

# **Changing landscape of local authority provision of housing**

## **Homes for the future in North East England**

Institute for Local Governance

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## Current research

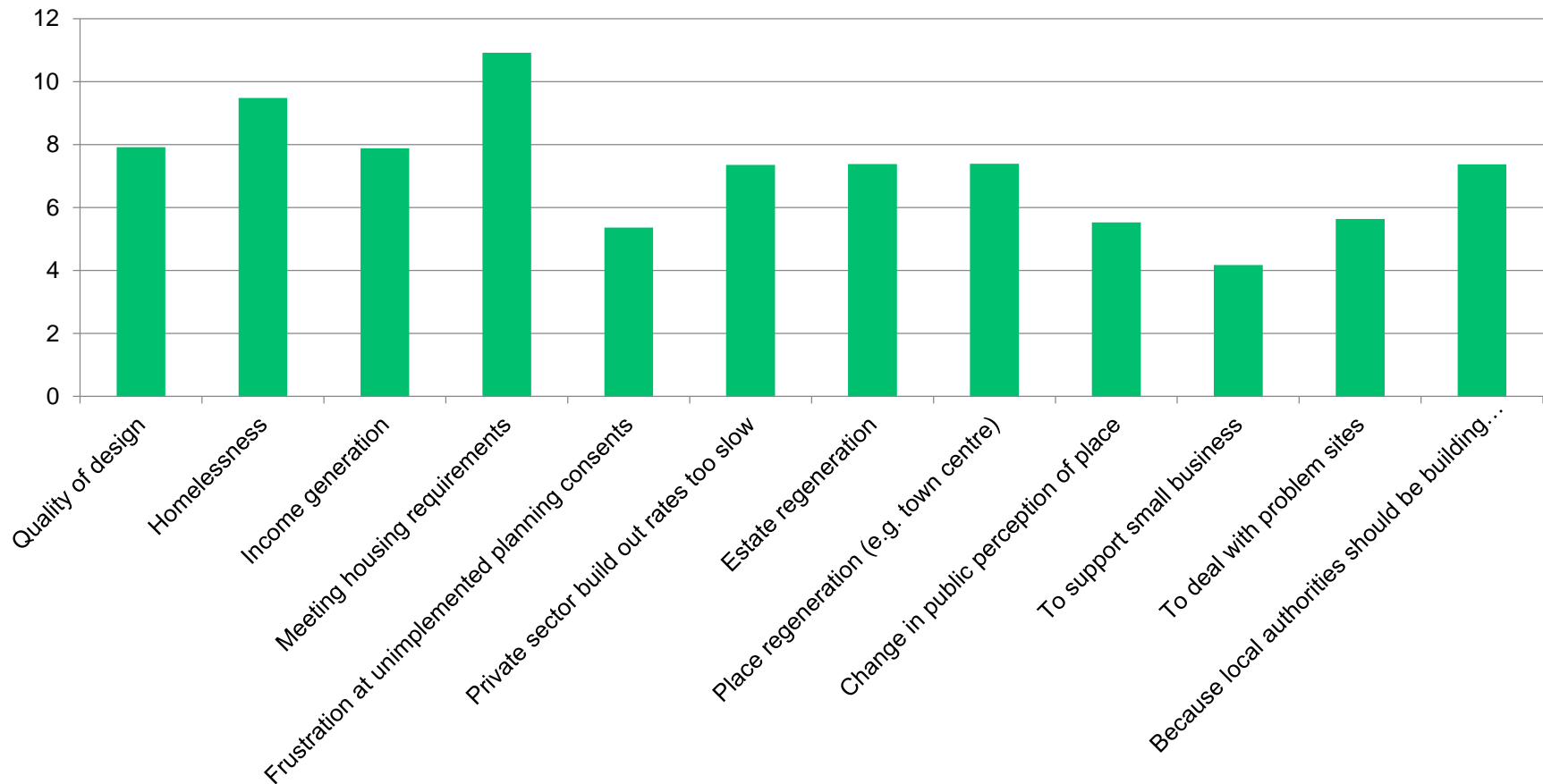
1. Local authority direct provision of housing survey funded by G L Hearn to be published June 2019
2. Local authorities direct provision of housing planning issues interim report with full desk survey of all LA activity March 2019 funded by RTPI
3. Local authority direct provision of housing planning issues final report June 2019 funded by RTPI

# 1. G L Hearn survey 2019

- Survey of local authority officers
- Follow up from survey in 2017
- Primarily the same questions
- Asking about
  - Motivation
  - Means
  - Methods
- Added question of JVs

