



South West Housing Initiative

**South West Housing
January 2010 Summit Report**

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Arranged by the South West Housing Initiative with support from the HCA, SW Councils and Clarke Willmott lawyers

Executive Summary

1. The SW Region has a major housing in particular affordable housing crisis that is inhibiting economic recovery.
2. The SW Region merits special case treatment for additional public investment in infrastructure and affordable housing because of the demands for second and retirement homes and to protect and sustain the economy.
3. There is an essential need for spatial planning, economic development housing and infrastructure framework(s) between local and national levels.
4. The SW Region has developed a special capacity for innovation in well designed and managed, mixed tenure green housing which is an important part of the regional economy and supports a substantial number of jobs.
5. The HCA have performed well in the delivery of affordable homes in the region and through partnership should be allowed to continue that trend.
6. Local councils should sustain and in many cases increase their planning and housing capacity and commitment to sustain the supply of essential housing to accelerate economic recovery.
7. The rural nature of much of the SW Region, especially market and coastal towns requires special treatment to provide adequate housing to sustain local jobs and services.
8. The pressure of NIMBYism, particularly pronounced in the SW Region requires a campaign to increase awareness of the issues and attractive solutions on offer.
9. The SW Housing Accolades provide clear evidence of both the appetite and ability of the public and private sectors to provide a joined up approach to public plans and strategies, intervention, investment and development management to deliver sustainable communities on the ground.

The first ever South West Housing Summit took place on 15th January 2010 at Sandy Park in Exeter.

Arranged by the South West Housing Initiative, the region's unique partnership of house builders, housing associations, housing professions, employers and employees, the Summit attracted some 130 delegates, including over 50 representatives from 25 SW councils.

Sponsored by the Homes and Communities Agency (HCA), national law firm, Clarke Willmott, and SW Councils, the Summit was convened to establish current proposals and best practice in addressing the housing crisis in the SW Region where the average house price to average wage ratio is 12:1.

Summit speakers' key messages and much of the events other content is available and downloadable on the Summit website: <http://www.southwesthousing.co.uk/summit/index.html>

A summary of the event and the messages of each speaker are provided on the website at www.southwesthousing.co.uk/summit.

This report seeks to extract and summarise the primary messages, lessons and the way forward that arose at the event.

The economic case for more housing

SW wages, with the exception of parts of Bristol, Bath, Swindon, Exeter, Bournemouth and Exeter, are low. The lack of affordable housing elsewhere is a primary deterrent to economic recovery and prosperity. Record lows in housing construction, are depriving business of homes to recruit and retain workers in a generally successful regional economy and are removing skills and jobs from an important employer.

Public spending on affordable housing, whilst increased this year, has not made a significant impact on the increases in housing needs that existed before the recession, and have been exacerbated by it. With public investment expected to decrease in the near future, essential infrastructure to deliver more housing will not take place.

Stimulating economic recovery and carbon reduction requires a huge increase in the volume of housebuilding. The planning system needs to demonstrate more clearly its role in enabling more housing of the right quality in the right place. The particular demands for housing in the SW Region from second home owners and the retired will see house price inflation continue depriving the regional economy of homes for workers.

The Government Policy for Housing

Government initiatives for more housing include:

- Increasing home ownership especially through shared ownership support
- A substantial increase in public investment in SW affordable housing
- Housing supply mechanisms which secure higher green credentials, an increase in support for the private rented sector, and 7 councils building social housing, 37 Kick Start schemes
- The removal of blockages to 20 major sites through investment in infrastructure and other means
- Programmes to reduce mortgage repossessions, reduce homelessness, change highway rules to allow road starts, remove obstacles to first time home ownership, and support councils in delivering the required Local Development Frameworks

The Conservative Opposition proposals for planning and housing

The Conservative Opposition proposals for planning for new housing will be published shortly in a Green Paper. The intention is to invigorate the housing market by transforming the planning system of land supply by removing regional targets and financially incentivising local authorities and their communities through council tax recovery and matched government funding to plan for and secure the housing they need and want.

