

#### FABIAN POLICY REPORT

LOCAL GOVERNMENT AND HOUSING MEMBER POLICY GROUP

## HOMES FOR BRITAIN

## **PLANNING FOR GROWTH**

Edited by Christopher Worrall, with contributions by Andrew Western MP, Cllr Shama Tatler, Cllr Anthony Okereke, Cllr Promise Knight, Fiona Colley, Professor Paul Cheshire, Anthony Breach and more



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Homes for Britain: Planning for Growth

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#### About the Local Government and Housing Member Policy Group

We are a Fabian Society Members Policy Group on the future of Local Government, Housing, and Land Use Regulation. We have come together to produce this member led report into the problems that have caused the housing crisis and some of the solutions we believe can bring it to an end.

#### **About Concilio Communications**

Concilio Communications are a public affairs, pre-planning political and community engagement service. They provide expert advice to navigate the planning process and get results, and have kindly sponsored the production and printing cost for our member led work.

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## FOREWORD



Andrew Western is the Labour MP for Stretford and Urmston and former leader of Trafford Council.

W E ARE NOW approaching the next election and I hope the next Labour Government. As we work to earn the trust of millions of voters, our responsibility to provide an alternative to this exhausted Conservative government will grow. Housing must be part of that alternative.

If we are honest, Britain has been facing a cost of living crisis for decades. Year after year, housing became just a bit more expensive, a bit worse in quality, a bit less available. These costs were small and concentrated on the young, the mobile and the poor. They were therefore ignored. For the Conservatives, they were tolerable.

As the young have become old, the mobile have grown roots, and the middle class now face being poorer than their parents, Britain's housing crisis has reached breaking point. Every Labour Councillor and Parliamentarian in Britain knows how bad our housing crisis has now become. Up and down the country, the stories we are all hearing are worse than ever. In my constituency, Stretford and Urmston, one of the most frequently requested items by food banks is now reusable hand warmers. Why? It is not just fuel poverty - housing is so expensive today that it is becoming all too common for families with children to live and sleep in their cars. But how did the housing crisis get so bad? In short, the answer is we do not have enough homes. Recent estimates from the Centre for Cities suggest that the UK is missing 4.3 million homes compared to other European countries. Such a yawning gap can only be solved with a dramatic increase in housebuilding. That is exactly what this report proposes the next Labour Government does. A mix of industry experts, practitioners, and local Labour leaders have provided the evidence and the solutions to the British housing crisis. The overarching story is that the problem is so big, that it is not anybody's fault, as all parties have let people down.

Even as politicians of all colours have campaigned on cheaper and better housing, we have all too often taken decisions that have blocked the new homes that the country needs.

All this became fully clear at the end of last year, when dozens of Conservative MPs revolted against their own manifesto commitment to build 300,000 new homes in England every year.

Even the diluted reforms of Michael Gove were not enough for the committed anti-housing campaigners in the Conservative Party who demanded that housebuilding fall and for the crisis to deepen further. The reason that the Conservatives have failed to solve the crisis after 13 years in Government is that they have always seen the housing shortage purely as a political problem.

We in Labour understand that it is a social catastrophe, and that we are morally obligated to provide a political solution.

It is time for Britain to catch up with our peers abroad – like Jacinda Ardern in New Zealand – and realise we have to end this. The costs of doing nothing – to our health, to the economy, to inequality, to people's basic need of shelter – are too high for us to bear for much longer.

Keir Starmer was right to set out housing and planning reform as a key pillar of the Labour Party's growth mission. We still need though to develop the detail of our housing offer.

We must be ready to make tough decisions in the national interest. The housing shortage is systemic. But that means we need systemic reform.

The proposals set out here may be controversial. Some are to me. But it is time to be bold and brave and nothing must be off the table as we look to shape Labour's policies to tackle Britain's housing crisis.

- 1. Planning reform to create a flexible zoning system and integrated infrastructure plans.
- 2. A 500,000 a year housing target for England.
- 3. Green Belt reform to build millions of low-carbon, suburban homes around train stations.
- 4. A Low-Income Housing Tax Credit to finance hundreds of thousands of new social homes.
- 5. A Builder's Remedy to incentivise councils to plan and increased funding for planning and building control departments.
- 6. Reform Right to Buy to enable more council housing delivery.
- 7. Improve health and housing equity through partnership.
- 8. Site allocations and funding for Community Land Trusts.
- 9. A housing first approach to homelessness.
- 10. A fairer share approach to property tax.

I am delighted to see such a wide ranging and provocative report coming forward. I hope to see a Labour Government implementing many of the recommendations within the pamphlet and doing what is necessary for tens of millions of people in Britain today who desperately need housing as soon as we gain power.

## THE PROBLEMS

## **BRITAIN'S HOUSING SHORTAGE**



What are the origins of Britain's 4 million missing homes? asks Anthony Breach

H OUSING IS A huge, if not the biggest domestic political problem in modern Britain. The pressure that the housing crisis puts on the country is so great that other policy areas, like economic growth, inequality, climate, and the public finances are severely hampered by the failures of British housing policy.

But it can be difficult to know where to start with housing. Homelessness, social housing, homeownership, and renting are only a few of the specific issues. Real progress will depend on working out what the underlying problem is with housing in the UK. The root cause is a deep, decades-long housing shortage.

Compared to the average European country, the UK is missing 4.3 million homes, a 15 per cent gap. The scale of the challenge is so great that England's current housing target – 300,000 homes a year – would take at least 50 years to clear the backlog.

#### Tackling the problem sooner would require 442,000 homes per year over the next 25 years or 654,000 per year over the next decade in England alone.

How did the UK's housing shortage get so bad? In short, the design of England's planning system (and those of the devolved nations) is at fault. It reduces the number of homes that are built by rationing land for development in an unpredictable way. Thatcher is partly to blame. Right to Buy for council housing in 1980 undermined council housebuilding, and thereby total housebuilding.

But the total decline in housebuilding under Thatcher was preceded by two larger falls, suggesting that the discretionary planning system introduced by the Town and Country Planning Act 1947 is the underlying problem.

Immediately after the Second World War, total housebuilding fell by almost a third. Even though council housebuilding did increase after the War, it was outweighed by private housebuilding falling by half.

Then, from the late 1960s onwards, both private and public housebuilding each fell by half in the decade or so prior to Right to Buy.

The planning system became more restrictive, as the initial local plans were exhausted, and the green belt doubled in size from the 1960s to 1980s to cover 12 per cent of England. We built less than other Europeans too. The UK had the third lowest housebuilding rate in Europe from 1955 to 1979, and the lowest private housebuilding rate. The result was a relative decline in housing availability, even at the height of the council housebuilding programmer. In 1955, the UK had 5 per cent more homes than the average European country. But by 1979, this had fallen to the UK having 2 per cent fewer. These problems have

only worsened since – by 2015, we had least 8 per cent fewer homes per person than the average European country.

The lesson here though is not that council housebuilding was a mistake – we could actually have built even more social housing. Controlling for population growth, had the UK built housing at rates similar to the Netherlands or Austria after 1955, we would today have between 2.8 and 7 million more private homes as well as 2 to 2.2 million more social homes.

Rather, the underlying problem is that the planning system was unable to allocate enough land for development.

Other countries have zoning systems that give certainty to builders, but England (and the devolved nations) is unusual in making nearly all decisions case-by-case. Instead of development being allowed on all non-protected land in and near urban areas so long as builders follow the rules, in the UK development is essentially prohibited on all land until the owner can secure an uncertain planning permission.

The only solution to this decades-long problem is planning reform to increase the certainty and the supply of land for development.

This may sound challenging, but the potential benefits are huge, as the problems caused by the shortage of housing have spilled other into other policy areas. As Keir Starmer has said, planning reform is essential for driving growth. The eminent economic historian Nick Crafts has shown that Britain's highest ever rate of housebuilding drove 1/3 of the recovery from the Great Depression – before the Town and Country Planning Act 1947. But it would also reduce inequality.

#### A new paper by Anna Stansbury at MIT, Dan Turner at Harvard, and former Shadow Chancellor Ed Balls has found that the depth of the UK's housing shortage is making it much harder to drive local growth and tackle regional inequality.

There are further benefits too. For the climate, replacing leaky old buildings with new energy-efficient homes will address the housing crisis while reducing emissions and costing less than retrofit. Similar benefits would flow to the public finances.

Even leaving aside the increase to growth, a falling housing benefit bill and the low financial cost of any planning reforms mean big changes will pay for themselves and some more.

The housing shortage is though a problem decades in the making. Every year it is unresolved, the housing crisis deepens. Planning reform therefore needs to be an urgent priority for any new Labour Government.

## **FAIRNESS AND PROSPERITY**



The need to reform our planning system: what the evidence shows by Professor Paul Cheshire CBE and Professor Christian Hilber

T HERE ARE VITAL reasons for having a planning system: if it works well, it will ensure a supply of public amenities, enhance the environment, and create a framework which ensures our cities, village and neighbourhoods are better places to live and work.

The problem is that our British planning system achieves none of these objectives as effectively as do planning systems in many other countries and in the process causes unfairness, restricts growth, damages productivity and has created a housing crisis.

This crisis has driven a wedge of growing inequality between the housing haves and the housing have nots, the young and the old. Or as one commentator has put it: 'created an 'inheritocracy'.

Getting a decent house depends not just on whether your parents owned a home but increasingly on whether your grandparents did.

The aim of this section is to review recent research showing how our system has created these problems, identify the sources – what is it in our planning system that is so dysfunctional?

And how we could reform it to stimulate economic growth, redress inequality and reduce the carbon footprint of the built environment.

#### It is not just a housing problem

Policies introduced to strengthen town centres in 1996 have severely damaged retail productivity and small independent retailers, reduced employment, but have not increased the number of shoppers in town centres.

If a lobbyist had come to a government minister in 1995 and said they had a plan to "save the High Street...but unfortunately there was no evidence it would work: oh, and by the way, they did know it would reduce the productivity of grocery and supermarkets by 32%": they would not have got very far. Yet in 1996 exactly such a plan was enacted: Town Centre First Policy (TCP) which did not just prevent new retail being located outside designated 'town centres' (which, incidentally, had not been defined) but also restricted the location of new shops to sites identified by planners rather than retail specialists or firms.

Careful research published in 2015 (Cheshire et al) demonstrated by a rigorous comparison of productivity changes following the imposition of the policy in England compared to Scotland – where the policy was always much more flexible and implemented later – showed TCP was directly responsible for a loss of at least 32% of total productivity in supermarkets. This was partly because new stores were smaller and productivity rises as supermarkets get bigger, but also because – not surprising – specialists employed by retail groups are better equipped to identify more productive sites in terms of both location and layout – than local planners or politicians.

Rigorous research had already shown TCP had reduced employment in the retail sector as big groups bought out independent family shops to get quick access to town centres and chain mini-markets spread throughout English High Streets (Haskel and Sadun, 2012; Sadun, 2015). Even more recently (Cheshire et al., 2022) LSE researchers have shown that while TCP did increase the number of grocery shops in Town Centres, these were smaller and employed fewer people but in addition, the policy did not even increase the number of shoppers using town centre shops.

The conclusion is that TCP failed on all counts but managed to seriously damage the productivity of the sector.

## Restrictions on office building cause large increase in office space costs

Services are Britain's most competitive economic sector. An input into services is office space. But we impose severe restrictions on building offices and these greatly increase costs. In 2004 the construction costs of office space in Birmingham were approximately half those in Manhattan.

This is not very surprising since Birmingham was a struggling, medium sized city on the flat plains of of the British Midlands and Manhattan was big, physically constrained, prosperous and highly dynamic. When we couple the cost of construction with the costs of occupation, however, we do get a shock. In the same year, the total occupation costs of office space per m2 were 44% higher in Birmingham than they were in Manhattan.

Research published in the Economic Journal in 2008 (Cheshire and Hilber, 2008) showed this was the result of the tight restrictions local planning regimes imposed on building new offices in Britain. Moreover, these restrictions had been made much tighter by the move to a Uniform Business Rate in 1990 which made it completely clear to local councils they would get no tax revenues at all from permitting new offices.

The resulting increase in business costs from more expensive offices greatly exceeded any plausible tax on property. In the most extreme case, London's West End, restrictions imposed the equivalent of an 809% tax on construction costs averaged over the 6 years 1999 to 2005.

The highest in an European centre was Frankfurt at about half the West End; Birmingham, at 250%, was well above Amsterdam at 202% while even the least restrictive city in Europe – Brussels – with an equivalent of a 68% tax on construction - was substantially higher than New York – where it was between 0 and 50%.

### Inflating housing costs and restricting mobility are currently by design

Our current planning regime increases house prices and rents three ways. Our system, and the way it interacts with local councils' finances, seriously restricts the supply of new houses. As a recent Centre for Cities report showed (Watling & Breach, 2023) had we built new homes at the same rate as equivalent countries in Europe, we would have built some 4.3 million additional houses since 1945.

This is very comparable to an independent estimate (Cheshire, 2014) for just the shorter period of 1994 to 2012 of a shortfall of 2.6 million houses.

But our planning system does not just restrict housing supply randomly across the whole country, it systematically restricts it most severely where people most want to live and houses are least affordable – close to large prosperous cities where more productive employers are desperate for labour.

We see this in the table below: it is much easier to build houses in the less prosperous, Labour controlled, towns of northern England than in the modern technological hubs of Cambridge or Oxford. Affordability is usually measured by the ratio of median house prices to median incomes in an area. A ratio of 3 is regarded internationally as signalling houses are locally affordable.

Even in the more flexible regimes of Barnsley or Doncaster, housing was expensive by this standard. In the highly productive local economies of Cambridge or Oxford, housing was some of the least affordable in the world – close to even the London affordability standards of 12.97.

#### Houses Built compared to Population Growth 1980 to 2018

Area	Population Growth	Houses Built	Affordability 2021*
Barnsley + Doncaster	22,796	56,340	5.02 & 5.56
Cambridge + Oxford	95,079	29,340	12.61 & 12.05

Source: ONS • \* Measured as Median House Price to Median Workplace Earnings in 2021

As is well documented, affordability at this level has devastating effects on access to housing. Of those now entering their 60's, 55% owned a house by age 30: for those now entering middle age, born in the early 1980's, the figure is only 27%.

#### Housing is an asset as well as a home

But there are also other less obvious effects. The increasing scarcity of decent houses has caused their prices to escalate over time: Nationwide data show an average house in the UK in Q4 1954 cost £1,853. By Q3 2022 the price was more than 147 times higher, at £273, 135.

This extraordinary increase in house prices generates vast personal assets for lucky homeowners. This not only redistributes wealth from young to old but increases the value of assets relative to incomes. Since 1990 the value of household wealth – mainly housing – increased from 3 to nearly 8 times GDP.

Conservative governments have persistently resisted raising income tax and advocated public austerity. But no party has raised the possibility of taxing personal assets such as housing, as is done in France.

Such a tax would be highly equitable as well as reducing the 'asset demand' for houses, and, if done properly could be acceptable and still raise significant revenue to pay for public services.

Acceptability and fairness might require an exemption on perhaps the first £250,000 and a modest tax rate thereafter and with the homeowner able to commute their liability to when the property was sold or inherited.

## Economic performance is being damaged by our planning system

As it is, our housing crisis fuels both income and wealth inequality and generates a lobby of homeowners who think of their house as their pension and fight to keep prices high/rising. But also, of course, the lack of building in growing local economies damages both their local economic growth and UK's overall economic performance. The US system of land use planning is far less restrictive overall. In much of the mid-West South and South West there is very little restriction on building at all even if extravagant 'minimum lot sizes' – up to 50 acres per house in some rich communities – lead to excessive land consumption.