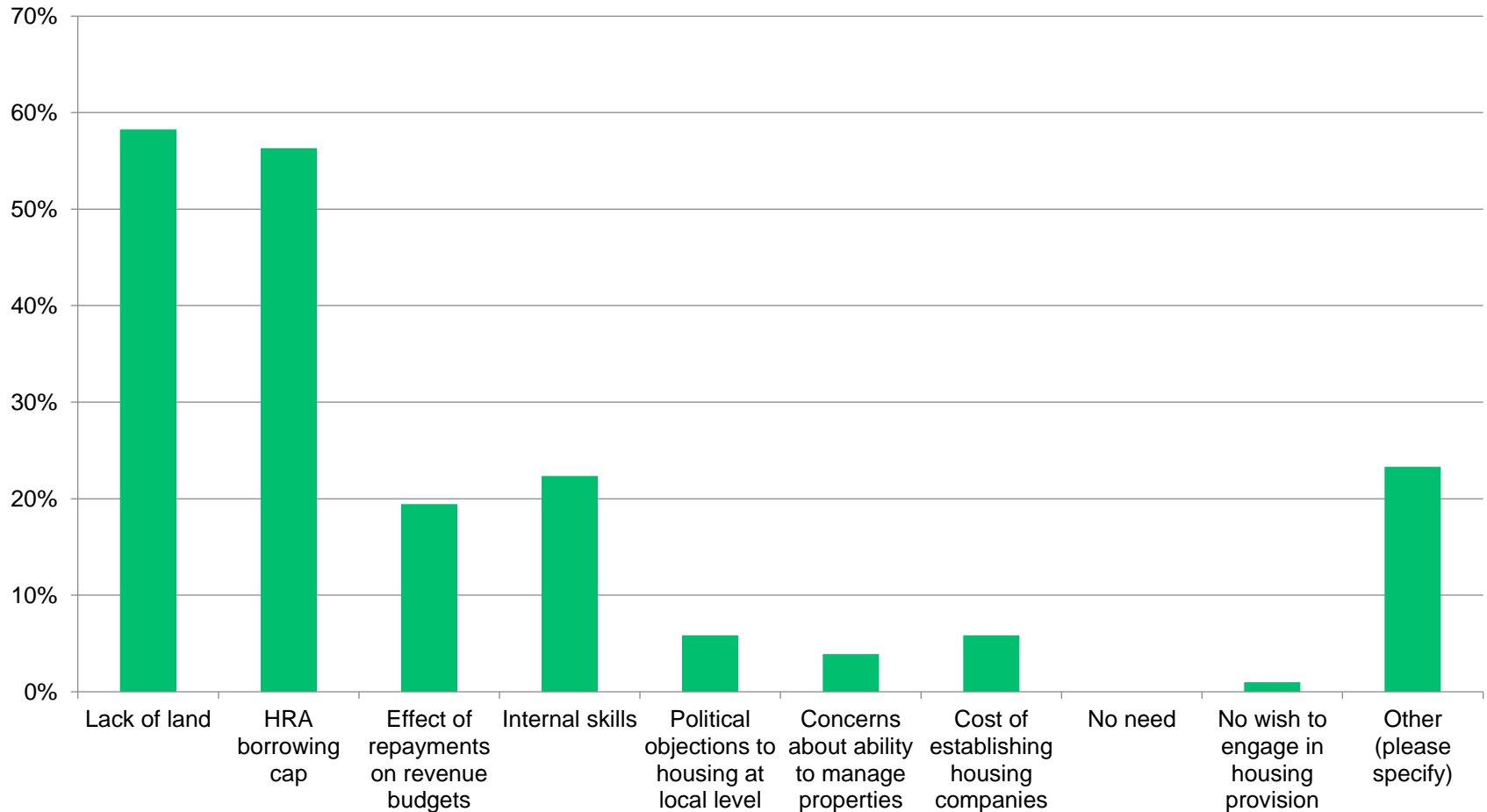
# Responses: motivations

What are the main reasons for engaging in housing provision?  
(Higher score = greater importance)



