

Yorkshire and
Humber

Quality Places

Forum

Accelerating delivery

‘Making housing happen’

Summary of Forum Proceedings
23 May 2007

National Housing Federation
on behalf of the Quality Places Forum
July 2007



Executive Summary

Purpose

Addressing the region's housing and economic challenges

- Developing new tools and approaches.
- Forging new partnerships.
- Sharing experiences and best practice.

Accelerating delivery – key challenges

- 'Step change' in house building levels.
- Affordable housing shortages across the region.
- Significantly increase the supply of affordable housing.
- Increase speed, capacity and consistency in planning.
- Greater understanding of housing markets.

Strategic planning context

In the draft Integrated Regional Framework, the Yorkshire and Humber Assembly (YHA) highlights seven 'landmark issues', which are key determinants in shaping a sustainable region.

These are also determinants of quality places. These are:

- Public health and obesity.
- Transport.
- Housing markets and affordability.
- Violent crime.
- Higher levels of skills and business innovation.
- Widening gaps and inequality.
- Climate change, energy and resource use.

Regional housing challenges and barriers to delivery

- Affordable housing shortage.
- Instances of housing market failure.
- The public sector role in delivering sufficient affordable homes.
- Land supply challenges.
- Planning.
- Assisting the private sector.
- Addressing environmental issues.
- Understanding demographic and housing market change.
- Delivering the necessary infrastructure.

Next Steps

- Improving the public sector's ability to underpin delivery.
- Enhancing planning system speed and capacity.
- Improving the interaction between public and private sector.
- Improving infrastructure provision.
- Improving housing market intelligence.

Conclusions

- Agree priority action plan, timescales, milestones and resources.

Introduction – The Quality Places Forum

The Quality Places Forum brings together key players in Yorkshire and the Humber to better meet the region's housing and economic challenges by:

- Forging new partnerships.
- Sharing experience and best practice.
- Engaging partner capacity to develop new tools and approaches.

The sponsors of the Forum are:

- English Partnerships.
- The Yorkshire & Humber Regional Assembly (YHA).
- National Housing Federation (NHF).
- The Home Builders Federation (HBF).

Key partners of the Forum are:

- Lead housing association development partners.
- Key house builders developing in the region.
- Key local authorities.
- Housing Market Renewal (HMR) Pathfinders.
- Other housing stakeholders.

It is intended that there should be three Forum events each year, with the subjects for debate to be set by the partners and their membership.

2 Accelerating delivery – 'Making housing happen'

The first meeting of the Forum took place in Sheffield in May 2007 to explore ways of overcoming constraints on delivering more homes in the region.

The context for the event was the emerging Regional Spatial Strategy including the Panel recommendations made as a result of the recent examination in public.

Attendance comprised of over 60 representatives from Government Office Yorkshire and Humber (GOYH), regional agencies, housing associations, local authorities and housing developers.

This report seeks to capture the key issues and recommended action points. For more detailed information, please refer to the copies of speakers' presentations located on the website below:
www.englishpartnerships.co.uk/qualityplacesforum

The discussion and conclusions of the Forum were recorded by the NHF. These findings are not meant to be the particular views of any of the individual partner bodies but they set the scene for finding common ground where needed and a basis for seeking a response, from both the public agencies and private organisations that make up the Forum. The style was an open dialogue to develop shared understanding and a shared response but the value of the Forum will be determined by partners seeking tangible responses to some of the key points raised.

This report comprises

- A brief overview of the strategic planning context and priorities which came out of the presentations to the Forum.
- The Forum's views about key challenges and barriers for regional housing delivery.
- Proposals from the Forum debate for accelerating housing delivery.

Key challenges

- The need to respond to the recommended 'step change' in house building levels from 2011.
- Significant affordable housing shortages across the region, particularly rented homes.
- The region's response to the NHF suggestion that there is a need to treble the supply of affordable housing to 4,750 homes per annum.
- The need in some areas to increase infrastructure and for this to be identified in the regional strategy.
- A perceived insufficient capacity, speed and consistency in the planning system to help increase land supply and the range of appropriate tenure and house types.
- Insufficient housing market intelligence to help in prioritising action and funds.