But restrictions bite on the East and West Coasts. This has restricted the movement of labour from declining urban economies to the most productive and competitive, in the Bay Area, New York or Boston areas, directly reducing overall economic growth. Hsieh and Moretti (2019) estimate this has reduced overall growth by 36% over the period 1964 to 2009. There is no comparable estimate for the UK but there certainly is such an effect and an economically highly significant one.

#### Longer commutes

Not only does more restrictive planning restrict labour mobility and access to better economic opportunities, it increases the length of commutes. Partly – discussed in more detail below - this is the result of people having to jump the Green Belts preventing building round our major cities but there is also a more local impact.

As was demonstrated in Cheshire et al, 2018, the more restrictive a local council is in its planning policies the further people who work in it have to commute and also the higher (all else equal) is the local housing vacancy rate. This seems to be because more restrictive local planning makes it harder for the local housing stock to adjust to demand so people find it more difficult to find suitable (and affordable) houses locally.

#### Planning as we do is not the norm

Our planning system is the source of a uniquely British housing crisis with its knock-on effects to economic competitiveness and growth. Because planning and property are so national, even local, we tend to think of planning systems only being those we know.

In fact the British system is an international exception, passed on to some ex-colonies, such as New Zealand, Australia or Canada, which have inherited similar housing unaffordability as a consequence.

#### **Routes to restriction**

#### 1. Ban building

There are three separate ways in which our system restricts supply - most obviously the supply of land for building. Since the Metropolitan Green Belt was imposed in 1955 policy has deliberately prevented building on great swathes of land around most major cities. Contrary to Labour mythology this was not the action of a Labour government aiming to create 'green lungs' for our cities.

#### Green belt was implemented by a rightwing Conservative minister, Duncan Sandys, who was keen to keep London from extending into the Home Counties where Tory voters opposed new building.

Overall Green Belts now cover some 1.4 times as much land as all our urbanised areas added together (see Cheshire and Carozzi, 2019) but they are not designed to preserve beautiful countryside: just to stop any building.

There are other policies to conserve our countryside – such as National Parks, Areas of Outstanding Natural Beauty (AONB) or Sites of Special Scientific Interests. Such areas provide real social and environmental benefits. Green Belts contain such land – for example the North Downs or Chiltern AONB lie largely in London's Green Belt.

But most Green Belt land is of no particular social or environmental value at all. Avoiding all land with any designated marker of environmental or social value, there would be room for 2 million houses just built on Green Belt or agricultural land within 800 metres of commuter stations serving Bristol, Birmingham, London Manchester or Newcastle (Cheshire and Buyuklieva, 2019). It is not a shortage of land Britain suffers from but highly restrictive policy.

#### 2. Just saying 'no'

The second problem is simply saying 'no'. Unlike a rulebased system, the British system means every significant development has to be individually agreed by a local council. A substantial proportion of applications – even when on non-protected land, even when the local plan does not make it difficult to build - are rejected. Some councils are systematically more restrictive than others.

Hilber and Vermuelen (2016) estimated that for the period 1974 to 2008, if councils in South East England had been as unrestrictive as those in the North East – still highly restrictive by international standards – then house prices in the South East in 2008 would have been 25% lower.

Only 45% of local councils even have a valid local plan so much of what gets built, only gets permission on appeal to the Planning Inspectorate.

### 3. Increasing costs of development through uncertainty and more risk

The third way our planning system restricts building is because of the uncertainty inherent in it. Developers cannot predict whether an application will be agreed or not. Each decision is subject to political lobbying. Since 1991 this uncertainty is amplified by decisions about planning conditions to require a proportion of the development to be of 'affordable' housing – so called Section106 Agreements.

Again, these cannot be predicted in advance and developers game the system by gambling on being able to come back and re-negotiate as the building progresses. In fact although designed to produce 'affordable' housing, our method of doing it, makes housing overall less affordable. Development is an inherently risky business: there are big costs over an extended period before revenues flow.

Adding uncertainty into an investment decisions such as housing development, increase its risk: and higher risk translates into a higher necessary profit margin, all else equal, to justify the investment.

The uncertainty our politicised planning system injects into the development process means many otherwise viable developments do not get built. In addition, of course, the complexity of our planning process coupled with the costs of managing the uncertainty it generates, acts to squeeze out smaller developers.

It is a major reason why our development industry is so uncompetitive. Smaller developers have been disappearing. In essence negotiating the restrictiveness, complexity and uncertainty of our planning system generate a big fixed cost favouring larger firms.

So it is not a surprise to discover large developers are supporters of our dysfunctional planning system! **F** 

## **ANTI-DEVELOPMENT AUTHORITIES**



The proposed changes to the planning system under the current government will allow antidevelopment local authorities to massively underperform writes Clare Fielding

O UR PLANNING SYSTEM is far from perfect. But for years it has provided a rational and mostly predictable system for managing development, based on local development plans drawn up by local authorities on hard evidence and in consultation with communities.

Communities, developers and stakeholders are familiar with using the planning system. But Conservative-driven reforms since 2010 have removed the requirement for local authorities to deliver their share of the housing we need. Many boroughs for years have been failing to deliver the amount of housing and affordable housing that they would otherwise have been required to deliver. The Government are about to change the planning system again, and in a way that will reduce rather than increase the amount of housing that will come forward in the years to come.

First, the Government are proposing to remove the requirement for local planning authorities to demonstrate that they have a five year housing land supply when they produce their local development plans.

This removes one of the cornerstones of the planning system. If local authorities are not required to demonstrate a five year housing land supply when they draw up their plans, there is not much chance of ensuring that they meet their housing needs. On top of this, the Government are proposing to remove the requirement for local planning authorities to justify their draft local development plans to the satisfaction of a planning inspector. The requirement to base local plans on evidence will be significantly watered down. Local planning authorities who want to limit housing delivery will be able to adopt plans that significantly underprovide - and there will be no way to

hold them accountable that. The Government are proposing to change planning requirements so that local planning authorities can refuse applications if they think that the density of development will be "out of keeping" with the local area. This is very subjective and it introduces a loophole into the current requirement to optimise the use of land. As a result, there will be a lot of missed opportunities to deliver much-needed housing even on brownfield sites.

These proposed changes will all have the effect of allowing anti-development local authorities to massively underperform in terms of housing delivery without being held accountable.

We believe a Labour government should oppose these proposals and should:

- reintroduce proper housing delivery targets for all local planning authorities
- reinstate a proper requirement to demonstrate a five year housing land supply when making local development plans
- reinstate the requirement to justify local plans, on evidence; and
- reinstate the planning policy requirement on all local planning authorities (especially Green Belt authorities) to make optimum use of land.

# THE SOLUTIONS

## **PRIORITIES FOR PLANNING**

Six priorities for a new planning reform agenda



The political economy of planning for housing: six barriers in the planning system holding back the supply of the homes we need writes Matthew Spry

**F** OR THE PAST 30 years, Governments responsible for steering the English planning system have grappled with how to address the growing shortage of housing.

Barely a year goes by without a review, White Paper, primary legislation or a change in national policy.

But the worsening housing crisis shows we have not yet settled on the right formula.

Over the past decade, a more strident focus on meeting housing needs in the 2012 National Planning Policy Framework (NPPF) and a relaxation of permitted development rights has seen net additions rise to around 230-240,000 annually.

Yet this is below credible estimates of what is needed (over 2 million adults are currently unable to form their own household).

And progress has plateaued - with just 40% of local planning authorities with an up-to-date local plan – and appears to be heading backwards.

Housing permissions are down 10% since 2017, and in December 2022, Conservative Party backbenchers instigated a change in national policy that Lichfields estimates could cut annual housing growth by 77,000 homes.

#### Few would say that planning bears sole responsibility for England's housing woes, but nor can we say it is doing the best it can to address them.

The political economy associated with the supply of sufficient land for housing in our plan-led system is dysfunctional and needs reform. Current arrangements present at least six barriers to securing the right homes in the right places.

#### Leadership and resetting the political culture of planning

First, culture eats strategy for breakfast, so the saying goes, and the political culture of planning is not in a good place. There is motivation to solve the housing crisis in many local authorities, but sadly it is not universal.

The 2017 White Paper said some Councils "duck the difficult decisions" but, worse than that, too many actively look for reasons to reduce the number of new homes for which they plan. A debate on planning in a Council chamber will often characterise house building as something done under duress, at the behest of central Government. This attitude delays the preparation of local plans and leads to refusal of otherwise acceptable planning applications.

We thus have a slow, contested and costly system. The culture is not new; many Councils actively resisted various forms of regional planning during the 1990s and 2000s. These behaviours - albeit not ubiquitous - are deep rooted, flowing from: a lack of incentive to accommodate growth (linked to the fiscal centralisation of local government); adverse (not always unfair) perceptions over design, placemaking and infrastructure; and the personal outlook of some elected members.

That public participation in planning is skewed towards those local residents resisting development does not help.

#### A smart approach to setting housing targets

Second, the setting of housing targets. The number of homes that can be built will reflect the land realistically available for development and in most places this is rationed by Councils to an amount judged necessary to meet a homes requirement figure in a local plan.

The aggregation of annual requirements has typically been around 230,000 in recent years (based on figures applied by Government in the Housing Delivery Test), well below the 300,000 per annum national ambition.

Why so low? Current policy tells plan makers to take an estimate of local housing need for their area using a Standard Method (300,000 p.a.) and then set a local housing requirement based on how much of it they can meet. Not all places have enough suitable, available land to meet their need, and too few areas with extra capacity elect to make up the difference.

The Standard Method is criticised because it skews targets towards Labour-voting land-constrained big cities (based on an arbitrary 35% uplift); because it relies on old 2014-based demographic projections; and because it does not reflect the economic growth potential of areas like the OxCam Arc or places experiencing regeneration.

Government's attempt to update its formula with new projections (which baked-in low population growth in areas affected by a shortage of housing) and to introduce the famous 'mutant algorithm' both hit the buffers.

Its difficulties mirror Labour's experience of Regional Strategies at the tail end of its last period in office. When it comes to imposing housing targets on local areas, Governments find the force of their writ is strongly correlated with their political strength or weakness.

#### A more effective approach to strategic planning

Third, localism - introduced by Eric Pickles - relies on individual councils doing the heavy lifting on cross-boundary questions previously addressed by County Councils or Regional Planning Bodies.

Neighbouring authorities are forced into the planning equivalent of prisoners' dilemma over who should accommodate unmet housing need that spills over from constrained areas, particularly administratively under-bounded towns and cities. Thousands of needed homes fall between the cracks in this protracted, Kafkaesque process. Opportunities to plan for and take advantage of new infrastructure are missed.

#### Attempts to re-introduce strategic planning through an abstract mosaic of Joint Plans, Mayors, Combined Authorities, and Growth Deals are fragile and often collapse on impact with the difficult choices they were designed to solve.

The Government itself crashed and burned when it abandoned its own OxCam Spatial Framework in 2022. The latest Government policy change proposes to dilute the obligation to address crossboundary housing issues, sweeping the problem under the carpet.

London stands out with its relatively mature strategic planning framework, but is not without its flaws: the Mayor's blueprint has to be supplemented by individual Borough plans – a twotier process that takes years, has a tendency for duplication, and - when it comes to housing - has not met housing need under successive mayors.

There is also no effective mechanism for engaging with local authorities in the wider southeast to look at how some of the Metropolitan Green Belt – 35 miles wide in places - might be selectively released.

#### Realistic and resilient local plans for house building

Fourth, too few areas manage a sufficient pipeline of deliverable land to maintain rates of building necessary to meet their targets. A January 2023 survey by Planning Magazine found four in ten local authorities reporting insufficient land ready for development in the next five years, and the real position is likely worse if one accounts for the optimism bias that typically overestimates deliverability by 10-25%.

Property development is a risky and unpredictable business: market cycles, site assembly, technical issues like flood risk and utilities, securing detailed approvals, ever changing regulatory requirements, addressing nitrate and water neutrality restrictions.

All can reduce the speed at which consented sites are built out. When local plans apply the land supply equivalent of a 'justin-time' strategy that lacks resilience in the face of inevitable uncertainty, it leads to shortfalls.

Since 2012, the Government has applied a 'presumption in favour of sustainable development' to tilt the balance in favour of applications for new housing to address shortfalls; and 25,000-40,000 homes have typically been granted permission at appeal each year.

However, it does not have the certainty of the 'builders remedy' measure applied in parts of the US, with only around half of appeals being approved. Importantly, decades-old policy provisions exempt land in Green Belt areas except in 'very special circumstances'.

This protection – which also means less incentive to prepare a local plan - insulates scores of local authorities around our big cities from having to actively confront the housing crisis.

#### Harnessing the potential of the next generation of new towns

Fifth, we lack a universal road map for large-scale new communities. New settlements positioned at nodes on public transport corridors could act as a release valve for the pressure cooker of London and other successful cities. Yet Eco-Towns in the 2000s and the Garden Communities in the 2010s were patchy in their achievements. Most big schemes grapple with how to deliver expensive infrastructure –new roads, public transport systems, schools and affordable housing – in early phases.

Public sector land, gap funding and interventions by local authorities and Homes England have helped but aren't possible everywhere, and a succession of local plans have tried but failed to unlock the potential of new settlements.

There is appetite from well-capitalised private sector players and registered providers who are keen to pump prime and act as master-developers, but this potential has not yet been harnessed.

#### Local government with the resources to plan for growth

Finally, local government planning teams lack resources to keep the system moving, with net expenditure down by 43% since 2010. Covid-19 knocked the stuffing out of many Councils who struggle to retain staff and recruit from a diminishing pool of qualified planners, many of whom have opportunities in the private sector as a career alternative.

This comes at a time when, for all the repeated efforts to streamline and better regulate, planning has become more onerous and litigious, grappling with an ever-growing set of policy requirements, within a discretionary system that – back to where we started - operates in a negative culture that can make planning in local government a much less satisfying career than it should be.

#### There's hope for the future

It's not all doom and gloom. We know the problems and have tools available to solve them. There are opportunities – through digital planning reform and elements of the Levelling Up and Regeneration Bill - to improve the effectiveness of current arrangements.

#### But we need a positive vision from Government that grapples with the negative culture towards housing delivery that has taken hold and which – without change – stands in the way of positive planning on the ground.

If allied to strategic planning where it is needed, and to policies that govern how we direct and deliver homes, we have a fighting chance of solving the housing crisis.

## **PUTTING HOUSING FIRST**



An ambitious Labour government seeking to eradicate homelessness must address housing supply and lead a systems-wide shift in thinking writes Fiona Colley

**F** IRST DEVELOPED IN the US in the early 90s and now widely adopted across Canada, Denmark, Finland and France, Housing First is a service model, but also a philosophy. At its heart is a core belief that everyone has a right to a home and the support they need to keep it.

While good quality supported housing plays a critical role in reducing homelessness, traditional support models don't work for everyone and too many still find themselves stuck in a revolving door of homelessness.

Housing First is designed to support people with multiple unmet support needs, removing conditionality from homelessness support by prioritising access to secure, long-term housing with wrap-around support available. This gives people who have experienced homelessness and chronic health and social care needs a stable home from which to rebuild their lives. It provides intensive, person-centred, holistic support that is available for as long as it is needed.

The approach is proven to work. International evaluations have found 66% to 90% of participants sustain their tenancies , while regional pilots in Liverpool, Manchester and Birmingham have shown 88% tenancy sustainment rates .

It is also shown to reduce contact with A&E, criminal justice and drug and alcohol services.