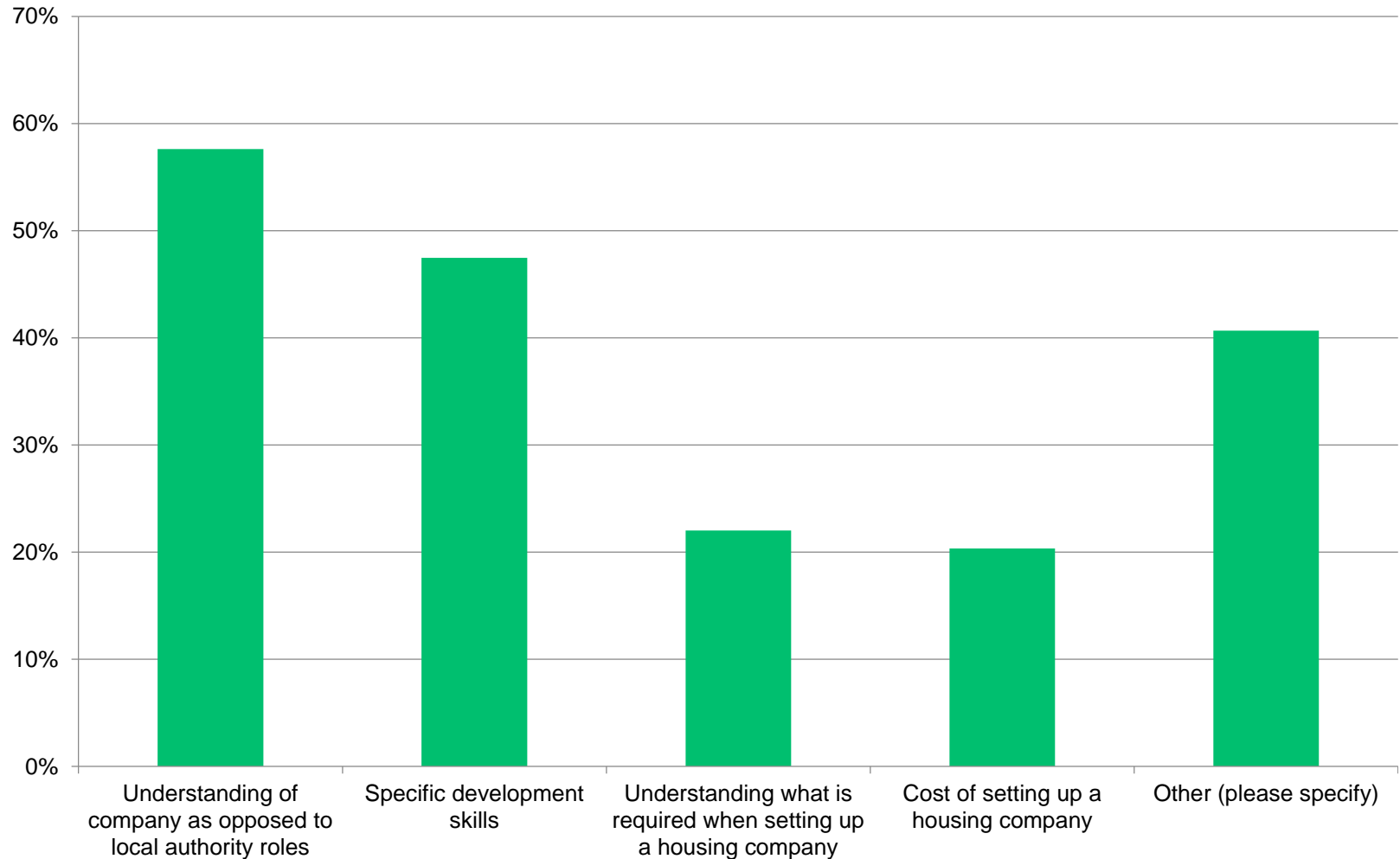
# Challenges to providing more housing

Challenges to providing more housing through HRA or general fund



# Local housing companies: challenges

Companies: main challenges



## Responses: motivations

- As last year, a wide range of motivations exist
  - Group 1
    - Need to provide housing
    - Homelessness
    - Provide income to replace RSG
    - Design
  - Group 2
    - Development delay and non-delivery
  - Group 3
    - Skills
    - Support for small builders

## Local authorities: actions

- 65% are using their Right to Buy Receipts (same as last year)
- 41% are buying back former Right to Buy properties
- 72% of local authorities are building or planning to build housing for older people (up from last year's survey results); 60% for people with physical disabilities
- 24% are building are building properties which will be below 60% market rent



## Land and planning

- 61% of authorities **acquiring** more land and/or buildings as part of a longer term investment strategy to support income
- For those authorities directly delivering housing, 95% are **building on their own land**, 44% are purchasing sites to develop, 42% are purchasing existing residential buildings, 17% are using land from the One Public Estate initiative and 13% using other public land

## 2. RTPI local authority direct provision of housing desk survey

- 100% Local authorities in England
- Repeats survey undertaken in 2017
- Details of companies including propcos, JVs, HRA, ALMOs and land sales
- Weblinks to each council's activity in providing housing primarily outside the HRA – rang of material including Council reports, press reports and trade websites
- Some analysis now

