

A photograph of a window with a white frame, set in a brick wall. The window is divided into two panes. Below the window is a black metal flower box containing a variety of colorful flowers, including red, purple, and pink blooms. The brick wall is made of reddish-brown bricks with white mortar. The overall scene is bright and sunny.

BUILDING OUR HOMES, COMMUNITIES AND FUTURE

Preliminary findings from
the LGA Housing Commission

FOREWORD

Our housing crisis demands action now. Spiralling house prices are forcing difficult choices on families, distorting places and hampering growth.

Local government shares the collective national ambition to build one million new homes that will only be achieved with strong national and local leadership working together, and which will be crucial during a period of economic uncertainty.

Investment in housing has significant wider benefits and our focus is beyond bricks and mortar. The right homes in the right areas enable people to live healthy and happy lives, build strong, inclusive communities and drive growth in ways that benefit all and prevent public service challenges and costs.

Every area is different and councils are continuing to lead the local effort. They are approving nine in 10 planning applications, providing homes that are needed and are affordable, and wanting to create environments where people are healthy and happy.

The Local Government Association (LGA) Housing Commission was established to put housing at the centre of our wider aspirations for people and places.

It is supported by a panel of independent expert advisers that have been asked to challenge us and our partners, and to look at how we can be enabled to deliver.

The response has been invigorating. The commission has received 90 written submissions, held four targeted evidence sessions around the country engaging over 100 different partners, and visited six areas. It has heard from councils, developers, planners, charities, health partners, housing associations, policy-makers and many others.

It is clear that there is no silver bullet. The housing challenges and their solutions are complex, interconnected and vary around the country, and the future is uncertain. But all partners have emphasised the pivotal role of councils, and the importance of strong leadership, collaborative working, and longer-term certainty.

This investigation is not seeking to provide all the answers or to cover all of the issues. Our aim is to look at where there are real opportunities, what councils are already doing, and how we can work with the Government and our partners to make change happen.

There are huge opportunities and outstanding good practice, for instance in developing new housing products affordable for all, meeting the housing and health needs of our ageing population, and helping enable the resurgence of SME builders.

Looking ahead, the findings and evidence will come together in a final report forming the basis for LGA activity with councils and our partners, alongside other priority issues such as reducing homelessness and improving conditions in the private rented sector.

We want to know what you think about the opportunities and issues ahead, what your experiences are locally, and how we, as local government, can establish our role in building the homes, communities and future for our residents.

Councillor Peter Box CBE

Councillor Martin Tett

Councillor Keith House

Councillor Julian German

LGA Environment, Economy, Housing and Transport Board



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The LGA launched a Housing Commission to set out a forward-looking vision for the future of housing and the relationship between councils and communities.

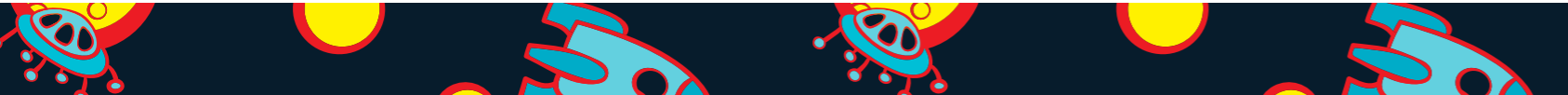
This paper summarises some of the emerging areas of recommendation around **four intrinsically connected themes** including:

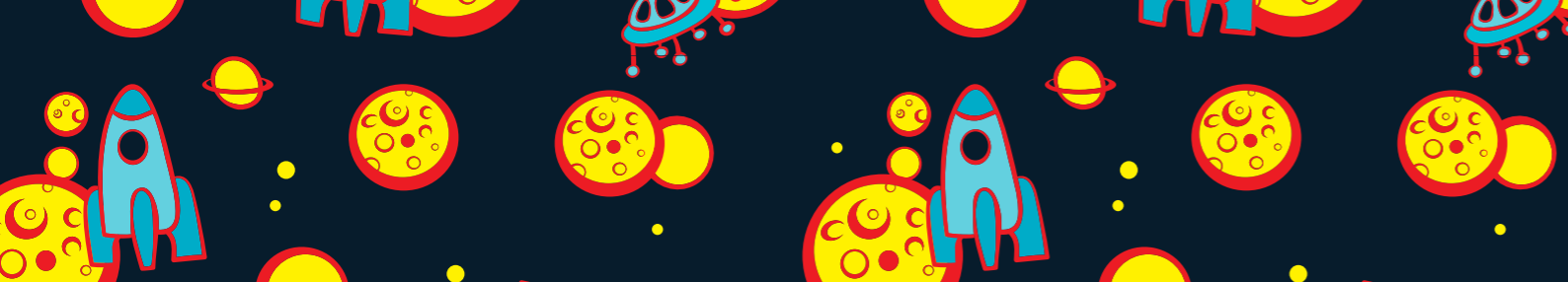
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BUILDING MORE HOMES

Housebuilding is well below the levels required for an efficient and fully functioning housing market. Around 130,000 new homes were built last year, whilst estimates of the housing need of people across the country vary between 220,000 and 250,000 homes a year. Looking ahead, the capacity of the country to increase the building of homes affordable to all is uncertain.