#### **Traditional Support vs Housing First**

Housing First provision is growing, indeed it grew six-fold between 2017 and 2020, and yet the latest figures show that we still only have the capacity to support 12% the 16,450 people in England who would benefit from the service.

#### With so much evidence of success, internationally and here in the UK, why is there still so far to go?

It might be argued that it's down to cost. With its low caseloads, Housing First can look like an expensive intervention. Yet studies have consistently demonstrated that Housing First delivers good value, with estimates that for every £1 spent, Housing First saves £1.56 overall.

Perhaps the answer is that Housing First services are, in the main, funded by local authorities, while the savings accrue largely to health and criminal justice. A few Housing First services have successfully broken through these silos and secured pooled



*Traditional Support vs Housing First Source: Homeless Link, The Principles of Housing First* 



funding but these are very much in the minority.

A further challenge to establishing new Housing First services is the short-term approach to commissioning. Most homelessness services are funded for three years or less driven in the main by the length of national spending settlements. This creates difficulties for all types of homelessness services and particularly undermines opportunities for Housing First.

The support needs of the Housing First clients, such as addiction and mental health, are not only complex, but also long-term and recurring. Housing First services must respond to support needs that may vary in intensity, but rarely end.

Short term approaches to funding, contracts and performance measurement create cliff-edges that can hamper delivery and negatively impact those supported. Finally, the housing crisis makes suitable homes very difficult to find, with social rented homes in short supply and both private and social landlords reluctant to take on tenants with complex needs. These system wide challenges can and must be overcome to enable Housing First to reach its potential.

In its next manifesto Labour should commit to a long-term plan to deliver a full-scale rollout of at least 16,450 Housing First spaces across England. It will need a national, cross departmental Housing First strategy to break down silos at a national and local level. This strategy must be backed by long-term ring fenced funding, in the order of £150 million each year, committed at least to the end of next Parliament. And of course it must build more social housing, including one-bedroom properties ring fenced for Housing First.

A mission driven Labour government should be bold enough to commit to ending homelessness. Removing the systemic barriers to the expansion of Housing First would put this goal within its reach.

## **A BUILDER'S REMEDY**



Compulsory housing growth targets and a builder's remedy can ensure everyone plays their part in tackling the housing crisis writes Luke Francis

**F** OR SOME TIME, the UK has seemed to exist in a state of perpetual crisis, permeating almost every aspect of public life. If there is a Whitehall department for it, chances are it is entering, in the midst of or recovering from some kind of disaster.

It is the inevitable consequence of a political system that rewards short-termism. Quick fixes and temporary solutions have replaced bold and ambitious strategic thinking, leaving generational challenges as perennial background music to a sombre national debate. Sticking plaster politics, as Sir Keir Starmer describes.

Nowhere has this failure been more apparent than in the UK housing sector. Grand ambitions have repeatedly dissolved on contact with reality as successive governments have consistently favoured the path of least resistance. Rishi Sunak's decision to scrap compulsory housing targets was an unashamed capitulation in the face of rebellion from his own back benches.

#### It was simultaneously an act of selfpreservation and self-harm. By abandoning mandatory delivery targets, Sunak placated his Parliamentary colleagues but put his local authority leaders directly in the firing line.

Compulsory targets provided local authorities with a convenient bogey man in Westminster; a shield with which to protect themselves from local opposition and anti-development rhetoric. 'If we don't build them, central government will come in and do it for us'.

In a single stroke, the government transferred responsibility for tackling a national crisis from Whitehall to town halls. Far from being restricted to the corridors of Westminster and Whitehall, the politicisation of planning and development is magnified in local government.

Last year's local elections in London were characterised by an almost uniform 'anti-development' sentiment, with political parties of every colour seeking to out-NIMBY one another. In outer London boroughs like Enfield, Croydon and Harrow it cost incumbent parties not only seats, but in the case of the latter two, overall control of the council.

The outlook is no brighter beyond the capital. Of the 343 planning authorities in England, one in ten have no adopted Local Plan in place: the majority of these are in Conservative control. While only 39% of planning authorities have a Local Plan that is upto-date. The past two years have seen the lowest annual numbers since the National Planning Policy Framework was adopted in 2012. From an average of 35 between 2014-2020, down to 16 and 13 respectively in 2021 and 2022. Under the Conservatives we are witnessing a devastating failure to plan. Without these vital - and, lest we forget, legally required - frameworks in place, planning and development becomes directionless. With no clearly defined rules or guidance, developers are unwilling to risk significant investment on a roll of the political dice. Applications aren't submitted. Homes aren't delivered. A dysfunctional status quo is maintained, and the downward spiral continues.

#### These decisions may advance or prolong political careers, but in doing so they perpetuate a crisis that current and future generations will pay for.

The UK is far from alone in grappling with this challenge. The World Bank estimates that 1.6 billion people will be affected by the global housing shortage by 2025 - a fifth of the world's population.

There are no easy fixes or painless solutions to the housing crisis in the UK. But we can learn lessons from those grappling with a similar dilemma.

In 1982 the California State Legislature passed the Housing Accountability Act (HAA), within which is a provision referred to as the 'Builder's Remedy'. In response to the "critical state-wide problem" of a lack of affordable housing, the law was intended to restrict local governments' ability to deny, make infeasible or reduce the density of housing development projects.

The Builder's Remedy is a proverbial hard stick, designed to compel local governments to agree a compliant housing element (the equivalent of a local plan in the UK) that met the current and projected future requirements of the population. Authorities that failed to produce a plan that delivered the number of homes required under the Regional Housing Needs Allocation (RNHA) saw their development controls severely restricted and development centrally approved under far less stringent requirements.

More recently in New York, Democrat Governor Kathy Hochul has interestingly put forward plans to trigger a Builder's Remedy where there has been insufficient growth in housing stock. The approach has been argued to be a simpler and more rational system to that seen in California and New Jersey, which definitely has its flaws. To this day, supply of affordable housing in California lags significantly behind demand, with residents facing increases in housing and rental costs comparable, if not worse, to those seen in the UK.



But overall the principle of a Builder's Remedy is sound: if a local authority is unwilling to play its part in tackling the collective problem, central government should take steps in to fill the void.

It will end the perpetual cat-and-mouse game of antigrowth cities and towns finding inventive ways to ignore or wriggle out of planning to house people who want to live there. People want to live near the jobs and opportunities, but local decisions to limit growth mean they cannot. Local governments can and should make different choices. Even if that means being encouraged, or even required, to do so.

The merits and relative success of the Builder's Remedy in delivering more affordable homes continues to be hotly debated, and its real-life applications have been limited. The legislation was thrust back into the spotlight in 2021 after a series of southern Californian cities failed to agree state-approved housing elements. In the eight months that followed, 26 applications seeking to deliver more 8,500 new homes were submitted under the Builder's Remedy law. While it may be hard to envisage a flurry of 20-storey towers popping up across the Home Counties, the success of legislation like the Builder's Remedy should not be measured purely in the number new homes being delivered. In the four decades since the introduction of the HAA, the number of planning authorities without state-approved housing elements has fallen.

The key thing after all is such a remedy should never have to be used if local authorities comply with the law and deliver on their housing objectives. So in reality no benevolent local authority should ever have to be subject to it.

In any case, by establishing a clear framework, along with a set of fundamental rules and consequences, central government has an important role to play in demanding a collective response to a common challenge. Especially where local authorities have lost subsequent appeals trying to game the system.

Rather than further politicizing the issue - pitting developer against local authority and politician against their electorate legislation like the Builder's Remedy can help lift housing out of the political arena.

It can be the catalyst for an honest conversation about how we solve this challenge together through creating a system of housing growth targets enforced by a builder's remedy, of which I believe Labour should adopt.

## **PAYING FOR SUCCESS**



Low-Income Housing Tax Credits are the long-term bi-partisan solution to how we can fund rehabilitation and new construction of social housing writes Christopher Worrall

**I** F LABOUR FORMS the next government, it will face a huge struggle to build more affordable homes without a sustainable funding mechanism in place. Under the Conservatives problems arising from the condition of existing social housing stock, and private rented accommodation, have been hitting the headlines for all the wrong reasons.

Deaths of children and working-class immigrants could have been avoided had their poor living conditions been resolved. But sadly, the scale of the challenge that needs overcoming today is enormous. Research by the National Housing Federation (NHF) estimate there are 1.6 million households living with unmet housing need that would be most appropriately met with decent quality social housing.

In recent years, the consensus for the construction of new social rented homes is around a figure of 90,000. A level endorsed by both Heriot-Watt University and The Affordable Housing Commission. In 2021, 14 per cent of all homes failed to meet Decent Homes Standard, according to the English Housing Survey - equating to 3.4 million homes. Shockingly, 23 per cent of homes the private rental sector and 10 per cent in the social rented sector are not considered to be 'decent'. This equates to at least 400,000 social rent, and 1 million private rented homes, having at least one Category 1 hazard under the Housing Health and Safety System (HHSRS) - the tool used by environmental health inspectors at the council to assess the safety of properties. For a home to be considered decent they must also be in reasonable state of repair, be reasonably warm, and have modern facilities and services. A basic standard of living still out of reach for far too many.

When Labour took office in 1997 - less than half of all social homes in Britain met Decent Homes Standards. This had risen to 86 per cent by the time it left in 2010.

Nick Raynsford, the second housing minister under Tony Blair, was the individual responsible for spearheading Labour's Decent Homes Programme. His blueprint for reform was laid out in his housing green paper released in the year 2000, namely "Quality and choice: a decent home for all". An ambition the next Labour government should once again strive to achieve.

Unfortunately, the grant funding mechanisms attached to Raynsford proposals did not prove to be sustainable. While the improvement to millions of lives was undoubtedly achieved, social housing funding, namely via stock transfers and debt reliant housing association models, have failed the test of time.

Stock transfers have meant changes to allow increased borrowing from Housing Revenue Accounts (HRAs) has also not always been fruitful.

This is in large part because borrowing capabilities of many councils are limited in what they can borrow. Often coming as a result of low levels stock remaining in their ownership against which they can borrow.

Building safety and decarbonisation costs have also seen development plans for new homes significantly scaled back. Housing associations now face not only higher borrowing costs, but large increases in borrowing levels. In turn, viability of new construction and existing stock upgrades are becoming increasingly difficult to deliver.

Following the pandemic many housing associations have had their credit rating downgraded. Often due to weak trading performances in an ever-tougher economic climate. As a result, high levels of necessary expenditure have limited spending flexibility. While many display on over reliance on revenues from market sales, in what is now a market coughing and spluttering from economic woes. Substantial development programmes and considerable levels of variable debt financing have left the social housing sector exposed to multiple and complex levels of risk.

#### In a highly inflationary environment it is difficult to see how housing associations or local authorities alone can meet the challenge of new construction, while also ensuring Decent Homes Standards in social housing in existing stock is met for those most affected.

Moves towards grant free models reliant on Section 106 developer contributions have become the weapon of choice under the Conservative government. In 2020/21, Section 106 contributions accounted for as much as 47% of total output. Yet with current Conservative planning reforms set to hit housebuilding levels, alongside a steep market downturn, once again funding models for affordable housing are failing to pass the test of time.

Dr Stanimira Milcheva of UCL warned against the reliance on the inherently pro-cyclical Section 106 delivery model. In particular, due to its proneness to falls in output during downturns - as we are seeing now.

Furthermore, a toothless Regulator for Social Housing has come under significant scrutiny as living conditions worsen for many residents who feel left unheard. Limited to handing out finger



wags and paper downgrades for poor performance, residents find themselves in a system with little to no consequences for poor performance. Too often residents are left stranded in poorly managed complaints processes and with unresolved issues.

Recently the Mayor of London, Sadiq Khan, froze funding for new construction to three social housing providers following non-compliance. A fatal flaw of the current system.

But otherwise, the Secretary of State for Levelling Up, Housing and Communities – Michael Gove, has had to resort to naming and shaming housing associations and councils that fail tenants through, namely through serious maladministration with serious detrimental impacts.

It does beg the question what the Regulator for Social Housing has ever achieved under the Conservatives. The shameful systematic level of poor housing outcomes across the social housing sector has seen resident-led campaigns face towers of red tape when it comes to the Housing Ombudsman or the Regulator for Social Housing. Service charge abuse by housing associations, mishandled complaints procedures, long-awaited and poor-quality repairs, routinely ignored complaints, rulings that take years, distress and time economically wasted – are the status quo in the housing sector. Families and vulnerable tenants often left in limbo with nowhere to go. The insanity of rectifying affordable housing management issues would make Alice in Wonderland blush. But alas, this is the norm.

Likewise, perpetually grinning private rental sector landlords seem to always have the last laugh. For too long the Buy-to-Let market has been entrusted to amateur landlords that flout, or merely do not understand, their required responsibilities.

However, very few institutionally managed Build-to-Rent owner operators have ever faced such claims. Meanwhile, across Europe such models are more commonplace. Yet it is evident the current British model does not pay for success. Nor does it provide a professionally managed service. I believe that tenants do not care who their landlord when there is no fear of eviction, repairs are managed properly, and rents are reasonable.

Under the current model of grant subsidy, and adversarial Section 106 negotiations, we simply pay for failure. Yes, there are some good examples of organisations who have some semblance of accountability. But in the most part there are few. Hence why we need to only pay for success that aligns all the competing interests.

#### Pay for success is at the heart of the Low-Income Housing Tax Credit (LIHTC), as argued by housing policy expert Mark Shelburne of Novogradac and Co.

The success of the supply-side mechanism can be demonstrated by its permanence. Since it was established in 1986 over 3 million homes have been produced with bi-partisan support. It is one of the most important sources of funding for affordable housing in American history.

The programme is designed to leverage tax credits to provide a much-needed source of equity for developers who build homes for those on low-incomes. By bringing in private capital into the sector through credits, developers can take on less debt, which in turn translates into lower rents for prospective tenants.

The conditional tax credits are allocated by states on a projectby-project basis. The incentive for private capital to support development and rehabilitation of affordable rental housing utilises two types of tax credit. For new construction a 9% rate applies and provides approximately 70 per cent of a project's eligible cost basis over a 10-year period. The 4% credit applies to rehabilitation of stock, which covers closer to 40 per cent of a project's qualified cost basis.

At its most basic level LIHTC works as follows. A non-profit or for-profit developer identifies and secures a site. Then creates a business plan. Qualifying locations are identified by the relevant local authority or state. The projects then demonstrate how they will provide new or rehabilitated homes at rent-controlled levels at rent burden levels no more than 30% of the local Area Median Income (AMI) poverty threshold - often around 60% of AMI or less.

The proposed business plan includes a capital stack that considers how much equity the developer believes they will generate through the LIHTC programme, as well debt levels. Once the plan is in place the developer applies to the relevant authority, in the US this is the state agency responsible for issuing credits, in the UK this could be the council.

Each relevant authority tailors their local LIHTC programme through what is known as Qualified Allocation Plans (QAP), which sets out the regulations and criteria on which any application for credits is based. Essentially these are the rules or conditions that must be complied with to qualify for the credits. Each round of tax credit allocations is competitively sought by developer-owner-operators, who are then awarded an allocation by the relevant authority based on their terms.

If the developer is successful in receiving an allocation, they can then market their QAP compliant deal to various investors who bid on purchasing the tax credits (tax relief) with equity that will then be used to fund the transaction.

The developer can either work with an investor who invests directly into a partnership or can capitalize the deal through a consortium of third-party investors.

These are often coordinated by syndicators of tax credits or investment banks regulated to do so.

