

Making it happen: what has to change to meet Labour's housing objectives?

KEY POLICY PROPOSALS FROM THE HIGHBURY GROUP ON HOUSING DELIVERY

The Tory government left a legacy of an increased housing shortage, rising homelessness and rough sleeping, a fast growing poorly regulated private rented sector, a debilitated construction industry and increased difficulty for young people in finding a secure home of their own. The majority of homes in England have poor energy efficiency ratings and many are in poor condition and overcrowded, yet at the same time many properties are left unoccupied or under-occupied or used as second homes or tourist accommodation.

The Labour government needs to take swift and robust action to address these issues. MPs, Regional Mayors and local councils can play a key role in setting priorities within their area.

National government needs to dramatically increase public funding for social rented and intermediate housing provision to at least £15 billion a year but also make effective use of land and development value.

We have tackled similar crises before, notably in the post-war years and in the 1960s and 1970s. England's pre-war housing stock was modernised using improvement grants and area action programmes. Well located postwar New Towns like Milton Keynes created strong communities and fostered successful economic growth.

This series of Briefing Papers prepared by members of the Highbury Group makes practical suggestions for how we can learn from the past to deliver high quality development in the future.

KEY MESSAGES FROM THE BRIEFING PAPERS

- 1. Housing targets should strongly reflect the greater requirement in areas with greatest housing needs and with higher potential employment growth, but should also reflect residential development capacity.** Mechanisms to facilitate cooperation between neighbouring local authorities whose markets are strongly linked should be restored. Plans should be linked to systematic reviews and schedules of land available for development with realistic evidence on site suitability and potential phasing.
- 2. We need a national spatial plan. There should be a statutory requirement for sub-regional spatial development strategies. Strategic planning needs to be properly resourced.** The experience of the London Plan has demonstrated the value of strategic planning at a regional level, but the planning of housing provision across the London metropolitan region, requires a framework for collaborative strategic planning across a wider area. This is essential for considering any possible revisions to Green Belts round major cities, London included. Previous examples of a wider approach to strategic planning exist in the form of the Abercrombie Greater London Plan, the South East Studies (1960s/1970s) and the role of the South East Regional Planning Conference (SERPLAN) in the 1980s and 1990s.
- 3. Green/Grey Belt development. Land suitable for housing development should be identified.** Any assessment of whether individual sites within the Green Belt may be appropriate for residential development should be undertaken within a framework which also considers the potential of brownfield sites and other undeveloped sites which are not designated as Green Belt, including Metropolitan Open land.
- 4. New development must meet priority housing needs.** To meet the current shortfall investment in new affordable homes needs to be increased to at least £15 billion a year. Briefing notes 10-13 make suggestions for how this funding gap could be reduced. Public funding should be focused primarily on social rent. Government should provide a definition of affordable housing linked to incomes or provide guidance on what the government expects. The Highbury Group recommends that for social rented housing this should be in the range of 30% net average household income for the lowest quartile of households (as applied in the 2004 London Plan).
- 5. Affordable shared ownership makes the best use of subsidy to provide for households on moderate incomes who can't buy and can't rent.** Central government and local authorities need to recognise the role of shared ownership within local ladders of opportunity, not least for young adults now living at home and people emerging from relationship breakdown. It should be a part of all local authorities' housing offer, and they should be working with providers to maximise the use of their existing shared ownership stock as well as adding to it.
- 6. The private rental sector** has grown from 10% of the housing stock in 1996 to 19% in 2022. Housing benefit payments cost the exchequer £30bn per year. Local councils should be allowed to apply licensing to all private rented stock in their area and charge a fee for doing so. Councils should be able to nominate households to the private rented sector to ease the pressure on social housing.
- 7. Additional capital funding is required for councils and housing associations to bring existing stock up to required standards.** Councils should reintroduce equity loans to raise standards in private rented and owner occupied housing. The late 20th century renovation grant programme showed the value of targeted regeneration and HMO and Housing Management Orders could provide a similar tool for the 21st century.
- 8. Supply of older people's housing is failing to keep up with demand.** National Planning Guidance should require local plans to set targets for delivery of a wide range of older people's housing options and to allocate sites for older people's housing. The National Model Design Code (NMDC) should require all new development to be age-friendly and specify that specialist housing for older people is located close to good public transport, local amenities, health services and town centres.
- 9. Housing design: local planning authorities should be required to create area and site specific design codes and to include energy and environmental standards in local plans.** This will require the removal of the Written Ministerial Statement 13th December 2023 which causes confusion and uncertainty as to whether LPAs can set targets above part L of the building regulations.