The failure of the Regional Planning system to deliver the necessary housing requires a transfer of power and accountability to the local level. These approaches, based on Council's initial Option 1 housing total submissions to RSSs, will, it is contended, change NIMBYism to one where the community having had a say in housing will be more likely to embrace it - especially as there will be requirements for green credentials.

In support of this, there will be a National Planning Framework for England with simplified policies to prioritise social and physical infrastructure.

SW Councils' part in delivering housing

Local authorities directly experience the impact of the economic needs for affordable housing through the substantial growth of the waiting list and links to local businesses making clear what they need for their employees.

The new regional task force and strategic Leaders Forum will continue to provide a lead on public investment priorities and delivering an efficient planning system appropriate for both urban and rural areas. Councillors at the interface with their electorate would welcome an increase in responsibilities at the local level and the facility to allow the community to have a greater say in planning for housing.

The SW HCA contribution to housing in the SW Region

The HCA has supported the delivery of over 50,000 new homes of which 6,000 have been in the SW Region. Through Kick Start and other initiatives they have focussed particularly on first time buyers and mortgage support, but recognise that, with reductions in future public finance, they will need to secure more homes for less cash. They will focus on:

- Generating a better private rented sector
- Bringing more public land into housing
- Better value from contractor procurement
- A move from grant to investment, allowing early forward funding and returns later in the development - particularly targeting investment to remove blockages to major sites
- Ensuring that well designed, mixed communities emerge from public intervention

In the SW Region, the HCA secured 12% of the national output for 8% of the budget. Nine local investment plans have emerged from their single conversation. In the coming year they will focus on priority site delivery.

Housing for Rural Areas

The impact of a shortage of affordable housing (especially for local workers) is more pronounced in the rural areas of the SW region – villages & coastal and market towns - than anywhere else in the country.

Communities are dying, young people are leaving, facilities are closing, the cost of public services is increasing, and housing market solutions have been unsuccessful in supplying enough affordable housing. In market towns, estate by estate sequential development has not created the mixed community extensions that are required. The following initiatives were suggested:

- The local community should be allowed to play a greater part in realising housing solutions, and the planning system should be encouraged to facilitate this and be provided with the capacity created to achieve this; homes for local workers are especially important.
- Coastal and Market Towns and Cities can play a more significant role in providing affordable housing. Specific planning and housing investment measures should be employed o/a those for major urban areas

- Public investment in physical and social infrastructure in rural areas needs to be on a more flexible basis, allowing more forward funding by the public sector and a change in the arrangements with house builders to instigate housing now but secure a return on public investment later;
- Local employers should play a greater part in assessing housing need and supporting housing for employees including contributing to housing needs assessments and by the provision of land and financial support;
- Public and private investment should be encouraged much more in the refurbishment, extension and redevelopment of existing housing for affordable needs; a substantial increase in the Decent Homes budget will be required and other support for owner occupiers and private landlords especially to address energy efficiency and climate change mitigation.
- Affordable housing must be sustained in perpetuity and arrangements with funders developed to make this more palatable;
- CPO should be used more widely to secure land for affordable housing where owners will not release it. Much public land, where surplus is not in the right place.

The Accolades

The SW Region has an exceptional record of innovative solutions for the delivery of housing, in particular affordable housing. For the last 35 years, it has won awards for anything from Eco Design to housing management, and the preparation of an LDF.

The SWHI Accolades were not awards, but a recognition by peer groups of examples of best practice in the region that have helped deliver successful housing growth. More details of each Accolade are available on the Summit website.

Natural England, Plymouth City Council and partners and Green Infrastructure

There is universal acceptance of the value of green space and facilities. What frustrates the public is that the added value of a “joined up” approach by the public sector is rarely achieved. In Plymouth, the planning, education and health authorities under the sponsorship of Natural England, appointed an officer and steering group to work together to deliver a series of related green projects. These generated the individual benefits of public realm, school awareness, and health projects and programmes but also added value by aligning public investment in a coherent fashion through the LDF process and took the community with them to maximise the outcomes of public intervention.