In any typical LIHTC deal an owner operator of low-income rental housing may see each single dollar of tax credit sold for 90 cents. The amount of tax credit allocated is affected by a number of factors, such as the price the developer sells its tax credits, the targeted resident population, and affordability levels associated for the project.

Outside of the local authority set conditions to the tax relief, which can be informed by community consultation – there are other benefits. The compliance mechanism of LIHTC is one that stands head and shoulders above the current UK social housing model.

#### A unique benefit you do not get with direct grant provision or developer contributions is that financial penalties are applied to noncomplaint operators of social housing.

This is due to the fact it is large financial institutions who purchase the tax credits, who expect compliance for the tax benefits over at least ten years. Legal contracts between the purchaser of the tax credits and the developer-owner-operator ensure this mechanism is enforceable. For example, if three years into the tax credit period something goes wrong with the condition of the asset, or the operator breaches a condition of the tax relief sold – then the tax authority is notified. The tax authority then simply tells the investor the tax relief they paid for must be returned. The tax credit investor then sues the owner-operator for any losses.

Because of this financial penalty, for-profit and non-profit, developer-owner-operators do their utmost to avoid running into litigation. It is a powerful self-enforcing mechanism that ensure the programme functions effectively.

For both the developers and the investors, everyone knows it has to be that way. Because the tax credit programme allows for immediate effective enforcement with no consequence for the tenant, local authorities are happy to assist in enforcement.

In addition, unlike grant or Section 106 properties, the tax credit doesn't begin to benefit the investor until the completed property complies with all the rules - including ensuring build quality from outset.

Sadly, grant and Section 106 funding tools have poor quality control measures as the money or the majority of the transaction balance is paid before completion. Too often the housebuilders or developers have no ongoing financial or operational interest in what they are building beyond practical completion of the project. Yet developer-owner-operators of LIHTC funded schemes do.

This creates an alignment of interests of those who are overseeing the quality control, specification, and ultimately design of the project. By design the LIHTC model is a pay for success model in every meaning of the word. It marries public and private interests in an effective coherent way, chiming with Keir Starmer's new approach to government.

Cumbersome registrations with regulators are not required as compliance. As private contract ensures compliance failures are dealt with via the courts. It also does not require the government to increase public sector borrowing.

Foregoing tax receipts, in exchange for moribund uneconomically active equity into construction of new housing, is economically beneficial.

#### For each £1 put into construction £2 goes into the economy. If you are foregoing £1 of tax relief and gaining 90 pence into construction that multiplies into £1.80. UK plc is net £1.70 up in terms of GDP.

The policy innovation fits neatly within Keir Starmer's new approach to government while offering a route to achieve both quality and choice within existing stock. It has the power to reignite and deliver on the same level of ambitions achieved under the last Labour government.

#### Only the LIHTC model pays for success for tenants, it pays for success for local authorities, it pays for success for business, and it pays for success for growth.

If Labour wants a supply-side subsidy on a pay for success basis – then it must adopt a progressive conditional Low-Income Housing Tax Credit system.

## **FOLLOWING THE RULES**



*How do we get the details of planning reform right through flexible zoning? writes Anthony Breach* 

**E** NGLAND NEEDS MORE houses. The biggest barrier to more private and more social homes is the current design of the planning system. Changing this requires planning reform to accomplish two objectives:

The first is increasing certainty in the planning process. The discretionary, case-by-case decision-making of the current system blocks new development by making the process risky, slow, and unviable, and generates political conflict between residents, councils, and developers.

The second is increasing the supply of development land. Urban containment policies such as the green belt have prevented urban areas from growing since the 1950s. Allowing cities to grow, as the centres of the local and national economy, with their lower average carbon emissions, and high demand for urban and suburban living delivers the biggest benefits from increasing housebuilding.

Tinkering and tweaking with the current system can make marginal progress on these two goals. But systemic reform of the planning system is required for the economy and the public to feel major improvements to housebuilding and housing conditions.

In practice, this means replacing the discretionary planning system with a flexible zoning system. This new planning system would have the following features:

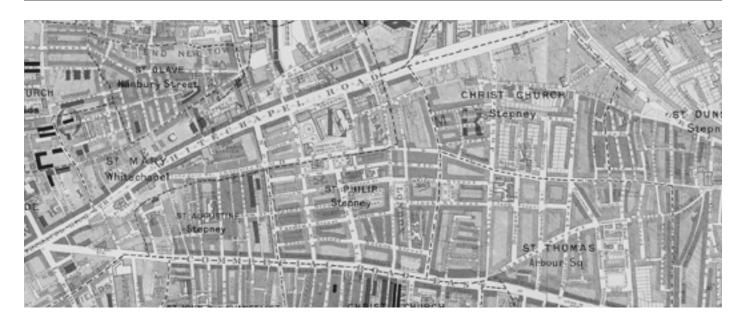
- 1. A brand-new flexible zoning code designed by national and devolved governments for local governments to use in local plans, with a small number of different mixed-use zones that correspond to different types of neighbourhood. For example, skyscrapers would be suitable in a city centre zone and polluting industrial activity in industrial zones, but neither would be allowed alongside homes and light commercial uses in a suburban living zone.
- 2. New rules stating that planning proposals which comply with a zone-based local plan and building regulations must be granted planning permission.
- 3. Local Plans and Local Transport Plans which are currently different documents should be merged into the same document, so that planning for development requires planning for infrastructure and vice versa. These new local plans will be signed off by central government.

- 4. Better organised public consultation which is frontloading it in the creation of the local plan, rather than allowing campaigners to block new homes that comply with the local plan. Similar to Estate Ballots in London, this new deliberative approach will incorporate the views of people currently excluded from the current case-by-case consultation process, including renters, young people living with their parents, and the homeless.
- 5. Phasing of non-developed land into zoned areas, depending on local population growth, affordability, and vacancy rates. Urban extensions masterplanned by local government can play a key role here.
- 6. Land in walkable distances around train stations, including in the green belt, should be zoned for suburban development if it is not protected by other planning designations, such as National Parks. This would provide 1.9m to 2.1 m homes in England, a roughly 8 per cent increase in England's housing stock on less than 2 per cent of the green belt.
- 7. Replacing negotiated 'developer contributions' towards local government with a levy on a development's value for infrastructure and new social housing.
- 8. Maintaining opt outs and special designations where case-by-case decisions continue, such as conservation areas, national parks, and wildlife reserves to protect environmentally or architecturally precious land.
- 9. Design codes that maintain quality aesthetics with rules and guidelines, such as the London Housing Design Guide.
- 10. 'Accountability measures' that will ensure the system still provides housing when local leadership fails, such as the Builder's Remedy, as discussed by Luke Francis.

The logic of the flexible zoning system is to move from the current approach, where all land is off limits for development unless it is granted an uncertain and unlikely planning permission, to one where development of some kind is allowed on all land without special protections, provided it follows the rules.

Both social and private housebuilding will be made much easier as more sites will be available for development. There will be debate at the national level about what the rules will be and at the local level about how they are applied. But there should be a broad consensus for two ideas.

First, that town planning should be governed by rules rather than opinions and interpretations.



And second, that those rules should allow people the freedom to use urban land how they want without undue costs to the local community.

Other countries are already making similar changes, such as Jacinda Ardern's successful planning reforms in New Zealand, or reforms taking place this year in US States as varied as New York, Montana, Arizona, and California. Inflexible zoning systems, like that in Ireland or the existing systems in New York and California, with strict segregation of uses should be avoided.

These changes may seem daunting, especially in light of the political tensions already created by the current planning system. To maximise public buy-in for the changes, there are three principles that should guide the creation of a new flexible zoning system.

First, every place needs to do its fair share. A huge frustration with housebuilding today is that the system concentrates almost all of the new housing that is built in very specific locations.

This produces large congestion and infrastructure costs for existing residents and few visible improvements to affordability, as many councils try to free-ride by building as little as possible.

A flexible zoning system would see construction in more places, but less intensely. Most neighbourhoods would see part of their built environment change – but congestion and infrastructure would feel less local pressure and affordability would visibly improve.

Second, that fair share means expensive places will have to build more, at least initially. Local housing supply needs to match local housing demand. In particular, rural districts in commuting distance of London and other growing cities need to see a big increase in housebuilding, even if they currently have green belts.

This would maximise the benefits for national economic growth, providing resources to deliver on infrastructure and other priorities.

#### Third, the shift towards rules-based decision-making means that planning will become more strategic.

#### The focus for public sector planners will shift to the provision of infrastructure and services to reduce the impact of development on existing residents, rather than micromanaging individual buildings.

Making town planning truly spatial by merging local plans and local transport plans is key to joining new development to new infrastructure, and vice versa. This in turn would dovetail with local government reorganisation, as local plans are written by district councils, and local plans by county councils.

A new flexible zoning system will deliver many more houses more quickly than the current planning system, at lower cost and with greater consent from existing residents. Allowing builders to build if they follow the rules is the subtle but crucial change required.

### **OFF THE RAILS**



Making the most of existing transport infrastructure must be a priority for Labour even if it is in the Green Belt writes Russell Curtis

**S** INCE ITS INTRODUCTION in the post-war period, where it started life as a pragmatic constraint on urban sprawl, the green belt has mutated into an ideological battleground.

Those who consider it to be an unnecessary constraint on progress advocate for its complete removal; others consider it to be sacrosanct, inviolable from development and to be protected at all costs.

#### The Green Belt Challenge

The reality is—of course—more complex than this, yet it cannot be argued that a blanket ban on any form of development within the green belt, or any amendments to its boundaries, is either pragmatic or reasonable.

#### It is increasingly apparent that green belt policy needs to be revisited to ensure that it is delivering the best outcomes for citizens. There is not enough land to deliver the homes that we need.

Local planning authorities, who are responsible for managing green belt boundaries, are unlikely to be able to undertake such a task, needing a unified strategy spanning multiple authorities.

Given the strength of feeling and the geography of England's green belt, this should take the form of a Royal Commission. Only an inquiry with this authority will be able to bring together the relevant parties to properly consider the full range of issues.

As it becomes increasingly difficult to find affordable housing within our cities, those who need to travel frequently to work are forced to live beyond the green belt - in particular, those on lower-paid jobs and the key workers on which cities rely. This adds significant time to the daily commute and acts as a huge drain on productivity and hampers growth.

#### **Station Development**

A core objective of green belt policy is to prevent the merging of adjacent settlements. This is sensible. On the other hand, the almost blanket ban on any significant development within designated green belt represents a misunderstanding of its original purpose.

Many cities are surrounded by smaller towns which sit within the green belt: St Albans, Coventry, Guildford, Potters Bar, Macclesfield: these are all towns which are located entirely within the green belts of England's cities. Green belt inhibits the merging of adjacent settlements, but also prevents the introduction of new settlements within it, even if they possess clear boundaries and sufficient green space to ensure they remain distinct from one another. England's train routes tend to radiate from the centre of its cities. Along many of these are stations which benefit from short travel times to urban centres, but which are located entirely within the green belt or open land.

#### These rural stations provide an obvious opportunity for high-density development close to public transport and within easy reach of places of work.

Multiple studies have shown that these rural stations have the capacity to sustain well over a million new homes. Yet restrictive planning policies, not least green belt protections, prevent this from happening.

10 minutes' walk equates to around 800m (half a mile). A circle around a single station with a diameter of a mile could, even at modest densities, support up to 15,000 homes. That's around half of the total number of homes that will be delivered on the Olympic Park.

Unlike Victorian and pre-war England, where new train lines and stations were built so that the land around them could be developed for housing, we would not need to construct new railways for this purpose. They already exist. But the mechanisms for bringing forward such development are subject to considerable planning constraints which often delay projects for years.

#### **Development Corporations**

To speed up the delivery of homes in these locations we might adopt a Development Corporation model, with planning powers devolved to a specially incorporated body responsible for delivery. These development corporations would be responsible for bringing forward development in these locations within a defined period - perhaps 10 years - acting as a "master developer", acquiring land and setting out a masterplan for each location, accompanied by a strict design code informed by the location and local character.

Design codes should set out building heights, street patterns, the quantum of accommodation, orientation and massing, but not favour any particular style: they should promote specificity and a sense of place, rooted in an understanding of context, but this does not mean that they should attempt to ape local vernacular styles.



To coordinate development along transport networks, development corporations could be established following railway lines. This would allow the introduction of social infrastructure, such as schools and healthcare facilities, which need a certain population to support. For example, Meldreth, Foxton and Shepreth stations, which lie on the London to Cambridge line, could together provide homes for over 50,000 people—yet none of these stations is more than 12 minutes apart.

#### The introduction of new active transport routes, such as cycleways, could also be enabled through the acquisition of land either side of the existing railway, linking these new settlements by sustainable means.

It is not just stations within rural areas that should benefit from development. Transport for London has struggled with securing planning consent for some of its suburban stations.

## Therefore, there should be the introduction of new policies to make such development easier.

This might take the form of a "presumption in favour" of development close to all stations – including those in urban areas, where densities are significantly higher than those in the surrounding areas.

To mitigate the loss of open space in rural areas, for every hectare taken out of green belt for the purposes of development, an equivalent area could be included within it elsewhere, resulting in no net loss of protected space.

Building within ten minutes' walk of England's accessible stations could yield at least 1.2m homes, with the loss of just 680 square kilometres of green belt (in fact it grew by 242 sq km between 2022 and 2023 alone).

There are more reasons to build around stations than not. The mild inconvenience faced by those living in outlying areas who will be unable to use station car parks will be more than mitigated by the huge gains achieved through the provision of new homes, social infrastructure, increased productivity, and economic growth.

Russell Curtis

# LOCAL GOVERNMENT REFLECTIONS ON THE PAST, PRESENT AND FUTURE

## **TAKING BACK CONTROL**



What are the issues facing the construction of council housing? Asks Anthony Okereke

IN EVERY POLITICIAN'S life there is a moment when you realise that policy you have been longing for is about to be implemented, a moment that will change the lives of communities, and translate into action that will help residents start a new chapter in their lives.

For me, that moment occurred in 2018, when Royal Borough of Greenwich Labour Councillors agreed our housing delivery plan. It was a moment of hope and aspiration. A moment that represented our core Labour values, and the start of our vision to develop 750 zero carbon sustainable homes for the future.

#### It was ambitious for our council because until then, we were delivering circa 12 homes annually, and the development expertise that had previously existed, as with many local authorities, had long since disappeared.

We were nowhere near equipped to deliver a large-scale housing delivery programme, but we knew what we wanted to achieve and rose to the challenge.

This is the story of many local authorities, but Labour is leading the way in delivering housing at scale. We have learned a lot, and we can speak to what we have had to overcome to deliver council homes, and we need to take this learning into government. It's fair to say that there are new challenges and opportunities to delivering council housing.

As Leader of the Royal Borough Greenwich Council, we have started moving families into the 750 new zero carbon homes that we are building, and we are working to deliver an additional 1000 homes, but it is by no means easy. You would think that the call to action to deliver more council homes is easy for land and asset owning councils, but it is not, and we are going through a cost of delivery crisis which threatens council house building.

#### I certainly did not come into local government to manage decline. I want to innovate.

So here are the challenges and opportunities facing council housing delivery and I will suggest some policies that can help get us over the line.

As the song by Abba say money, money, money is the key to unlocking many things, but the financing of council homes is formed of individual strands of spider silk to form a web.

Many local authorities fund building through a range of vehicles,

but most use their Housing Revenue Account, which is the selffinancing account that holds and manages rent, service charges and fees from our tenants and leaseholders which is then spent exclusively on building and maintaining council housing.

