

## Housing update

### Purpose

For information.

### Summary

This report summarises recent LGA activity and developments in relation to the people and Places Boards' agreed work programme on housing issues.

### Recommendation

That the Board notes the report.

### Actions

1. Members may wish to submit evidence from their councils on the impact of the new affordable housing thresholds on smaller sites.
2. Officers to consolidate findings of Government's Housing Review (once published) and Sir Michael Lyons' Housing Review for the Labour Party to inform further consideration of LGA policy on housing in the light of the reviews.

**Lead Member:**

Cllr Heather Kidd

**Contact officer:**

Caroline Green / Hilary Tanner

**Position:**

Senior Adviser / Adviser

**Phone no:**

0207 664 3359

**Email:**

[Caroline.green@local.gov.uk](mailto:Caroline.green@local.gov.uk) / [Hilary.tanner@local.gov.uk](mailto:Hilary.tanner@local.gov.uk) /

## **Housing update**

### **Locally led housing**

1. Councillor Keith House and Natalie Elphicke (Co-Chairs of the Government's review of the Role of Local Authorities in housing supply) attended the October meeting of the People and Places Board. Their review and recommendations are due to be published in January 2015, but as yet the date has not been confirmed. A briefing on the report will be provided to board members on the report following publication.
2. Sir Michael Lyons' Housing Review for the Labour Party was published on 16<sup>th</sup> October 2014. An LGA briefing on the review can be found as the annex to this report. Sir Michael Lyons attended the Environment, Economy, Housing and Transport Board on 2<sup>nd</sup> December to discuss the findings of his review.
3. The Environment, Economy, Housing and Transport Board agreed that members should review LGA policy on housing against the findings of the reviews once both reports have been published and consider areas for further development of LGA positions.

### **Financial Flexibilities to support councils to build more homes**

4. The LGA has continued to lobby for greater freedom for councils over the use of right to buy receipts for building replacement homes. The LGA responded to consultation from DCLG in December over the continuation of "pooling" right to buy receipts where a proportion of receipts are retained by the Treasury. We argued that councils should have full control over receipts and that the complex arrangements of the use of receipts should be ended. A survey of councils will be carried out by the LGA, CIH and National Federation of ALMOS in January 2015 to build an evidence base on the ability of councils to replace homes sold under the right to buy and the barriers in the current system.
5. In the wider context of investment in housing, the LGA's Productivity Team has been exploring models and options for private investment in housing with interested councils. An initial meeting in November highlighted innovative models already developed by councils, and sought feedback from councils to inform the next stage of development and further LGA activity.
6. The government has introduced a 10 unit threshold for section 106 obligations on smaller sites, or 5 units in rural areas. The LGA opposed these changes when they were first proposed, arguing that councils are already flexible in their negotiations with developers. These changes will undermine the ability of councils to deliver affordable housing, and will be felt disproportionately in rural areas where small schemes are appropriate for small villages/hamlets and where there is a strong demand for affordable housing for young people from those communities.
7. The DCLG announcement contained ambiguities in relation to the proposed changes, particularly over the designation of rural areas and local flexibility over thresholds. We are working with DCLG and the Planning Advisory Service to clarify these issues. We are collecting evidence from councils on the impact of the lower threshold and will continue to

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monitor levels of affordable housing provision. Councillor Mike Jones from the Environment, Economy and Transport Board is meeting Brandon Lewis MP in February and this issue will be on the agenda, along with a discussion on viability assessment.

### **International housing and good practice**

8. The international housing report was agreed by members at the last board meeting. It has been published on the LGA website and shared through our networks and bulletins. The Final report and case studies is available at [http://www.local.gov.uk/housing/-/journal\\_content/56/10180/6716725/ARTICLE](http://www.local.gov.uk/housing/-/journal_content/56/10180/6716725/ARTICLE)
9. New housing case studies from non-metropolitan areas have been added to the housing pages of the LGA website. The new look for the case study pages include an option to search for case studies from non-metropolitan and rural areas. <http://www.local.gov.uk/housing>

### **Next steps**

10. Members are invited to contact officers with evidence of the impact of the new affordable housing thresholds.
11. Officers will consolidate the recommendations of both the Government's Housing Review and Sir Michael Lyons' Housing Review to inform further consideration of LGA policy on housing in the light of the reviews.

### **Financial Implications**

12. Work set out here will be carried out within existing resources.