Councils are well placed to bridge the gap between housing need and future building levels, and are providing local leadership and seeking new approaches to financing and supporting house building directly and in partnership with developers.

We have heard from a range of councils and partners, such as the Royal Town Planning Institute, the Federation of Small Businesses and De Monfort University, about the challenging nature of different housing markets and the future role for councils in building homes.

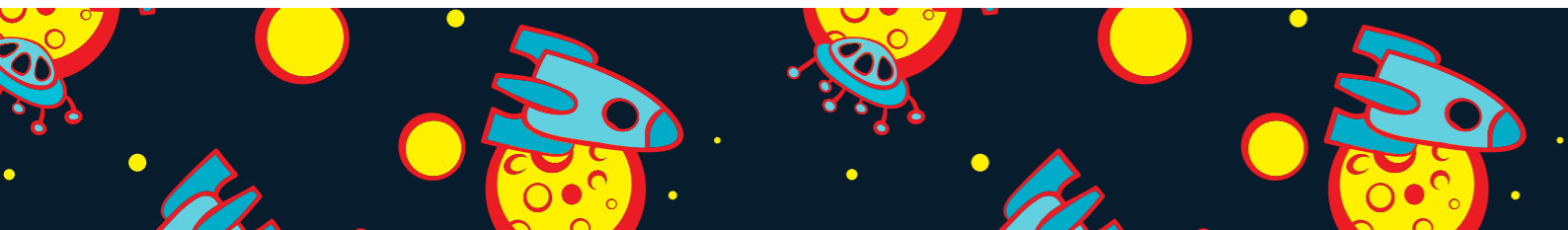
Private developers have not built more than 180,000 homes a year, and have built an average 90,000 homes a year since 2009/10

Source: Department for Communities and Local Government

EMERGING AREAS OF RECOMMENDATION

Building homes through new and joint delivery vehicles. Many councils are establishing new delivery structures to directly build new homes for rent and sale in their areas, motivated by the need to increase supply, plug certain gaps in the market, or generate revenue. With strong leadership, there is an opportunity to increase the supply of new homes through such models. Councils could continue to invest in developing the legal, financial and commercial development skills to directly build homes, and work in partnership to significantly scale up the level of direct building by groups of councils. There might also be opportunities for such vehicles to play a long-term role in the stewardship of sustainable places. The Government could support this effort by helping provide certainty and backing for councils to innovate in the delivery of new homes.

Land release and assembly. Effective land markets are critical to enabling house building. Many councils are playing a leading role in working with public and private landowners to bring forward development. Councils could continue to develop their and their partners' capacity and willingness to release land, and be supported to work across areas to understand availability and strategically assemble packages of public and private land for developers that build homes quickly. National guidance encouraging public bodies to take a longer term view of land release could support local efforts, alongside the use of 'build now, pay later' models of deferred receipts for land payments. The Government could also allow councils to quickly resolve hold ups with third party rights by changing appropriation powers to better enable councils to exercise those powers for land they do not own.





BUILDING MORE HOMES

Enabling and shaping the private developer markets and SME builders. The current market of private developers alone will not deliver the level of housing the country needs. Councils are seeking to facilitate and shape private sector supply. They are working in partnerships with developers to provide land, to reduce development risk, to test new models, new construction techniques and new housing products, and to advise on local opportunities. The activity focuses on building homes that the private sector might not otherwise offer, making joint investments and – alongside efforts to allocate smaller sites and through direct procurement – support the resurgence of the SME builders that are critical to increasing the private sector’s output. The Government should aim to support local efforts, and acknowledge the wider role councils can play in influencing national funding of colleges to provide a locally skilled workforce to deliver more homes.

South Norfolk has set up Big Sky Developments building homes for market sale and rent alongside affordable homes and commercial sites. The first two sites will see the development of 102 new homes



In five years Birmingham City Council has moved from providing no new homes to become the biggest builder of homes across the city.

Its municipal housing trust has over

1,900

homes, including

800

for sale, plus seven Extra Care villages with

1,400

homes, and 92 private rented homes either delivered or under construction.