In Greenwich, we've managed to borrow against our existing council homes, combining that with grant funding from the Mayor of London or Right to Buy receipts. Some other councils have established companies or are delivering homes in partnership with the private sector or through Section 106 and the Community Infrastructure Levy contributions.

But regardless of the method of financing, we can all collectively agree that it is not straightforward. You can build a home and make a profit, but you cannot build a council home and make a profit.

And with the recent 7% cap on council rents and no grant funding replacement, that reduces the amount that can be invested in building council housing. But council rents are subsidised so they will never bring in enough rental income to build a new build council home.

Neither does the sale of a council home under the Right-to-Buy, where part of the receipt can be spent on either new council, shared ownership, or first homes, and the receipt comes with conditions like you cannot combine it with other grant funding. Some of the remaining receipt goes towards administering the Right to Buy sale, servicing the council's housing revenue account debt and some goes back to the Treasury.

So we are not just losing homes, but we are also losing the capital receipt of that home, which could contribute to building more.

#### In Government, Labour should review the use of Right to Buy receipts and remove the restrictions so it can be used more flexibly and creatively to deliver more council homes.

Councils can only borrow so much against their existing assets, pay back the loan payments over 50 years, lose capital receipts from sales of council homes, pay for all services like building, buying construction materials, and repairing homes at market cost, all the while charging below market rents.

Now if an accountant was to look at this account summary, they would raise an early warning sign, but the most troubling aspect is once you have borrowed all you can and established mechanisms of delivery and operational staff with expertise, you then face a slowdown of building council homes because you have exhausted all possible means and have no more financial capacity.

#### The reality is financing the building of council homes is dependent on existing council homes, borrowing, or from the contributions from private development.

We have to ask ourselves, should the building of council homes, something so important to helping people progress in life, be dependent on existing council homes or the drip, drip, drip of what's being delivered through the private market? I hope your answer aligns with my vehement no.

I have always seen the Labour Party as the vehicle for transformative policies and if Labour wants to change lives like we are doing in Greenwich, then we need to simplify the financing of council homes.

We need a huge investment in council housing that is not reliant on existing council homes. This needs to be a government housebuilding programme. Through the proposed Taking Back Control Bill, the next Labour Government should fund local authorities to build and lead the development of sustainable council homes.

Keir Starmer has set out his stall via his five priorities, noting that he will operate a fiscally disciplined government. But being fiscally disciplined means investing in social housing now, to shift the reliance on temporary accommodation by way of the private rented sector, and to house those we have a duty to house under the Housing Act.

Labour should develop a publicly financed house building grant programme providing funding to local authorities to build council homes and take back control.

We also need land to build houses. Local authorities are largely priced out of the market when it comes to purchasing land. There has been many a time in Greenwich where we have attempted to buy land, but the asking price has meant we have lost out.

Yet, some of these parcels of land still sit vacant, with the landowner holding out for the highest bidder, or returning to sell when the market picks up. Land can also increase significantly in value, once it is recognised as having development potential or it has planning permission.

Land needs to be affordable for councils, whereas it is the landowners interest to sell their land to the highest bidder. Taking back control means we need to reform the Land Compensation Act, so that it can be bought more affordably by councils. Such as sharing hope value uplifts from compulsory purchase more equitably.

We also need to debunk the brownfield first approach as anyone advocating this policy is not seriously committed to tackling the housing crisis. Brownfield is much more difficult to build on, because of the often very significant remediation costs. Where resources are finite for council housing, a brownfield first approach will never deliver the amount of council housing needed across the country.

#### We need to accelerate council house building on all types of land. Now is not the time to be conservative about the Green Belt, and Labour needs to be progressive and review it.

We need to acknowledge what has value in being protected and what does not. We need to curate new green spaces that encourage communities to use them and have the facilities that promote public health and the environment, rather than arguing to protect a Green Belt that has low-environmental value and not actively used by the public. We should not protect Green Belt land simply out of principle. This will not tackle homelessness.

We need to recognise that in order to tackle the housing crisis, the planning process needs to work, and we need to encourage all to build, including our communities. That's why our Cabinet Member for Inclusive Economy, Business and Skills, Cllr Mariam Lolavar's contribution to this pamphlet addresses how communities can deliver housing using co-operative models.

However, the planning process which causes many frustrations is riddled with several weaknesses, which I will not explicitly list here, but has been explored by others in the pamphlet.

#### But in order to overcome them, councils need greater resources to bolster planning departments that have suffered from cuts.

And, we need to return to the days where councils lead masterplanning, because they understand their communities best and can respond to changes most effectively with local knowledge. At the moment all too often we are reliant on developers to shape the communities only once there is an interest on a piecemeal basis.

Right now, planning departments are overstretched and playing catch up, which risks losing how we prepare for growth. Councils need the ability to prepare, giving time for good design. This in turn leads to good development, which then leads to greater public health outcomes. In this year's Royal Borough of Greenwich budget, we're investing up to £1million in a new regeneration strategy – but this could be strengthened with support from the Government.

Councils also need to be able to lead the delivery of housing pre and post-planning consent. At the moment, planning teams are already stretched with covering the day to day, there needs to be greater investment to allow councils up and down the country to think bigger and bolder and across the entire planning sector.

#### It means greater investment in the local planning process, bringing private sector, social landlords and community housing delivery partners to together complement our own council house building programmes, and enable us to have the power to take action where the current system has failed.

This is where councils can play a role to take back control with the backing of a new Labour Government.

The suggestions I have made will help us enter a bolder era of council house building, but there is one threat that lies ahead: the shortage of construction skills.

Sadly, we are all fishing from the same pond when developing housing, and the lack of construction skills and a labour shortage fuels inflation, which has a knock on effect on the cost of building. This is where Keir Starmer's growth mission is integral to the delivery of council homes.

Labour must reshape the UK's skills agenda in partnership with the construction sector by investing in training and attracting a new and diverse workforce. All the while allowing local authorities to take back control.

## **CO-OPERATING ON LAND**



A new Labour government must fund councils to nurture community-led solutions to our housing crisis argues Cllr Marian Lolavar

T HE LACK OF affordable housing is a chronic issue that needs multiple solutions from central government and increasing supply alone is not the answer.

As councillors, we see first-hand that people are still struggling to find affordable housing, and our ever-growing council waiting lists are an indicator that the market is failing to provide quality homes that people can afford to buy or rent.

Checks and balances are needed to ensure the housing built is actually affordable (i.e. in line with median local wages as opposed to central government definitions of affordability). I believe it is vital we always keep in mind when we shape housing policy that these are not assets, these are people's homes. Affordable and quality housing is a right, a right that a Labour government needs to return to people.

Without attempting to solve the housing crisis in its entirety, I wanted to put forward one possible solution that I believe we should be championing at a local and national level.

A powerful way to reimagine housing is to detach its connection from the housing market and land value in the form of Community Land Trusts (CLTs).

Originating in the United States, the model emerged during the civil rights movement in an effort to provide housing security to African Americans in the rural south. Now it is a tried and tested concept across the United Kingdom since arriving in 1983.

#### To date, there are 587 CLT projects in England and Wales with 1,100 completed CLT homes, with many more the in pipeline.

In Greenwich, we've sought to build on these values as a cooperative council (with the highest number of Labour and Cooperative councillors in the U.K) and we believe in advancing cooperative principles such as sharing and redistributing power and wealth within society.

A good example of this is a local CLT group, Greenwich Citizen Housing (GCH) who are focused on providing affordable homes that can be bought at a price based on local wages rather than the demands of the market. GCH is working in partnership with London CLT, the first CLT in London to sell homes in their flagship project at St Clements in Tower Hamlets. The partnership with London CLT ensures local groups like GCH remain at the centre of community-led housing delivery while allowing the group to benefit from a wealth of technical and practical knowledge gained from the experience of housing delivery.

#### At the heart of the CLT concept, the land is gifted or sold at a nominal value often by the council to the locally formed CLT. Removing the asset from the land market, the land is then put in trust by and for the community.

The trust is a non-profit community-led organisation that is made up of local residents, often with their own allocation policy to ensure local need is prioritised. As the land is not bought at the market rate, the homes don't need to be sold at the market rate. As the community group is not seeking profit, they are free to value these houses differently.

The CLT becomes a steward of this land or buildings, on behalf of a community, holding it 'in common' so it can remain permanently affordable. In the London CLTs St Clements project, homes were sold at prices that were linked to average local incomes, which equated to £130,000 for a 1 bedroom flat, £182,000 for a 2 bedroom and £235,000 for a 3 bedroom.

The trust structure also allows CLTs to protect these homes for future generations, permanently linking them to local incomes and ensuring they are retained by the trust i.e not sold on afterwards at a vast profit. CLT residents can access and retain full home ownership until they pass on the benefit of a truly affordable home to the next generation, ensuring homes will forever be priced in relation to the median local income.

#### By creating this link to local income, we are providing homes people can actually afford, similar to the concept of the London Living Wage, it's vital that wages are taken into account as part of affordability discussions.

To date, CLTs have remained exempt from Right-to-Buy. However, this is an area where a new Labour government should seek to strengthen these protections, to clearly exempt Community Land Trusts from the Right to Buy.

Currently, Community Land Trusts enjoy the discretion not to offer the Right to Buy, however with the extension to housing association tenants any CLTs partnering with housing associations may be forced to extend Right to Buy to CLT homes. This would directly undermine the ability for the CLT model to offer affordable homes in perpetuity.



Legislation is needed to provide a full exemption of CLT homes from any new Right to Buy scheme and from leasehold enfranchisement. CLTs won't replace housing delivered by councils or the private sector, but it's an important piece of the puzzle that allows people to move into home ownership. It also creates an alternative option to Right to Buy, which continues to deplete councils' housing stock.

There is an acceptance that Right to Buy as a policy is one that needs to be accepted as part of the housing landscape, however it doesn't mean improvements can't be made. Allowing councils to retain the entirety of their Right to Buy receipts, plus protections that would allow councils to pause Right to Buy if their ability to replenish housing stock via a council builds programme is impeded.

We are all waiting for a Labour government to bring about much-needed change this country needs, but we must also always consider alternative future-proofed avenues that ensure routes are left open for the community to provide solutions to their housing needs if we are locked out of power at a central government level in the future. CLTs provide this alternative route by devolving and sharing power.

#### In order to deliver more CLTs across the UK more funding is needed, our project in Greenwich was only made possible by a grant from the GLAs £38 million Community Housing Fund.

It's vital that funding streams like this are maintained and increased by a Labour government, and that there is a clear longterm commitment to provide confidence to groups considering projects in their community. Grant funding is needed for both the capacity building of groups and to fund builds across the UK.

Funding also needs to be considered for local councils, to provide the capacity and skills to support projects like this to fruition. In Greenwich, we were privileged enough to be building council homes with an ambitious project to deliver 1750 council homes. This meant we had already undertaken a significant amount of work to identify small sites in the borough that we could utilise for council housing.

Site identification is key to councils supporting the growth of CLTs in their boroughs, bringing forward sites as well as engaging with communities who are lobbying their councils for areas or buildings they have identified as needing a community solution.

Funding that supports councils' capacity to support projects like these, with both specialised knowledge and dedicated capacity so they are not viewed as a nice-tohave community engagement project but an integral part of our delivery of housing in the borough will help CLTs flourish.

The final element which I believe is key is the importance of community organising. As a local councillor, I've had the privilege to witness the seeds of community action grow in my ward. The result is that GCH will be delivering housing across two sites in Greenwich. This will see disused garage sites in Blackheath and Abbeywood transformed into truly affordable housing, in an area where many are already priced out of the market and are beginning to be as house price rises with the arrival of the Elizabeth Line.

Projects like these allow residents to engage directly with housing delivery and the impacts of regeneration, producing a counter to the narrative that regeneration is something that happens to residents and that they lack the agency to make a difference.

Instead, they are engaged with the process and building skills that can be utilised to support a community-led concept of placemaking so often considered to be only for local governments to deliver in a top-down form.

It has been a privilege for me to be involved with this CLT project from the outset, starting with a meeting with Reverend Kim Hitch and Paulina Tamborrel, organiser from Citizens UK, in room 23 of Greenwich Townhall one dark rainy evening.

At this meeting, it was made clear that residents were not content with the status quo and felt an alternative plan had to be offered as a solution to the housing crisis impacting their local community. Kim wanted to bring Community Land Trusts to Greenwich. This meeting took place in 2018 with myself and then fellow backbench councillor, now leader, Anthony Okereke.

It is now 2023 and that initial conversation has translated into a reality, in the form of Greenwich citizens housing working in partnership with London CLTs to deliver truly affordable CLT housing to Greenwich.

## **ENDING HOUSING INSECURITY**



Solving the housing crisis requires bold political leadership writes Cllr Shama Tatler

**D**<sup>R</sup> MAYA ANGELOU once said, "the ache for home lives in all of us". In 2023 that ache is painfully felt in terms of housing insecurity, high housing costs, and dreams of home ownership destroyed because of political decisions.

Along with the climate emergency, the housing crisis and sheer lack of supply is the biggest barrier to growth and ultimately the life chances of so many in our communities.

Generational inequality is widening, and the Conservatives have no answer for it. Lack of coherent and long-term strategic policy on housing and infrastructure has stifled growth and opportunity for the country and ultimately our communities.

With the strong possibility of Labour coming to power, we must be ready with radical and progressive policies for housing. Something must change. With Labour's five missions, Keir Starmer has laid out the footprint by which housing policy can be shaped. Housing whilst not explicitly mentioned should be a thread through all five missions. Housing can support ambitions on growth, health, security, opportunity, and sustainability.

#### Policy and delivery will require bold and progressive leadership not just on the front bench, but also from local leaders. It will require Labour activists to come out and stand up in communities to support housing.

I have had the privilege of being the Regeneration and Planning lead in Brent for nearly seven years and it has been one of best things I have ever done.

#### There is something heartening to see families moving into secure and affordable homes, directly as the result of decisions we have taken as a Labour administration.

Austerity made things challenging but certainly not impossible. Covid slowed down some delivery, but it has been the disastrous Truss budget that has made things significantly harder.

Pre-the Truss government, Brent had significantly reduced the number of households in temporary accommodation through a combination of building new homes, buying property, and working with landlords. Inflation, interest rate hikes, tax changes, construction costs and landlords exiting the market has resulted in more people coming to Brent presenting as homeless as supply is in acute shortage. We are averaging 130 homelessness applications a week and the daily queue in the civic centre is growing. Housing officers says this is the worse they have ever seen it and all because there is simply not enough supply. Part of the answer is of course, building more social homes, but that does not address the short supply for those wanting to buy or rent and cannot find the homes.

It is especially difficult for young people trying to get on the housing ladder. So, we need a strategic policy approach to not only building homes but also the wider environment for our communities to prosper. Brent now has the highest level of sustained delivery of homes over the last 3 years in England, as evidenced by it attaining the highest New Homes Bonus for 2023/24 to the tune of nearly £8million.

Money that has been invested in the council's own capital programme. We have consistently been on one of London's best on delivering housing and social housing. Moreover, Brent has been successful in collecting the Community Infrastructure Levy as well securing S106 agreements that has delivered more than affordable housing.

Brent's approach to planning, regeneration and growth has seen significant investment in the borough, over £2 billion in Wembley Park alone which not only resulted in significant housing but also growth, employment opportunities and investment in key infrastructure. This success has been as a result of political and organisational decisions.

Clarity of vision, policy, staffing, budgets and strategic relationships have all contributed to successful housing delivery.