The Forum agreed that the partners should seek to provide an update on progress in response to these identified issues at subsequent meetings, and that future meetings should feature subjects that could help share knowledge on common issues such as the carbon challenge and affordability.

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The region's strategic planning context

The YHA is charged with determining regional strategies that deal with housing and planning within the overarching context of sustainable development. It emphasises collaboration (like the Quality Places Forum) rather than formal partnerships to enable regional challenges to be met.

The YHA highlights seven 'landmark issues' which are key determinants in shaping quality places, these are:

- Public health and obesity.
- Transport.
- Housing markets and affordability.
- Violent crime.
- Higher levels of skills and business innovation.
- Widening gaps and inequality.
- Climate change, energy and resource use.

The YHA sponsors, partners and delegates at the Forum asserted their commitment to making Yorkshire and Humberside a better place to live, acknowledging how their interventions can have a positive impact on these issues.

The cornerstone of regional spatial strategy-making is the 15-20 year Yorkshire and Humber Plan (YHP).

The YHP's priorities include:

- Reversing long-term 'flight' from cities and towns.
- Transforming cities/major towns and supporting market towns renaissance.
- Diversifying rural and urban economies.
- Focusing development and connecting excluded communities.
- Improving accessibility and public transport.
- Raising environmental quality and responding to climate change.

The YHP includes policy emphasis on:

- Managing release of housing land to support housing market restructuring in low demand areas (H2).
- Increasing provision of affordable housing across the region, especially in areas of high need (H3).
- Creating a better housing mix (H4).
- Providing for housing needs of gypsies and travellers (H5).

The recently published independent Examination in Public (EiP) panel report advises that the overall level of house building in the region should be higher from 2011 than that suggested in the YHP.

The panel's view is that the 'step change' in house building rates originally envisaged to take effect from 2016 should **apply from 2011** and be more marked. The Forum discussed the impact of the panel's recommended changes and the challenges these present in ensuring the housing needs of the region are met.

Next steps for the YHP

- The intention now is that government will consult on its 'Proposed Changes' to the existing YHP. Since the event the timescale for government publishing proposed changes has changed. There is no exact date, but we are expecting the 12-week consultation period to start in September.
- The final YHP will be issued by government in spring 2008.

4 Regional housing challenges and barriers to delivery

Much is achieved by both the public and private sectors in delivering housing within the region. However, the Forum identified the following key challenges and barriers to increasing delivery and meeting the increasing demands, in particular, for affordable housing in the region.

The region's affordable housing shortage

- Significant affordable housing shortages across the region in urban, sub urban and rural areas.
- The need identified by the NHF to treble the supply of affordable housing:
 - 4,750 homes needed each year against 1,300 currently provided.
- A perceived significant mismatch between need and resources:
 - the region contributes 15 per cent to England's housing waiting list;
 - but receives only 5 per cent of the Housing Corporation's National Affordable Housing Programme allocations.

Instances of housing market failure

- The existence of housing market failure – both under and over-supply often closely located in conurbations.
- Recent rapid price rises creating areas where the market cannot supply homes at prices relating to indigenous incomes.
- The growth of buy to let has increased the supply of homes but some are purely investments and so stand vacant.
- The prevalence of new apartments in city centres may impair place making and the formation of sustainable communities.
- The need to improve social and economic mobility by better integrated housing markets.