See more on the Natural England website. The value to existing and emerging housing was that the existing community understood and accepted new housing because it was part of a wider environmental approach and a co-ordinated approach to green issues that they could understand and benefit from.

The National Housing Federation (NHF) and a house builder /housing association partnership

To deliver mixed tenure housing schemes - a mixture of housing for sale, shared ownership and social rented homes - is sometimes perceived as counter intuitive. However, most successful communities quietly demonstrate a mixture of different types of houses and occupants, and there is much evidence that new development that exhibits a balance of homes and therefore a balance of people of different backgrounds is more likely to be sustained and also accepted by the existing community.

The NHF provided many examples of co-operation between house builders and housing associations to achieve this mix, but selected one between MI Space, Magna Housing and Flourish Homes to illustrate best practice in the delivery of well designed, green mixed development that had been accepted by the local community at the planning stage and subsequently.

What was interesting about many of the examples shown was that partnership seemed to work best where the house builder had set up a specific company to deal with the housing association as with the accolade. See the NHF website for more detail.

Local housing initiatives – IDeA and East Portlemouth Parish Council

East Portlemouth is a small hamlet dominated by second homes. A local property owner donated 2 houses and land to a Parish Council generated Waterhouse Housing Trust to provide rented accommodation retained in perpetuity for local workers. Negotiation, with support from Idea through the regulatory system was at times tortuous, but successfully allowed a number of local workers to remain in their local community.

The Planning Advisory Service (PAS) and managing planning applications for housing
The planning system is regularly blamed for delays in dealing with important applications for housing. South Somerset Council were recognised by the PAS as an exemplar for how they worked pre-application with applicants and the local community, within planning policy, and brought together the many consultees that contribute to a planning decision.

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The Planning Inspectorate (PINS) and LDF preparation

The national performance of local authorities preparing Local Development Frameworks (LDFs) - the local development plan - is poor, with only 20% coverage at the moment, although many more are in the pipeline.

PINS has been working with other public sector colleagues to help councils prepare LDFs that will secure speedy approval by inspectors. They recognised South Hams Council as an exemplar that had not only interpreted the regulatory advice correctly, but had then delivered a series of plans that provided clear advice to developers and communities.

The Royal Town Planning Institute (RTPI) and co-ordinated investment in infrastructure

One of the most difficult problems facing planners is how to align the many public service providers and utilities that will realise a co-ordinated plan for the future. The advice procured by the SW Councils and SW Strategic Leaders Board from Arup and DTZ was recognised by the RTPI (see the RTPI website) as an exemplar of how to bring disparate groups together to mutual benefit. Although the advice offered was process driven, the outcomes of a clear route through the planning process for housing will be important, especially in this current climate.

The Chartered Institute of Housing (CIH) and achievement of affordable housing via its Manifesto

There are many government initiatives in place to deliver affordable homes in the current economic climate. The CIH prepared a Manifesto (see CIH website) to guide its members, and recognised Home Buy, a unit within West Country Homes that co-ordinated many of the government and HCA services in an efficient and effective manner.

Home Buy, because of their success, were also about to be selected for the co-ordination of the delivery of more initiatives to provide a clear route to advice.

South West Councils and Strategic Leaders Board delivering Sustainable Communities

The bodies representing all of the councils in the SW Region recognised Bristol City Council for their work in Lockleaze - an urban community that had worked with the council to address their social, economic and environmental needs, and planned for the future.

Lockleaze is a relatively isolated district within the city and displays the characteristics of a mainly single-tenure community. The community has engaged in processes to define a vision and then plan for their future – especially the new housing needed to make them ideally prepared for an upturn in the economy.

The South West Housing Initiative (SWHI)

In conclusion, the SWHI believed that this Summit displayed regional and local capacity, ability, and enthusiasm to address the housing crisis and provided evidence of its determination to deliver more housing - especially affordable housing - to sustain and grow a prosperous regional economy.