#### Clarity of vision and organisational structures

Our approach to regeneration and housing delivery is clear. We will play our part in delivering housing and infrastructure so our residents can thrive. We will work with partners and the communities to plan. We also need housing to begin to counter the impact of austerity as every home built is a home that can deliver council tax and address spiralling housing costs of households living in temporary accommodation.

This approach has been consistent and led to decisions that strengthen the council's ability to deliver housing. The council leadership therefore has also been able to make sure the structures and organisational support is geared to that.

We have some of the most innovative and creative planners, regeneration, housing and property officers who support the council's ambitions. The clear vision has also meant that we have taken the political decision not to make cuts to the planning service as it would be hinder our ability to deliver housing in the long term. This approach and consistency in staffing and structures has strengthened key strategic relationships with the GLA, with DLUC, with developers and public sector partners.

Should Labour come into Government, it needs to make sure they learn from councils like Brent in terms of organisational structures and officers. Brent has not been immune to major national issues the shortage of specialist staff. Planners and building regulations officers are in significant shortage nationally and whilst we have taken every avenue to make sure vacancies are full, it is increasingly becoming harder.

#### In the same way, Labour is committing to a NHS workforce strategy, we certainly need a workforce strategy for Local Government if we are truly going to realise our missions on growth and devolution.

#### **Planning policy**

The planning system and policies in Brent are progressive and symbolise Brent Labour's approach to the built environment. Following extensive evidence gathering and community engagement, Brent adopted its Local Plan in February 2022.

A plan that identifies opportunities and areas for growth that is all underpinned by an infrastructure delivery plan. A policy that has planned for 46000 homes by 2041. Following the successful adoption of the Brent Local Plan, planning officers are now embarking on work on key specific planning guidance documents that are locality or theme based.

Guidance on sustainable and amenity standards, guidance on what Brent wants to see in specific areas that we have identified for growth. This is an approach that has proven successful for Brent as we have planning policy in areas such as Wembley and South Kilburn.

This has meant that there is clear guidance and certainty given not only to residents about what is going to be planned but also to developers (including the council) based on our priorities. Furthermore, regional approach to planning designations have proven successful in Brent.

#### We are one of the few authorities in London to have two designated housing zones, in Alperton and Wembley.

We have been delivering on both. Brent committed 5,593 new homes on specific across both zones, and to date is set to deliver 8,578 new homes on those sites over 50% more, almost 3,000 more homes than committed. This approach has also enabled Brent to plan for investment in key infrastructure such as medical centres, schools, new open spaces, improvement to parks and significant employment opportunities as well as support for our town centres.

It is also worth making the point that we used this planning policy certainty to look at realising other strategic ambitions of growth and we now have a growing creative sector in both zones and an adopted affordable workspace strategy.

Brent's approach to planning policy and guidance has been focused on looking to set the direction about the built environment and trends over the next twenty years. As such we have made it clear where we want to see development, housing and infrastructure by clearing defining growth areas, tall building zones and intensification corridors. Clearly defining sites suitable for development. We took to time to extensively engage with residents and stakeholders, including a leaflet drop to every household inviting residents to workshops within their localities.

This enabled us to communicate the council's objectives and challenges. We also we heard from residents about what they would like to see, and we now have a local plan, that I truly believe is not only progressive and based on evidence but has had meaningful input from residents and councillors including the opposition.

My role, as a the political lead, now is enable these sites come forward and pressing developers, housing associations and the council to make sure they engage residents on the design of the scheme and not whether a site should be developed. That they understand the principles that underpin our planning policy. This is where I think Labour can be bold.

#### Policy and political leadership should direct and dictate the housing market.

#### Land use and brownfield

Quite rightly, residents often talk about infrastructure. Brent has been successful in delivering infrastructure that is within our control and where we can pay for the capital costs through the community infrastructure levy.

However, and understandably, it has been challenging to secure quickly improvements needed in transport, health provision and education as they relevant bodies also have considerable revenue and operational challenges owing to austerity.

London has regional planning policies that also look at delivering industrial capacity which is vital to growth. Brent has been identified to protect and enhance industrial space which can be at odds with our housing target.

Whilst I completely support this ambition, and in Brent we have embarked on creative approached to co-location and modern industrial sites in masterplans, the notion of 'Brownfield first' fails here. There is simply not enough brownfield land to deliver 300,000 homes, developing brownfield sites are notoriously costly and will potentially lose important industrial capacity.

That is why we approached our local plan essentially on land use. This is what Labour needs to do should we get into Government. We need to be bold and really look at how land is used, what our country needs and what we need to protect. We can then meet sustainable, green, infrastructure and growth ambitions.

There needs to be strategic policy and resource for infrastructure that can empower local councils and combined authorities to deliver. In essence we need a Ministry of Housing and Infrastructure.

#### **Decision-making**

Brent's planning committee are also geared to their responsibility in making sure Brent's plays its part in delivering housing. The committee chair makes this clear in his opening remarks and the committee quite rightly ask searching questions of applicants and seek mitigations.

Furthermore, our approach to planning means that the preapplication service and formal process means developments are not heard by the committee unless they are recommended for approval. The penalties for high number of refusals would mean decisions taken away from local authorities and that is something in Brent we do not want. We want to retain the link to local decision making. I know this isn't the case elsewhere. Planning decision making has been used to suppress housing delivery. Objections to local plans have seen stable council administrations lose elections by anti-housing campaigns.

Those who have the loudest voice and often the most secure housing are influencing decisions. The recent capitulation by Gove to the likes on Villiers on planning reform absolutely symbolise this.

#### Policy makers both nationally and locally need to establish processes in the planning system where the voices of those in housing insecurity are heard and carry weight.

#### **Planning reform**

The planning reforms were an opportunity redress the balance and focus on what the planning system was originally set up for. The proposed reforms do nothing to deliver the 300,000 target other than set arbitrary targets on urban areas with a 35% uplift. It has already led to councils rolling back on Local plans and housing targets. The reforms has done nothing other than enabling authorities to back away from their responsibilities. As mentioned earlier there needs to be a strategic approach to housing, infrastructure, and land use.

The planning reforms could've done that. This is where Labour needs to step in. Propose reforms that seek to support delivery of housing and infrastructure. Give local authorities the powers and resourcing to enforce deliver of permissions granted. Where compulsory purchase powers are streamlined, where permissions are presumed approved provided the scheme meets policy guidelines, where there are incentives to build social housing in every development and not just from off-site contributions.

Labour could also press for the simplification of the validation process in applications by making use of technology. This currently ad hoc and where councils have resource.

#### Partnership approach

We cannot let the perfect be the enemy of the good. By suggesting that we should only focus on delivering social housing will not solve the problem. We have to be pragmatic and look at how we deliver at the pace, quantity and quality that supports growth and the ambitions of younger people. The Conservatives and Lib Dems have all but abandoned anyone under 35. Labour must help realise the aspirations and ambitions of young people and of their families. To be pragmatic, we as a party must accept that all housing delivery is positive. If we truly address supply, we can address affordability.

That means supporting councils on council housing delivery on council land but also accepting strategic relationships councils need to have with landowners and developers.

Too often spurious campaigns by Conservatives, Lib Dems and Greens have resulted in campaigns being launched against council housing. We, as Labour activists need to counter this. We need to get involved and publicly support the building of social homes.

In Brent we have approached these strategic relationships and partnerships with the key focus on securing what our borough needs. Clarity on policy requirements has meant that we've seen affordable housing delivered in first phases of schemes, securing infrastructure like medical centres, community spaces and public realm improvements. We've entered into partnerships with housing associations to help delivery and our relationships have meant that using GLA grant funding we have been able to purchase the affordable housing on key sites. Labour needs to draw on the expertise of those in the sector as well as ensure the estate management of public bodies like the NHS, transport, education and utilities and resourced enough to deliver the necessary infrastructure.

#### **Building quality**

Supply is not the only crisis within the housing sector. The quality of build has to be part of the process. We need to make sure that the homes that are built are of good quality. Currently construction costs make building challenging but that does not excuse poor quality.

Brent has one of the best building regulations officers and approach but the fact the developments can be signed off by independent assessors from a desktop can lead to inconsistent standards. The Brent Building Regulations team are getting work assessing developments even outside Brent as it is a sector where there is significant competition. Secondly, following Grenfell the regulations are quite rightly being strengthened but again the issue is capacity and workforce shortages mean the sector needs more resource.

Currently, planning enforcement cases that are appealed are heard by the inspectorate are taking months sometimes over a year to resolve. This delay causes mistrust and frustration with planning and worse still can leave poor quality builds in situ.

#### Labour should legislate that building regulations certification should be completed by local authorities, and alongside that there needs to a drive to recruit and retain building regulations officers, surveyors and planning enforcement officers.

Labour not only needs to look at how we increase supply but also ensure quality of build.

#### **Connecting communities**

Communities absolutely need to be involved in planning and should be connected to the opportunities development can bring. In Brent, we have moved considerably in this area. Namely by establishing community steering groups in our estates where the groups are made up of key stakeholders.

One group has been established by residents voting for their representatives. These groups have been involved in setting out principles, design and advocating for the wider community. This is has built a stronger, more transparent and honest relationship between the council and residents. The current Community Infrastructrue Levy (CIL) system enables councils to allocate 15% of collected CIL to neighbourhood projects and infrastructure. Our policy to date had allocated nearly £20million to community organisations, projects and infrastructure. Things like new football pitches, a second screen a local independent cinema, to heating and chairs for a church hall that supports a dementia group.

Our approach to community involvement has also meant developers are actively working with communities too. One large development in Alperton, now has a Community Trust and the relationship with developer began not long after they purchased the site. It is too easy to say that community involvement is only when there is a consultation on planning applications when scheme comes forward. Councils can insist on good community engagement and involvement before even a design is finalised.

Furthermore, there should be an expectation that developers invest in the local area that support priority needs and therefore help connect existing communities to development.

This should be more than S106 requirements. It would certainly challenge the notion that development does not benefit the wider area.

#### The ache for home lives in all of us

A secure home that is safe, that meets the need of the occupier, and ultimately reduce inequality has to a key priority for Labour. Housing is a human right. It is a scandal that a generation of young people who want and deserve the same opportunities that the previous generation had are being squeezed out. There is palpable anger and growing frustration from young people towards the Conservatives, Liberal Democrats and Green on their housing stance. The leader of the Brent Liberal Democrats, young himself, regularly objects to housing in his ward which is now openly causing other young Liberal Democrats to speak out in frustration. It is a scandal that renters are competing for places, often more than fifty renters for a room. It is a scandal that families are living overcrowded. It is a scandal that council waiting lists are ever increasing because of a sheer lack of supply. It is a scandal that often those who object the loudest already have housing security. It is a scandal that political leadership on housing and planning reform has been so weak.

Housing needs consistent, stable and bold leadership and the Conservatives have repeatedly fallen short. Fifteen housing ministers since 2010 demonstrate the lack of vision and importance of housing. Labour is the party of aspiration and housing is central to that. Voters from all communities want housing security. Labour must be the party that offers solutions to housing supply, be it social housing, renting or home ownership – we must be open to offer and deliver that choice. Housing, infrastructure, and development can deliver Labour's five missions. Reforms to planning policy, workforce strategy, listening to those who have housing need, a strategic land use audit and infrastructure all will help deliver the housing we need.

## Above all else Labour at all levels need to be unashamedly pro-housing.

# Future generations will not forgive us if we are not.

**Cllr Shama Tatler** 

## **GROWTH, HOMES, AND HEALTH**



Labour's five national missions should recognise the connection between growth, homes, and health writes Cllr Promise Knight

**I** F LABOUR FORMS the next government, everything it plans to achieve in two terms will be based on five national missions. The party will need to focus on outcomes. Stability will inevitably need to be at the centre of delivery.

It will also need to develop a new state of play after thirteen years of Conservative malaise. If the five missions or guiding principles are to be effective, growing a struggling economy whilst reducing the cost of living is imperative. Labour, of course, has a strong track record of reducing inequalities whilst furthering economic growth.

Growth has certainly been slower in the last thirteen years than it was in the previous thirteen years, when the Labour Party was in power. Most people in Brent know it, most people in Brent feel it. For them, a joined-up approach which ensures that a growth mission is enabling and catalytic is key. The five missions cannot exist in silos.

It should, for instance, be cognisant of the mechanisms through which housing maintenance, allocation, and delivery, intersects with public health.

Improving the NHS means improving housing and vice versa. There are four areas that will require a great deal of attention if growth, living standards, productivity and wellbeing are to improve.

#### Damp and mould

The link between cold, mouldy, damp homes and poor health outcomes is something that is persistent across local authorities. Households who cannot afford adequate heating have higher than average winter mortality and are at risk of having respiratory diseases such as asthma.

Fuel poverty affects approximately 2.53 million UK households. Households in the social housing sector are more vulnerable to fuel poverty and fuel poverty combined with housing faults harms health well-being among social housing tenants.

In Brent, the number of residents requiring fuel support grants has more than quadrupled. A large number are applying for this alongside housing support such as rent arrears. Many people in Brent, and up and down the country, are having to make tough decisions about whether to eat and/or heat their homes. This has an impact on both quality of life and quality of build.

Poor energy efficiency buildings which include poor insulation and heat loss compounds the problem for those living in social housing. The government's decarbonisation fund only covers a small proportion of the costs required for retrofits across the sector. Despite our work in Brent to pilot retrofit works on a small number of properties by upgrading ventilations systems, kitchen and bathrooms, and insulation of internal/external walls, the costs far outweigh the ability to deliver for our residents. The pace of retrofitting is indeed "lagging" in our borough and across the country and this needs to change. The tragic death of Awaab Ishak rightly shone a light on stock conditions and the consequences of severe disrepair. The Government's proposed Awaab Law will force social landlords like Brent to fix damp and mould within strict time limits as part of a new amendment to the Social Housing Regulation Bill. This should include private landlords.

A growth mission that is inclusive of healthy homes needs to take bold steps to mitigate against blind spots. One that prioritises infrastructure scale up and sustained funding. In Brent we are adamant that the focus should move beyond tenants' lifestyles to structural improvements of housing stock.

This is why our damp and mould pilot in which smart sensors are installed in Council properties to measure heat, humidity, and airflow alongside boiler usage is a crucial component in tackling the issue. This coupled with a mould detection AI system that smells mould can improve wellbeing through early intervention.

Healthy homes should indeed be the bedrock of Labour's five missions for the country if we are to increase growth and build an NHS that is fit for the future. A triple win approach to policy should include action on housing, health, and growth; and should adopt a collective stance. One that is at the forefront in its address of the complex interaction between health, housing, and broader environmental needs.

#### Labour can lead the building and maintenance of healthy homes through a triple win approach to policymaking that includes action on housing, health, and growth.

Labour must be clear in its position that piecemeal grants available on small scale to make existing homes better leads to lagging on deliverables. Retrofits by social landlords need to take an equitable public health approach and a one-off covid style grant to social landlords to fix structural issues should be made a priority. Alongside a local-authority allocated subsidy that can be applied to repair both social housing stock, as well as private rented stock on the condition they are re-let at social rent levels.

#### Renters' insecurity

The private rented sector is one of the most insecure and poorly maintained housing tenures in the country. The impact of poor housing is estimated to cost the NHS  $\pounds$ 1.4 billion annually.



Whilst poor housing is a feature across all tenures, the situation is particularly bad for people who rent privately from a landlord or letting agent. The number of people living in the private-rented sector increased from 2.8 million in 2007 to 4.4 million in 2021.

Closer to home in Brent, 43% of all dwellings are privately rented, this is higher than the national average of 20%. Yet, 21% of dwellings in the private-rented sector in England fall below the Decent Homes Standard.