The role of the public sector in delivering sufficient affordable homes

- Depleting housing association and local authority finite resources cannot be a sustainable way to provide more affordable housing.
- Pressure on finite resources may result in loss of added value activities central to making places sustainable – addressing the wider 'landmark issues'.
- Governmental agendas should seek to avoid contradictory pressures for increasing quality and numbers whilst grant rates decline.
- Delivering affordable housing can also be set within the context of driving wider regeneration which may favour development on challenging infill and brownfield sites.
- Some local authorities are perceived not to be ready for acceleration of affordable housing – needing affordable housing strategies and the use of s106 agreements.
- Local authorities need to assess land for development as a long term investment with a return that is wider than initial best price.
- The affordable housing sector to continue to demonstrate their broader outcomes – the people and places impacts that their developments deliver, building upon the Northern Lights' evidence base.
- The capability of the planning and housing investment systems to balance priorities and sub-markets needs to be considered more – within and across city boundaries.
- Elements of the public sector need to recognise that private developers need to achieve appropriate profit margins, but all sectors need an active debate on how to provide for greater levels of affordable homes and increased sustainability.
- The delivery focus of English Partnerships and the Housing Corporation needs to be maintained and increased in the transition to Communities England in 2009.

Regional housing challenges and barriers to delivery (continued)

Land supply challenges

- There exists a probable overall shortage of currently developable land.
- Debatable whether some developable land is actually ‘deliverable’ – in the right place at the right time to meet demand.
- The provision of commercial development land needs to be related to new housing as necessary infrastructure for communities to be sustainable.
- Insufficient supply of available land – instances of owners land banking and not wanting to sell (although it is recognised this is a free market).
- Some brownfield sites are not ideally located and do not support wider economic and housing strategies.
- There is a need for commercial use land to enable employment opportunities to be developed.
- Will ‘deliverable’ land not be brought forward by landowners for residential use because of increasing s106 obligations and/or brought forward for other more commercially advantageous uses?
- The contribution that private developers make towards delivering affordable and high-quality homes needs to be maximised in addition to the contributions being made by landowners.

Planning

- The perceived inconsistency of affordability percentages, discount requirements and s106 regimes across the region could be seen to undermine consistent delivery of affordable housing.
- Affordable homes are understood to be not sought via planning obligations by all local authorities.
- The need to increase the capacity, and understanding of, affordable housing in some planning departments.
- Probable capacity bottlenecks in local authorities’ planning processes:
 - insufficient numbers of staff in planning departments;
 - skills shortages e.g. CPOs for land assembly, affordable policies, s106 agreements; and
 - time-consuming processes for developing on greenfields or demolition.
- The perceived resistance of some Parish Councils against new affordable housing.

Assisting the private sector

- The tendency for many private sector permissions to be granted on appeal.
- S106 obligations for perhaps 40 per cent affordable homes not proving economically viable in lower value markets, landowners may seek alternative use with better returns or slow up demand anticipating a change in planning policies at a later date.
- Private sector view that delivery hindered by some local authorities believed to be having unrealistic views of land values.
- The important role of landowners, land agents and enablers needs greater understanding.

Addressing environmental challenges

- Housing association sector is required, and committed, to deliver higher standards – but private developments may not be required to reach the same standards.
- Conflict between cost and quality: increased cost of achieving new higher standards needs to put in the context of evidence of value growth or other long term savings.
- Exemplar zero carbon communities – YH Regional Plan suggests that incremental growth and expansion is prioritised over new communities which limits region’s ability to respond to government’s challenge.
- Tension between Environment Agency’s flood risks and development of public infrastructure and housing on flood plains or areas at risk of future flooding due to longer term climatic change.

Regional housing challenges and barriers to delivery (continued)

Understanding demographic and housing market change

- Wide variations perceived between the four sub-regions' housing markets – South Yorkshire, West Yorkshire, North Yorkshire and Humberside and East Riding.
- The co-existence of market failure and affordable housing shortages needs to be better understood.
- Rapid changes to housing markets versus slow implementation of intervention strategies.
- The rapid emergence of region-wide affordable housing shortages which undermine the evidence-base supporting key strategies.
- The challenge of ensuring adequate housing for undercounted groups e.g. recent in-migrants.
- The need for a greater evidence base to underpin an agreed methodology relating housing investment to projected demographic and economic change between sub-regions.
- The limited capability to identify supporting people/specialised needs.