## Desk survey findings

- In 2017, 57% had **companies**; in 2019 it is 78%
- In 2019, 57% councils had some form of **JV** (JVs not counted separately in 2017)
- Of those councils without a company, 23% of council **exploring establishing** a company
- Some councils that had a company in 2017 do not have one now
- Since January 2018, at least **119 new companies** have been established
- Many councils not in WOCs, JVs or HRA are delivering through '**partnerships**' – need to do more work on this

## RTPI questions being examined

- How can planning help to deliver more **social and affordable housing** How can the Housing Revenue Account be used to deliver more housing including the active use of RTB receipts?
- How are councils achieving housing delivery through **General Fund** investment either through directly owned housing companies or through direct provision without a company?
- How are councils using their **s106 pots** to prime and deliver housing development?
- What are councils doing to ensure that they are receiving **clawback** payments for the provision of additional housing following viability negotiations?
- What are councils doing within their local plans to provide affordable housing?

## RTPI questions continued

- What are councils doing to provide **special needs** housing for example for the elderly? This could include approaches where local authorities are working directly with CCGs on transitional housing arrangements for those leaving hospital.
- How can local authorities obtain the best outcomes when they negotiate **large** housing developments or garden cities in terms of affordability and housing types to meet a range of local needs?
- What have local authorities learned using **joint ventures** and what do they regard as being the most successful arrangements?
- How are local authorities managing the planning processes when they are the **developer**?
- Quality is indicated as a major motivator for local authorities in the direct provision of housing. How do councils consider their direct provision of housing can make a contribution to the improvement of housing quality in their areas and how are they doing it?

### 3. Main research What have we found so far?

1. Planners need to operate in councils where there is a **corporate commitment** to delivery in housing provision
2. The approach to achieving delivery needs to be established in the **Local Plan** and other documents
3. Delivery needs to be a key issue in **negotiation** for each development
4. delivery needs to be **monitored**

## cont

Councils that are delivering have

- their own **development surveyor** with experience of RPs and the private sector
- brought planning and housing officers together into a **housing delivery team**
- the HDT monitoring **all housing sites** for progress, quality and delivery of **affordable** housing
- a **housing delivery group** of all providers that meets regularly
- a **housing delivery board** that meets regularly to review progress

# The approach to achieving delivery needs to be established in the Local Plan and other documents

- Local Plans that are successful in delivery have a clear relationship with other parts of the **council** including CCG, housing strategy and delivery and services for older people, homelessness, PRS/HMOs
- It is using **evidence** on housing for the whole council eg JSNA not just using the NPPF
- It has a LP **housing delivery strategy** eg Bristol which assumes the council's intervention in delivery in addition to LP targets
- Using **deliverability** as a test in call for sites in terms of profit margins and type of development proposed



## cont

- have joint working on direct supply with **neighbouring authorities** e.g. funding, nomination rights
- have a clear strategy for providing for the needs of its **population** not just market homes in NPPF eg older people in Wigan – strategy for new homes designed for older people
- have **practical** elements e.g. space standards, access standards, design SPDs e.g. Croydon for suburban areas
- Directly developing its own stock to **demonstrate** what quality standards are required
- **Monitoring** actively to achieve ends and intervening if necessary ie directly through acquisition and conversion

## Achieving affordable housing

- **Prioritise** affordable housing above other developer contributions
- Develop council's own schemes in policy **compliance** to demonstrate that it can be done
- Consider **profit margins** in call for sites and how affordable contribution has been included
- Indicate **type of use** on site allocations eg for older people, families at the same time as indicating the level of contributions required
- Set **evidence based targets using wellbeing powers** for type and location for affordable homes, monitor their achievement

## cont

- Use **economic evidence** from Local Industrial Strategy to support need for affordable housing
- Assume that the provision required for affordable housing in local authority **will not be provided** through residual funding from market development – plan is only one means
- Assume that the **council** will need to provide affordable housing directly using cross subsidy and/or Homes England grant

## What have we found in the North East?

- Research partly funded by RTPI NE
- Well attended Round Table held in the NE
- Hartlepool and County Durham case studies in the research
- In the desk survey we found:
  - 11 LAs have a company (92%)
  - 9 LAs have a JV (75%)
  - 10 LAs have an HRA (83%)

## conclusions

- Need corporate commitment
- Need relationships with providers
- Need intensive monitoring and intervention for all sites
- Need internal skills
- Need commitment to own delivery
- See LP as one only means to providing quality and affordable housing
- Need to indicate type of development in site allocations
- Need to negotiate the LP policies for each scheme through DM