Renters' insecurity has public health implications. Housing insecurity is an important cause of mental ill health. With links made to increased anxiety, depression, stress, insomnia, and panic attacks, it is not surprising that people living in this tenure experience higher levels of psychological distress than those who own their homes.

Despite this, the impact of legislative controls though existing selective licensing schemes in specific localities such as Brent is limited by the inability of such intervention to be made boroughwide without secretary of state approval.

Selective licensing requires landlord registration, payment of license fees, local authority inspection, and requires landlords to conduct any necessary renovation works to meet housing standards. Brent's current selective licensing proposal, if approved, will be one of the largest schemes in the country (47,090 properties). A growth minded mission must ensure that improving standards within the private rented sector and taking rogue landlords to task is a strong priority.

Labour can lead the way on a healthy private rented sector by truly breaking down the barriers between policy and people, government, and localities; some locus of control should be given to local authorities in this area.

Labour should ensure that targeted improvements are robust and measurable when implemented. Brent is in the top three LAs in London for landlord prosecution. We are one of the leading authorities for issuing Civil Penalty Notices (CPNs) for noncompliance, yet our ability to continue to deliver for residents is restricted. The 2015 legislation part of the Housing Act 2004 stipulates that locally approved licensing schemes should target no more than 20% of the privately rented housing stock (or geographical area) in a local authority. This limits how quickly we can assist those renters who need it the most.

Labour should recognise that improving standards will have an impact on the NHS and health equity. Changes can be brought about by empowering local authorities to fix problems through extending selective licensing thresholds.

Local authorities should be able to introduce selective licensing scheme in 20%–30% of their jurisdiction without approval from central government. If we are to truly break down the barriers between policy and people, government and localities, some locus of control should be afforded local authorities in this area.

Equally, if Labour's ambition to close the gap between the median British family income and that of Germany is to be realised, Labour should recognise that improving renting standards improves living standards. Like Germany, it should ensure that the longer a tenant resides in a property, the longer the legal notice period for contract termination becomes.

### Cuckooing vulnerable tenants & Homelessness and mental wellbeing

Cuckooing and homelessness are linked to several health concerns. Cuckooing is a hostile home takeover by drug dealers whereby a vulnerable individual is befriended, and the individual's home is used to conduct illegal drug activity.

We are perhaps more familiar with its links to the so-called 'County Lines' supply method where Council owned homes are, at times, outposts for drug dealing. Whilst the obvious connection to serious violence and crime is rightly recognised, cuckooing's ability to seriously impact the wellbeing of vulnerable Council tenants is evident in Brent.

In Brent we have seen good examples of tackling County Lines, thanks to Labour ideas. Mayor of London Sadiq Khan's rescue and response support service has provided funding to enable prevention work with high-risk individuals.

Despite this, we are seeing an increase in cuckooing in our properties. Drug gangs are intentionally targeting people with complex health, housing, and social care issues such as mental health, disabled, re-housed homeless tenants, elderly people with care needs such as dementia.

In Brent and across the country, tenancy sustainment needs to take a public health approach. Cuckooing victim profiles and a whole system approach that joins up primary care services with tenancy sustainment is needed.

Referrals do not always account for the complex health needs that cuckooing victims may have nor feelings of isolation and loneliness. Previous housing legislation introduced by Labour gave powers to social landlords to seek injunctions against unlawful use of their premises. Nonetheless, a healthy homes policy now needs to ensure that context and place matters. Traditional Housing Officer roles need to change to include complex housing, health, and social care needs. A Housing Officers plus model will require frequent tenancy audits and reviews with cost implications.

The cost of homelessness to the NHS and social care is sizeable. 41% of homeless people reported a long-term physical health problem and 45% had a diagnosed mental health problem, compared with 28% and 25%, respectively, in the general population.

The last conservative estimate (2010) of the healthcare cost associated with this population was £86 million per year. In Brent and across the capital, homeless figures are going up exponentially due to a cost of living crisis that is putting immense pressure on both individuals and families.

On average we receive about 150-160 homeless applications/ presentations per week, 50% of which are from single vulnerable individuals. This is a 33% quarterly increase, and we are not alone.

The picture across London, for example, is stark. London is the epicentre of homelessness. The situation has been compounded by the limited supply of affordable social housing and the contraction of the private rented market.

Despite the overwhelming evidence that poor or no housing can affect lifelong health, and wellbeing, more needs to be done to weaken the inextricable link between precarious housing circumstances and inequitable health outcomes.

Brent and a limited number of local authorities have tried to weaken this link by offering a single community-based provision with specialist wrap around care. Brent's triage approach shows that there is a need to join up services and ensure a communitycentred approach.

Labour can lead the way on healthy tenancy sustainment and homeless provision by weakening the link between homelessness and poor health outcomes through progressive social housing policies that link, once again, economic growth to social change. Labour should recognise that tackling cuckooing, and its impact on the wellbeing of vulnerable adults, requires a joined-up approach between housing, health, and social care. Social tenants are 1.5 times more likely to suffer with poor mental health.

Despite the recognised link between housing and mental health, local government's ability to exert change is limited by the sustained austerity agenda, budget constraints, and policy decisions made at a national level. Housing management, security, and homelessness remain second in terms of budget priorities after adult social care.

Labour must weaken the link between homelessness and poor health outcomes by reversing the reduction of progressive social housing policies and link, once again, economic growth to social change.

Greater access to community health resources through extending the current remit of NHS Social Proscribing Link workers that connect individuals with complex needs to statutory services should be considered. Proscribers should be embedded in local authority ways of working to understand the reality of housing needs and pressures.

#### Compassion and pragmatism in equal measures

Labour's five missions for the country should be delivered with the following in mind:

- 1. Change in current and future housing services.
- 2. Wider environmental policies, including housing affordability and suitability.
- 3. Health equity and housing security.

Health should be at the centre of any delivery strategy on housing. One that considers the experiences of local authorities that have a track record of delivering on the ground.

Progressive values, I believe, includes both compassion and pragmatism in equal measures. Change should be an iterative process that includes continuous policy development, and the kind of involvement enhanced by community experience.

If Labour forms the next government, it will need to move away from the "sticking plaster" responses we have seen over the past thirteen years to issues of fuel poverty, retrofitting and repairs, renters' insecurity, tenant exploitation, homelessness and entrenched rough sleeping.

One thing is for sure, thirteen years of "sticking plaster politics" is ineffective. Local authorities have had to deliver under a prolonged austerity landscape. The first mission should be how to bring forward better funding for key services like health and housing.

## **RETHINKING AFFORDABLE HOUSING**

Five areas for Labour to rethink affordable housing relationships with local government



As a priority the next Labour government must look at how we rethink local authority roles, relationships, and powers over affordable housing argues John Biggs

**I** WRITE AS a former leader of a working-class inner-city borough where over the past four decades regeneration has created a frenzy of development. This has done wonders for housing growth. Population has more than doubled. With massive growth of private housing affluence has arrived but with just as many poor residents as there were before.

In this changed landscape, most new homes are in the private sector. Four decades ago over 90% of homes were public but now about 30% are. Although there is a programme of council house building, and buybacks, direct housing provision by the council is much reduced.

Over half of the council homes were sold under the Right to Buy, which obviously empowers individuals who can exercise it, but massively depletes homes for future generations.

The private rented sector has ballooned, with high and growing market rents. Some of this is 'high-end' but a significant amount is less desirable, including significant Houses in Multiple Occupation (HMOs), often in former council flats.

These provide a vital stream of relatively affordable homes, but often present management challenges through high turnover and poor maintenance.

Housing Association (HA) provision has grown massively too, recently by around 1,000 homes a year, largely as affordable housing alongside private schemes, but also including historic stock transfers of about half the former council homes. It has moved from a niche to the major provider of affordable homes.

Alongside the changed landscape of supply, there are consistently over 2,000 homeless families waiting for a social rented or affordable home, and almost 20,000 on the waiting list. Those numbers haven't changed massively in years, and echo similar challenges with supply of affordable homes nationally.

### And so there has been an astonishing transformation, from a largely municipal housing stock to a smorgasbord of tenures, price-points and quality, alongside a reduced supply of affordable homes.

This is probably the most extreme transformation anywhere in the UK. But its challenges are echoed elsewhere, with a fragmented and market-driven approach creating a new set of problems.

Changes in the area, and the wider economic and statutory landscape, have changed the housing roles and pressures of local authorities and this article asks whether we need to rethink local authority roles and powers in five key areas:

- 1. With a far greater range of affordable housing landlords, and much increased scale, does the relationship with HAs need to change?
- 2. With a nominations process that worked when there was a far better match of supply and demand, is a single-authority lettings pool still fit for purpose?
- 3. With an increased proportion of social housing tenants experiencing multiple needs alongside their housing needs, do the current range of supporting services need a more formal definition?
- 4. With the growth of a far larger private rented sector, of varying quality, do local authorities need stronger regulatory and oversight powers?
- 5. Could Right to Buy policies and reinvestment of receipts be better directed to meet local needs?

## Labour must look at redrawing relationships between local authorities and housing associations

There is for many councils a continuing landlord role. Many are building new homes. But many nowadays have none. And even where the council maintains council housing the strain has increasingly been taken by HAs, moving from a 'niche' to an increasingly dominant role in providing affordable housing.

Local authorities already work with their HAs, with nomination agreements, partnerships and development relationships, but while HAs to varying degrees maintain a local and communityfocused ethos, they are to a greater degree subject to national oversight and regulation, operating as businesses, working with banks and developers alongside or sometimes to the exclusion of more traditional community relationships.

And the offer made by HAs varies greatly: some are very local and community based, with others operating national or regional operations. Recent media highlights the challenges faced by some HAs.

Developers often conclude their affordable housing obligations with a bidding competition between different HAs. This further severs local relationships, with local authorities, other than through the planning process, generally playing no role in the outcome. As does the never-ending series of mergers between and takeovers of struggling social landlords.

### The first key question is whether, and how, relationships between local authorities and affordable housing landlords should be more formally redrawn to meet local needs?

## Labour should reform nominations, access to affordable housing, and performance of statutory duties

Councils still have statutory housing duties, for homelessness, overcrowding or other priority needs, and operate waiting lists for nomination to a home.

For many in statutory need, particularly the homeless, emergency accommodation will be provided as an interim, often outside of the area, often for several years with, increasingly, only one offer of a permanent home then being made. Often this is outside of the area and in the private sector. For existing tenants without the highest priority needing a transfer to a more suitable home, the wait can easily exceed a decade.

It is more and more challenging for those without economic muscle to stay in high demand areas. Spending years waiting for a permanent or suitable home in a high demand area, throughout childhood, while nursing a disability, in an unfit home, or juggling benefit traps, is no way to live. Many make a personal choice to move away, as they always have. Many homeless families are relocated out of area by nomination to private sector tenancies. Mobility for other families, unable to make a personal choice and needing social housing, is theoretically possible in reality there are very few inter-authority transfers in high demand areas.

Urban areas are historically defined by mobility, as people move through life, often to the suburbs, but for those in housing need the system is broken.

Historically, when demand was lower, it was easier but nowadays social-housing nominations with occasional exceptions, are largely ring-fenced within each authority's boundaries, which means it is virtually impossible to secure a social tenancy outside of your home borough.

From my experience questions must be asked whether the current single-authority centered management of statutory housing powers and nominations is sustainable, or not, under the current model.

The second question is when choice is increasingly limited should a bigger pool of several local authorities in an area work together, with a presumption of greater mobility, or do we focus on increasing choice within individual authorities?

## Labour's new approach to government should focus on meeting wider social needs

As supply decreases a higher proportion of those who are housed have wider needs, such as entrenched poverty, longterm disability, distance from employability, and need support beyond traditional 'core' landlord functions.

This may come from their landlord, advice agencies, councils or voluntary sector organisations. But the availability of such support varies massively across the country, and many have to largely fend for themselves.

## Third, should we develop better coordinated local support for those who struggle with their housing as part of a wider set of problems?

#### Regulatory and enforcement powers

A high proportion of social housing, and not just council housing, is aging and in need of investment, and quite regularly will fall below Decent Home or other regulatory standards. Post-Grenfell, and following the tragic events in Rochdale, the interplay of housing fabric and social and physical need is further shifted into focus. Social housing consumer standards, and expectations, the growing powers of regulators and Ombudsman services, are responses to these events, and more can be expected. On top of this there are considerable quality issues in the far less regulated private rented sector. Particularly for more vulnerable tenants.

Fourth, in regulating the performance of private and public landlords, are current powers sufficient or should environmental health and other regulatory and enforcement powers exercised by local authorities be extended and enhanced, given their local focus, alongside other regulatory bodies?

Labour should explore ways to utilize Right to Buy receipts as a fiscal tool

While popular and empowering for those who have exercised it, the policy has both seriously depleted council owned social housing numbers, and created in some cases management problems. For example with fragmented estate ownership, HMOs in privately rented units, and poor maintenance.

The presence of Right to Buy properties also severely affects the financing and management of estate regeneration projects.

Rules about the use of Right to Buy receipts, while recently somewhat relaxed, together with the discount, often enhanced through protected valuations, and a shortage of affordable land, make replacement of lost units expensive and difficult.

Many councils are nowadays repurchasing former Right to Buy properties to provide 'new' units. Others use receipts with further borrowing to build or buy new homes. Others use receipts as HA grant to provide new units through partnership. In each case the local authority is 'chasing its tail' to try to meet local need.

Fifth, a review of alternative options, for example changing valuations and discounts, the development of 'transferrable discounts' (effectively a premium for surrendering a tenancy) should take place. **F** 

## **ENDING YOUTH HOMELESSNESS**



The complex impacts of the housing shortage has affected young people in awful ways- it is up to the next Labour government to solve them writes Dr Thomas Kerridge

C ENTREPOINT IS THE leading national charity working with homeless young people aged 16 to 25. We are a registered social housing provider, a charity enterprise and a company limited by guarantee. Established nearly 50 years ago, we provide accommodation and support to help homeless young people get their lives back on track.

Every year, alongside our partner organisations, we work with over 9,000 young people, providing tailored support to help them address their support needs, with a particular focus on health, learning, housing and employment. In doing this we aim to help young people to explore their aspirations, achieve their goals and lead meaningful lives.

## For the young people accessing Centrepoint's services, Britain's housing crisis is a significant and highly complex impediment to living independently.

Decades of under investment in the country's housing stock, limited social security support for under 25s, the increasing cost of living and the rising rate of 16-25 year olds experiencing homelessness mean that young people with experiences of homelessness increasingly face the brunt of this national crisis.

We welcome the opportunity to support the member policy group in writing this pamphlet, and are happy that figures within Labour the party and the housing sector are taking the time to examine issues related to housing, particularly those experienced by disadvantaged groups such as young people.

#### The Increasing Scale of Youth Homelessness

Before exploring approaches to tackling youth homelessness, it is important that we first understand the scale of young people's homelessness in the country.

Centrepoint's 2022 Youth Homelessness Databank estimates that 129,000 young people aged 16-24 presented to their local authority as homeless or at risk of homelessness between April 2021 and March 2022. This represents a six per cent increase compared to the previous financial year, when almost 122,000 young people faced homelessness.

London was the region with the highest number of presentations, with a 20% increase in the number of young people presenting as homeless or at risk, going from 15,200 to 18,300.

Between April 2021 and March 2022, the main five reasons for loss/threat of loss of last settled home for young people owed a homelessness duty in England were: Family no longer willing or able to accommodate (46%); Domestic abuse (11%); Eviction

from a private, social or supported housing tenancy (7%); Friends no longer willing or able to accommodate (6%); Nonviolent relationship breakdown with partner (4%).