10. Local authority powers for land acquisition need to be strengthened and Compulsory Purchase powers clarified.

At present landowners and investors benefit from the hope value that is generated by the prospect of a site being developed for housing. Clear planning briefs including non-negotiable affordable housing and section 106 requirements can reduce land values. Compulsory Purchase (CPO) powers should be used on longstanding vacant sites and other potential residential development sites. LPAs should have the power to take over a planning consent not implemented and completed within a specified period and either implement the consent directly or transfer it to another developer.

11. Build under licence schemes whereby the public sector owns or acquires land through CPO and then allows development on a licence basis enable the public sector landowner to set clear standards for development and share in any uplift in house prices/land values which occurs during the development period. Developers benefit from reduced finance costs and consumers receive a better quality product. Pioneered by Development Corporations this mechanism works well for both regeneration and greenfield development.

12. The UK has a serious infrastructure deficit, especially in transport, energy and public services. A more generous Affordable Housing Programme should enable Homes England funding to be granted in support of housing-related infrastructure. An inter-regional programme could redirect a proportion of planning obligations from high value housing schemes to help fund infrastructure in lower value areas. Housing and infrastructure are generally viewed as separate asset classes. Putting housing on the same playing field as transport and public services could spur investor interest and form part of the new National Infrastructure and Service Transformation Authority's remit.

13. Modest changes to stamp duty and inheritance tax could bring in an estimated £10bn which would fund trebling the affordable housing programme. There are also local initiatives such as taxing workplace car-parking which could help to fund local infrastructure. Capital gains tax on the sale of owner occupied properties with a discount for downsizers could help reduce under occupancy and increase revenue to support refurbishment.

14. New towns should fit within a subregional network of high quality public transport giving access to job opportunities. They should be socially mixed, designed to the highest standards of sustainability and well managed to ensure efficient long term stewardship of community assets. The Development Corporation (DC) model works. The DC should report to a regional mayor or combined authority to give democratic legitimacy.

15. Regeneration matters: A Mayoral or Regional Development Corporation with a roving brief or local authority teams, working jointly with the private sector can help deliver local regeneration, supported by a national knowledge and learning network such as CABE (the Commission for Architecture and the Built Environment) Long term public funding will be needed particularly in low value areas. Regeneration needs to address unemployment and deprivation as well as housing and to engage with local communities.

16. We need some quick wins to boost morale and win the confidence of existing communities. Facilitating a major building exhibition such as Milton Keynes Future World (1994) would restore faith in quality of development. Local Councils can raise morale by funding grassroots initiatives to take over unused open space or empty shops for art, sport or community activities. A Common Wealth Fund to support such initiatives would show Labour cares.

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3. Development in Green Belts/Grey Belts: Duncan Bowie

Providing the homes people need

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ABOUT THE Highbury Group

The Highbury Group on Housing Delivery comprises an independent group of specialists from the public, private and independent sectors with a membership drawn from housing, planning and related professions; it offers advice and makes representations to Government and other agencies on a variety of subjects, with the aim of maintaining and increasing the output of housing, including high quality affordable housing. The group was established in 2008. The group has 110 members, with approximately 25 attending the group's regular six weekly meetings.

The views and recommendations of the Highbury Group as set out in this and other papers are ones reached collectively through debate and reflect the balance of members' views. They do not necessarily represent those of all individual members or of their employer organisations. The group's core membership and previous statements and research presentations are on the group's website: <https://e-voice.org.uk/highburygroup>

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