Delivering the necessary infrastructure

- Inadequate infrastructure, especially transport, can preclude development even on urban brownfields.
- Recognition required of the significant development costs of and role of infrastructure to a successful development – infrastructure is not an 'add on'.
- There is a need for further innovation in how key infrastructure can be funded particularly where there are shared infrastructure needs.
- A 'Strategic Shopping List' of what is needed to deliver transformation (environmental, social, transport etc) is vital in guiding future development.
- Consideration required of the role of and engagement of utilities such as gas and water etc.

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Next Steps

The proposed next steps considered important by the Forum membership are outlined below. A timed work plan which identifies priority actions from the broader list set out below, will be developed by the partners. A report on progress in developing the work plan will be brought to the next meeting of the Forum in autumn 2007.

Improving the public sector's ability to deliver

- Regional Housing Board supported by the Yorkshire and Humber Government Office to encourage a dialogue between regional Local Government Associations and local authorities on the available means for increasing affordable housing provision and support needed to achieve this.
- Regional Housing Board to work with partners, including sub-regional housing partnerships, to research new approaches to addressing land supply and delivery issues.
- English Partnerships to feed into the Communities England transition work, the need for wider application of a pump priming infrastructure model, to enable sites to be brought forward with greater certainty.
- Again, as part of the transition, English Partnerships and the Housing Corporation to explore alternative affordable housing delivery models with lead investors and existing development partnerships.
- The NHF to provide Forum members with copies of the parliamentary answer on quantifying the wider value of land.
- The NHF to consider how local authorities and private developers can be encouraged to realise the potential of Youthbuild.
- The HBF to work with English Partnerships and the Regional Assembly on ways to effectively engage its wider membership in debate.

Enhancing planning system speed and capacity

- The YHA and Government Office, with support from the NHF and Housing Corporation, to explore whether greater consistency of policy for delivering affordable housing can be encouraged.
- The YHA to find out from the Academy for Sustainable Communities and Local Government Yorkshire and Humber about what is being done in relation to increasing the planning skills and capacities of local authorities across the region.
- The Quality Places Forum to consider how it can increase the sharing of good practice between local authorities, housing associations and developers.
- The Communities England transition to examine the potential benefits of offering the ATLAS model (support to local authorities in unlocking large and complex planning applications) within the region where local authorities identify the need for support.
- The YHA, with the support of the NHF, to consider the means of increasing elected members on issues of planning and affordable housing.

Improving infrastructure provision

- The YHA to look at how future reviews of the Regional Spatial Strategy can further help to identify strategic infrastructure needed across the region and to unlock key areas where capacity for growth is recommended for acceleration.
- English Partnerships and the YHA to discuss the potential for new tools for infrastructure development as part of the Communities England transition.

Next Steps (continued)

Improving housing market intelligence

- Explore the possibility for employing the Greater London, Housing Corporation and National Housing Federation model for assessing Supporting People demand.
- Regional Housing Board to continue refinement of its sub-regional allocation methodology to encompass emerging demographic and economic shifts between sub-regions.
- The NHF to coordinate responses from housing associations in the region, on their ability to track and meet the needs of emerging groups.
- The YHA to co-ordinate responses from local authorities on their ability to track and highlight the needs of emerging groups.

Inputting views into the Regional Spatial Strategy

- Individual and collective responses to the Regional Spatial Strategy to be provided by responding to the Secretary of State's proposed changes (expected for publication for 12 weeks from early September).

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Conclusion

The actions listed in the previous section will be taken on board by the Forum's partners and sponsors and a short progress report submitted to the next meeting of the Forum in autumn 2007. Real change will need a continuing dialogue and the need for all partners to consider how innovation can be encouraged through joint dialogue and action.

It is proposed that the next Forum will be on the topic of the environment and the climate change agenda. Views will be sought from the membership on other topics that could help show that Yorkshire and Humberside is keen to develop innovation in its own approaches to housing delivery to both inform and respond to national policy.

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