As in previous years, family no longer willing or being able to accommodate the young person remains the most mentioned reason for homelessness. It has, however, experienced a slight decrease compared to the financial year 2020/2021 (49%).

Among the regions in England, London presented the highest proportion with family not willing or able to accommodate being attributable to more than a half of the young people who lost or were threatened to lose their last settled home.

While 61% of the young people who presented as homeless or at risk of homelessness were offered a prevention or relief duty, this does not always equate to them receiving the support they're entitled to. In fact, only 38% of presentations were resolved successfully by local authorities in England, resulting in the young person being housed or being owed a main housing duty.

These statistics paint a stark and complex picture of the scale of youth homelessness in the country. Therefore, the question is - can a prospective Labour Government build or repurpose enough types of specialist and general needs accommodation (social, semi-independent and supported, amongst others) at a realistic rate to meet rising demand in the short/medium term?

Equally, can a Labour Government proactively address the causes of youth homelessness, engaging in demand-side approaches that reduce the need for housing by those assessed as requiring homelessness support.

#### **Innovative Partnering Solutions to Reducing Homelessness**

Centrepoint has long worked to address the causes of homelessness for young people. In doing this, we have sought to develop innovative solutions to reducing homelessness and addressing the housing crisis. These approaches work in concert with public and private sector organisations, and demonstrate the power of effective multisector partnerships:

#### **Prevention Pilots**

To combat homelessness experienced by young people, Centrepoint also provides genuinely affordable housing to young people through its Independent Living Programme – this is in addition to Centrepoint's existing supported accommodation.

The young people that access Independent Living accommodation, such as those living in the self-contained flats provided at Peckham's Reuben House, have to be in work or an apprenticeship as a condition of their tenancy and pay rent amounting to 1/3rd of their salary.

Young people can stay in independent living accommodation for 2 years while they develop their careers, build their confidence and increase their ability to move into the private rental sector, plus another 3 years, separated into 1-year increments, if they need more time to achieve this.

These shorter tenancies were designed to make sure there was a consistent flow of move through opportunities for young people in supported accommodation who were ready to live independently and develop themselves but could not do so – due to issues with the private rental sector and the fact that it does not pay to work while living in supported accommodation.

The success of this programme is contingent on support from Government, Local Government and private organisations.

Centrepoint require support from Central and Local Government to access capital funding for the expansion of Independent Living and to acquire land.

Land has been previously provided to Centrepoint by Local Authorities at heavily discounted rates as a recognition of the value of the programme in addressing young people's homelessness.

Centrepoint recognises the need to work in partnership with private organisations who provide funding for the programme, enabling us to heavily subsidise rents.

#### Public and Private Sectors must Collaborate on Homelessness

Centrepoint, therefore, believes that it is right for the prospective Labour Government to focus on the value of collaboration in the public and private sectors.

We know that innovation transpires when organisations are empowered to work proactively – through the provision of government and private sector support and funding. As such, we support this focus on partnership, and hope that the cases discussed above can act as examples of effective collaboration.

Beyond innovation, it is also vital that sectors collaborate to support young people to sustain and make the most of social tenancies. A prospective Labour Government should, therefore, support Local Authorities and housing providers to prepare young people to live independently in social housing.

This can be achieved by enabling Local Authorities and providers of supported accommodation to continue focusing on building the capacity of young people – via approaches that increase confidence in tasks like budgeting, interacting with statutory services and understanding the social security system, and that promote aspiration through skills and employability training.

Perhaps more importantly, however, this goal can be realised by creating multi-sector integrated pathways to housing that not only incorporate Local authorities, housing providers and charities, but encompass health and social care.

Centrepoint has observed a growing mental health crisis for young people that strips them of the opportunity to live independently and lead meaningful lives. Equally, we have seen that public services have increasingly found it difficult to cope with growing demand for mental health care – often leading to the rationing of services and gatekeeping. A prospective Labour Government must provide adequate funding for mental health services, while also advocating for closer ties between providers, councils and statutory services aimed at supporting young people to transition into independence.

#### The importance of building a plurality of social homes

Centrepoint recognises the need for a greater supply of social housing in high demand areas. For the majority of the young people that Centrepoint support, however, there is a particular issue with the supply of smaller properties. This is because they are frequently single and, therefore, cannot apply for, bid on and access homes larger than 1 bedroom.

### Shortage of Smaller Accommodation

Size	Private Registered Providers General Needs	Local Authority General Needs
Studio	17,571	28,991
1 Bedroom	419,725	373,771
2 Bedroom	686,889	494,116
3 Bedroom	628,875	483,967

Source: Regulator for Social Housing

In 2022 housing provider stock consisted of far fewer smaller properties, such as studios and those with one bedroom, than larger two and three bedroom homes. This means that single young people who are not eligible to bid for larger homes are fighting for an increasingly restricted array of smaller properties.

## It is, therefore, important that future planning policy recognises the importance of building one-bedroom or studio homes.

In addition to supply-side reform, a Labour Government could work with Local Authorities to better scrutinise how existing social housing is utilised locally – enabling Local Authorities to identify over- and under-occupancy while providing funding to incentivise vacancies.

## **REJUVENATING RIGHT TO BUY**



*Giving local authority decisions over discounts and recycling Right to Buy receipts will help increase home ownership levels and health outcomes writes Adam Allnutt* 

R IGHT TO BUY was brought in by Margret Thatcher in 1980 as a flagship policy to expand home ownership, turning Britain into a property-owning democracy. It was hugely popular and, in my view, rightly so. It gave working class communities a chance to get on the property ladder and have a stake in their communities.

### However, it does have its roots in progressive politics. Originally, the Right to Buy scheme was proposed by Labour in its 1959 manifesto under Hugh Gaitskell.

But it was Thatcher who oversaw the biggest transfer of capital wealth from the state to working classes, enabling social mobility, and improved health outcomes.

Today, Keir Starmer's decision to focus on increasing home ownership levels is the correct one. And Labour should continue to support increasing home ownership through Right to Buy. Why? Because the evidence shows it is the right thing to do.

Right to Buy increases levels of home ownership. Over its entire lifetime Right to Buy increased home ownership as a share of housing tenure by 15 per cent, while generating the largest contribution to privatisation revenue in the UK.

Meanwhile, research by Munford, Fichera and Sutton shows that Right to Buy has led to better health outcomes as a result. For every 10 per cent increase in home ownership levels, it showed a 2 per cent reduction in the number of people reporting having longstanding health conditions. It is also what people want.

YouGov data in 2021 shows that among people who don't currently own a home - 76 per cent want to be a home owner. Meanwhile as little as 14 per cent of people in the UK said they did not want to own their own home.

It is undeniable that a focus by Keir Starmer on home ownership will be a vote winner. We know home ownership levels have directly related to the strength of local communities, social capital, and political engagement. But in supporting Right to Buy we are also giving working class people an opportunity to benefit from the prosperity of the country. As a nation's income rises so does its property values. In addition to which, only by dispersing the ownership of wealth and capital can we prevent a small part of society from controlling the economy, and indirectly, pollical life as well.

But Right to Buy has been by no means perfect. Successive governments have diverted capital receipts away from local government. As discussed by current and former leaders and council cabinet members in this pamphlet.

Further to which, research by the LGA has suggested that by 2030 over 100,000 homes are likely to be sold through the current scheme. Yet only 43,000 shall be replaced. This is why reform to Right to Buy to ensure adequate replacement is necessary.

A new Labour Right to Buy scheme would allow local authorities to be given the ability to combine Right to Buy receipts with grant and transfers from other funding pots to give them greater flexibility over how council housing is delivered.

Yes, exemptions can still be made, as argued by Cllr Marian Lolavar with regard to Community Land Trusts. But with only 30 authorities collecting receipts in excess of 40 per cent of replacement costs we must look towards ways to innovate. Ways that will ultimately provide local authorities with flexibility and choice.

A new Labour Right to Buy scheme should allow councils to set discounts locally and retain 100 per cent of sales receipts. That way local decision making can determine how to make best use of the funds available for replacement.

As a result, a new Labour Right to Buy will encourage social mobility, be popular with people who aspire to home ownership, and increase overall levels of home ownership.

## **REFORMING PROPERTY TAXES**



We have wasted 31 years adopting regressive models of council tax argues Tom Spencer

H AROLD WILSON USED the slogan 'Thirteen wasted years' throughout the 1964 election to signal that technological development and economic growth would be championed by his Government if they were to be elected. Thirteen years on from Labour's last term in Government we are in a very similar place. Under successive Tory Governments, growth has been slow, and as such our living standards relative to our neighbours have declined. Channelling his inner Harold Wilson, Keir Starmer has unveiled his five missions for a better Britain that seek to make the UK the fastest-growing economy in the G7.

We are yet to have visibility on the concrete plans, but ideas have been put forward. Michael Saunders, former member of the Bank of England's monetary policy committee (MPC) and now senior policy adviser to Oxford Economics, has outlined a seven point 'Plan for Growth.'

Reforming UK property taxes is one of his key recommendations and Saunders writes, "both the OECD and IMF have proposed the UK should shift from the current Stamp Duty system to a tax based on property values (or a Land Value Tax) that is not dependent on whether people move home." Similarly, David Smith, Economics Editor of the Sunday Times, has argued that "we should move away from Stamp Duty, a tax on transactions, to other ways of taxing property" in his own plan for growth. To its credit Stamp Duty is at least somewhat progressive since buyers only pay on purchases over £250,000, or over £425,000 if you are a first-time buyer.

However, the tax is a disincentive to moving home. It creates a barrier for young families in starter homes to move up the housing ladder, and is also a barrier for those in under-occupied homes who wish to downsize, creating a much less dynamic housing market where people are unlikely to move as often as they and their families would like This leads to under-occupation of property by older generations and over-occupation by younger generations, especially in many of our cities.

Yet Stamp Duty, which hinders growth, is not the only property tax in need of reform. Council tax has existed since 1992 and in theory taxes houses progressively based upon their value. However, the valuations have not been updated since 1991 and the bands are not sufficiently wide.

This means that not only does the tax fail to tax people proportionate to their wealth, it also insufficiently distinguishes between different property values. This regressive system is designed so that payments increase slower than property values, and thus the greater the property value increases, the less the share of its value must be paid. To make things worse there are vast regional inequalities in how Council Tax is levied - for example, a £30 million townhouse in Westminster will be liable for less tax this year than a modest £120,000 home in County Durham.

Since its introduction the average household in Westminster has paid 2.5 times less Council Tax than the average home in Hartlepool.

Reforming the punitive Stamp Duty and the regressive Council Tax would be an easy way of creating growth in a way that helps the communities who need it most. Putting more pounds in people's pockets supports local communities and improves health and educational outcomes.

It also encourages entrepreneurs to create businesses and facilitates the movement of employees around the country. This leads to greater economic growth, and a better chance of realising the goal of becoming the fastest growing country in the G7. However, simple abolition is insufficient. We saw from the turmoil that followed Liz Truss' leadership that fiscal responsibility is essential. The best idea available seems to be Fairer Share's Proportional Property Tax. This is a fully-costed plan that would introduce a 0.48% tax on annualised property values as a replacement for both Stamp Duty and Council Tax.

## Fairer Share's modelling reveals the enormous benefits for households across the country. Firstly, it would mean annual tax cuts for more than 77 percent of homes with the average household saving over £560 every year.

Moreover, this will be extremely positive for growth. By eliminating Stamp Duty, the IPPR estimates that GDP will grow by more than  $\pounds$ 3.2 billion thanks to increased market activity. This would go a long way, therefore, to both ending an exploitative and unfair form of taxation and also meeting Labour's target of becoming the fastest growing economy in the G7.

Finally, the polling suggests this would be electorally advantageous for Labour. Whilst following polls is a poor substitute for governing, when good policy polls well it simply becomes more attractive as an implementable instrument. MRP Polling conducted by JL Partners revealed that should Labour introduce a Proportional Property Tax, it could help the party



gain as many as 52 seats including 43 in the so-called 'Red Wall'. They could also make gains in Scotland and would see their vote share increase by 15% among swing voters.

Keir Starmer's focus on growth is a sign that, should Labour win the next election, we will finally have a Government dedicated to combating Britain's relative decline over the past two decades. The last time Labour took advantage of this messaging they won dramatically. Labour must use this approach today, and bring an end to not just 13 wasted years of the current Conservative Party, but to 31 wasted years stuck with an inequitable and regressive system of property taxation.

## **GENERATION BUILD**



*The future of Britain's young workers' requires an end to the housing crisis writes Cllr Joe Dharampal-Hornby* 

 $\label{eq:constraint} \begin{array}{l} \label{eq:constraint} \mathbf{Y}_{2010, \text{ with pay stagnating, a rise in insecure employment,} \\ \text{and cuts to basic services. This is compounded by the housing crisis, which disproportionately punishes young people and threatens economic and societal stability.} \end{array}$ 

A failure to maintain and expand social housing stock has forced many low-paid workers into the private rental market, facing greater cost and uncertainty than previous generations.

## Coupled with weak private supply, millions of young workers are led to compete for poor-quality, costly accommodation, with little prospect of homeownership, which has long been a pillar of UK economic stability.

The impacts of this crisis go beyond the monthly housing cost. During the COVID-19 pandemic, for example, many younger people had much more miserable experiences, spending 23 hours/day in sub-standard accommodation, often with only a bedroom for privacy, and at a higher risk of infection due to overcrowding.

Despite the welcome rise in flexible working, campaigned for by the trade union movement and accelerated by the pandemic, many young people cannot take full advantage due to cramped living conditions.

The rental market, dominated by short-term tenancies and landlord power, undoubtedly affects the mental wellbeing of young workers, facing a near permanent sense of uncertainty, powerlessness, and dread.

Given rising energy, material and financing costs, the construction sector's 2.15million jobs are at risk. Easing planning restrictions could increase growth and the number of secure, unionised jobs in the construction industry, as well as across related supply chains.

The UK workforce faces longer-term, structural risks, too. Due to squeezed living standards and poor housing, young people are increasingly delaying or deciding against having children, posing significant demographic challenges to our economy. The growing issue of intergenerational inequality – recognised by organisations from the Confederation of British Industry to the Trades Union Congress – also risks undermining societal stability going forwards.

## The Intergenerational Foundation highlights this, calling for the government to reconfirm its target of 300,000 new homes a year in England (ideally as a minimum), as well as 100,000 social rent homes a year.

Increasing housing supply is complex, but a key blocker is the planning system, which favours those with more time, awareness, and political access, often at the expense of the less politically engaged – including young people. Reform is resisted by many homeowners, somewhat understandably, whose wealth accumulation has benefited from this market failure. As with new Voter ID laws, the system is stacked against the interests and participation of young people and other historically disenfranchised groups.

### In response, a new generation of activists and politicians are fighting back. Increasing numbers of young people – of all political persuasions – recognise the systemic challenge we face.

This is reflected in new intakes of councillors and MPs, particularly in and around cities, prepared to have robust conversations and embrace political challenges, to meet the UK's long-term housing needs.

The movement should adopt a conciliatory approach wherever possible because sustained progress will require winning hearts and minds. Campaigners in the US, New Zealand and elsewhere are already demonstrating success, because once more homes are built – and costs fall, quality improves, and opportunity expands – the evidence and support for change becomes overwhelming.

At a time of significant economic, political, and climate change, the housing crisis risks tearing society further apart, between the old and the young, the inheritors and the non-inheritors, the homeowners and the left behind. Tackling this crisis will not be easy, but together, we can, and we must, succeed.

# NOTES

