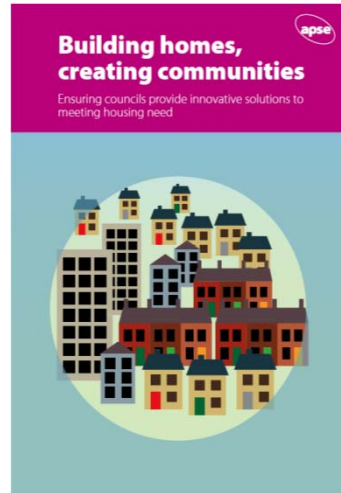
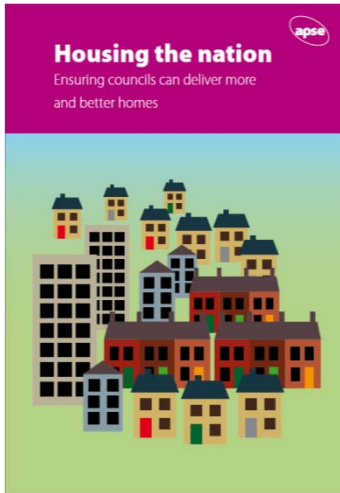




Delivering affordable homes in a changing world.

Ensuring councils can meet local housing need





Since February 2017 there have been a total of 17 major political announcements, policies and legislation related to affordable housing and planning

Key Themes

- Re-making the case for social housing
- Funding social and affordable housing
- Tackling homelessness and the Local Housing Allowance freeze
(inc homelessness)
- New models of housing delivery
- Planning
- Viability and the NPPF
- Permitted development
- Brexit and construction skills



Summary of recommendations



Recommendation 1:

The government has announced it will put in place a fundamental reappraisal of social housing in the forthcoming green paper. The green paper should not just be tinkering. Instead it should represent a step change in the role of central government as a powerful enabler of social housing leaving delivery in the hands of local authorities and their delivery partners. The government needs to ensure that councils have the confidence, backed by a comprehensive package of tools, in order to deliver that step change in the provision of social and affordable housing. This clarity of purpose from government is critical to enabling the conditions for success.

Recommendation 2:

The government's commitment to "a new generation of council and housing association homes" is a welcome start, however there needs to be significantly more investment in homes available for social rent as well as other affordable tenures. Existing government subsidy for private market housing could be better directed to supply-side measures and the reinvigoration of a range of social and affordable housing products including social rent.



Recommendation 3:

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 in areas 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.

Recommendation 4:

The government is demonstrating its commitment to tackling homelessness through the Homelessness Reduction Act 2017 and Homelessness Prevention Programme, however it must go further and reverse cuts to Local Housing Allowance to ensure private tenants who need help paying rent aren't forced into homelessness as campaigned for by Shelter1 , the Local Government Association2 and other charities.



Recommendation 5:

Setting up a local authority housing company requires a long-term investment plan, cross-party support and certainty. To ensure that local government innovation flourishes, resulting in more homes of all tenures, the government should make clear that right to buy rules do not apply to local authority housing companies. However, if the right to buy rules are going to apply to homes built by local authority housing companies they must be able to replace them on a 1:1 basis to ensure the long-term investment programme is not undermined.

Recommendation 6:

The draft revised NPPF has failed to include a meaningful definition of affordability. The final revised NPPF should set out a genuine and more precise definition separating out social rented homes from intermediate housing 'products', such as the following:

- "Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:
 - meet the needs of eligible households, including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices (but not exceeding 35% of their household net income after tax and benefits³); and
 - include provision for the home to remain at an affordable price for future eligible households, or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision."



Recommendation 7:

The government has announced major changes to viability testing which could address many of the concerns raised by councils and other stakeholders about the current process. The new system is right to focus on greater transparency of process with agreed approaches for calculating factors such as land price. The report strongly supports the government's view that developers should not be able to use the price paid for land to undermine the provision of public benefits and affordable homes.

Recommendation 8:

The government should reverse the central imposition of permitted development and give powers back to local authorities to reflect local circumstances.



Recommendation 9:

The government should not extend permitted development rights to allow commercial buildings to be demolished and replaced with homes. Extending permitted development to include the demolition of commercial buildings which will be replaced with homes without requiring a full planning consent risks creating a legacy of poorly serviced, badly designed places that will not provide for those in greatest housing need.

Recommendation 10:

The government should think about what it can do to incentivise domestic production of equipment and sustainable raw materials alongside producing 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 to ensure the British construction sector are world leaders in creating high-quality sustainable homes that enhance people's health and wellbeing.

Case Studies

- Cherwell District Council
- Cornwall Council
- Highland Council
- Leeds City Council
- City of Wolverhampton Council

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