qtr_2014v3.pdf

² Natalie Elphicke is chair of Million Homes, Million Lives. It works with councils and housing associations for more better-quality affordable housing that is built in the right places. She is also non-executive director of Principality Building Society. She is a qualified barrister and solicitor, and previously a city law firm partner specialising in housing finance.

5. The LGA has also pursued amendments which would lift the Housing Revenue Account borrowing cap and reform the Right to Buy through the Deregulation Bill, which is currently progressing through Parliament.

Proposed work programme

6. At its meeting in April, the People and Places Board identified housing as a priority area for further work. This paper sets out a proposed work programme for views and approval, informed by Lead Member discussions. This work is likely to link strongly with the proposed project on planning and infrastructure. **Members are asked to discuss and approve the following three proposed projects in paragraphs 8, 11 and 13:**

Modelling the impact of a locally led approach to housing

7. The LGA has submitted written evidence to the Lyons review on Housing and the government review into the role of local authorities in housing supply led by Cllr Keith House and Natalie Elphicke. The LGA has stressed in its evidence to both commissions that delivering in excess of 200,000 units per annum is unlikely without reintroducing the conditions which allow councils to build at scale. This includes proposals to pool surplus land assets for housing at the local level. Copies of the LGA's submission are available at **Annex A**.
8. The project should build on this work by developing proposals for a locally led approach to housing. It is proposed that this project would include the following elements. The Board is asked for its views on the impact of these issues and the how the proposals could most effectively be delivered in non metropolitan areas:
 - 8.1. Reviewing the impact of the current approach to land disposal on the effective delivery of housing in rural, semi-rural and urban areas.
 - 8.2. Developing alternative models to encourage landowners to bring forward land for housing and develop alternative models to land disposal designed to reduce risk and encourage swift land release. This should include extension of the deferred payments model across government and its extension to private sector land owners via a 'contract for future value' and proposals for a council led local land trust to dispose of surplus public sector land.
 - 8.3. Highlighting good practice in housing delivery, for example via the LGA's One Public Estate programme which supports councils to work with government agencies to jointly release or transfer publicly owned land to bring forward housing.
 - 8.4. Assessing whether the current approach to assessing the viability of housing development is fit for purpose and flexible enough.
9. Research findings and policy recommendations will be produced in July 2014.

Press for financial flexibilities to enable local authorities to build housing directly and in partnership.

10. We are currently not building enough houses to meet current or future demand and this cannot be met by the private sector or housing associations alone. There is therefore an

opportunity to demonstrate that councils have the appetite and skills to scale up their delivery of housing and to press for the tools to do allow this.

11. It is proposed that the board support and continue the LGA's campaign for the necessary financial flexibilities for local authorities to build houses. It is proposed that this project should include the following elements. The Board is asked for its views on the impact of these issues and the how the proposals could most effectively be delivered in non metropolitan areas::

11.1. Press for the removal of the housing borrowing cap.

11.2. Reform the Right to Buy so that capital receipts from sales are reinvested directly in housing locally.

11.3. This should include highlighting and exemplifying the impact of the cap and right to buy on the ability of non-metropolitan areas to respond to housing demand.

Case studies and good practice demonstrating the role councils play to support housing supply.

12. The LGA shares good practice on housing issues via its online knowledge hub, conferences, an online case study resource and most recently via a good practice publication '[Supporting housing investment: a case study guide](#)'.

13. It is proposed that the Board build on this work to share and highlight innovative practice across non metropolitan areas on housing delivery. This should include examples of new build housing, working in partnership with developers and housing associations and bringing existing homes back into use.

Next steps

14. Subject to members' views it is proposed that the above projects should report jointly to this Board and the Environment and Housing Board, which takes a policy lead on housing issues. These projects should also seek input from the City Regions Board.

15. It is proposed that the People and Places Board consider and provide a steer on the impact of the issues outlined in this paper and the specific requirements, challenges and opportunities within non-metropolitan areas to deliver an increase in sustainable housing supply.

16. Short and medium opportunities to influence and progress this work include:

16.1. The Deregulation Bill, which is currently making its way through parliament, offers an opportunity to press for the housing borrowing cap to be removed and for changes to the Right to Buy. The LGA has successfully secured amendments to this affect which were debated during the Commons committee stage of the bill.

16.2. The government commissioned review of the local authority role in housing supply and Lyons review of housing, to which the LGA has submitted written evidence.

- 16.3. The review of growth in non-metropolitan areas and the LGA /CIPFA finance commission will also consider housing issues.