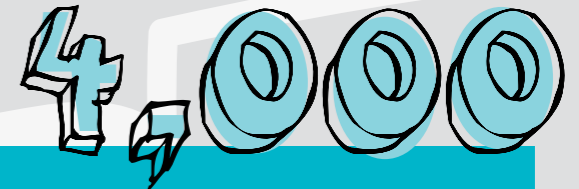
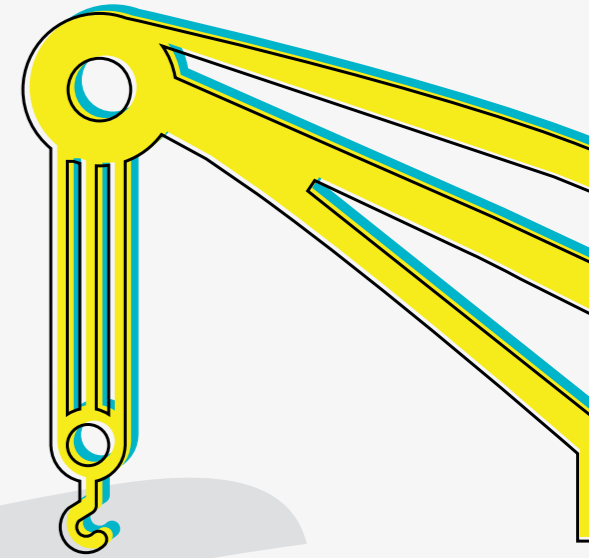
Delivering sites with planning permission.

Public confidence that new development meets the needs of communities is critical for securing their backing for building more homes. Data suggests the number of potential new homes on sites with planning permission could be in the hundreds of thousands. Councils are well placed to understand why consented sites have not been built out and to use powers to try and bring development forward. Local government has argued that it is essential councils have tools to engage and incentivise developers to build out sites with permission, such as powers to deliver proportions of sites where planning permission expires or powers to apply financial incentives. Councils argue this will be critical for stimulating building, and that local flexibility will enable tools to be used in ways that encourage new sites forward. Councils should also have tools to engage and hold utilities and power companies to account where development is held up.



BUILDING MORE HOMES

Revitalising council house building. Council house building must be at the centre of a renewed effort to deliver homes that generate growth and that communities need now and into the future. Efforts to build more council homes will be restricted by reforms requiring the reduction of rents and forcing the sale of assets. Councils need new freedoms and certainty to invest in new and existing social rented homes. Councils should be granted the flexibilities to count the full value of their own land as part of the cost of building new homes. They should be able to recycle a greater proportion of Right to Buy receipts into building new homes, and to combine receipts from Right to Buy sales, Higher Value Asset sales, Homes and Community Agency funding. The Government should build on the principles of self-financing and provide certainty and flexibility for councils to invest in much needed social housing through their Housing Revenue Accounts.



Stoke has set up a development company helping to deliver 4,000 homes to meet various needs, including for market sale and rent, new starter rents, custom build and £1 homes. It is also using new construction techniques, such as modular housing to help address the immediate need





PROSPEROUS PLACES WHERE PEOPLE WANT TO LIVE

PROSPEROUS PLACES WHERE PEOPLE WANT TO LIVE

Housing investment has substantial wider benefits for people and places. Councils are approving nine in 10 planning applications and their emphasis on building homes is set within wider local strategies for improving health, creating jobs and boosting educational attainment, and enabling social cohesion.

Whilst the right homes in the right places can generate significant wider benefits, poorly planned developments focusing on numbers correlate with higher rates of chronic health conditions, traffic fatalities, pollution, isolation and a lack of social capital or resilience.

We have heard from a range of councils and partners, including the British Property Federation, Royal Institute of British Architects, and Chartered Institute of Environmental Health, about the role of local government to be able to provide leadership and stewardship of places and the need for future funding of infrastructure.



EMERGING AREAS OF RECOMMENDATION

A positive proactive planning system focused on shaping places. Everyone has a stake in good planning. National and local partners should champion the positive role of strategic planning to shape, coordinate and stimulate the delivery of homes within places that create healthy and inclusive communities. The Government should support this by helping attract and educate the next generation of place-makers, and limiting a range of its national interventions in the locally democratic planning process. It should also allow councils to resource planning functions effectively, by enabling councils to set planning fees locally and encouraging partners to co-operate and pool investment into council planning services.

The country has not built more than 250,000 homes a year since 1977/78, of which 44 per cent were built by councils

Source: Department for Communities and Local Government

In the last three years, local taxpayers subsidised a **£450 million shortfall in planning fees**

Source: Local Government Association

Delivering new housing choices that are affordable for the wider population. In most areas the rise in house prices above earnings makes housing less affordable for a large and growing proportion of the population. Council efforts to stimulate new building could focus on developing a new wave of innovative housing products that support affordability, health and prosperity for all people across places. This could include new rent-to-buy, shared ownership, community land trust and co-housing models, alongside other private and intermediate rent options including build to rent. It could also include new products, such as modular homes to meet immediate housing need. Councils are well placed to take opportunities to access institutional investment to build quality market rented properties needed in many areas, which could form part of strategies to improve conditions in the private rented sector. The Government should look at establishing a clear, robust and transparent viability procedure to ensure the delivery of a mix of affordable housing needed in areas across all new developments.



Almost 9 in ten planning applications are approved by local communities

Source: Department of Communities and Local Government



Corby, East Northamptonshire, Kettering and Wellingborough work together with the county council to co-ordinate efforts to shape housing, infrastructure, jobs and the environment through the North Northamptonshire Joint Planning Unit

PROSPEROUS PLACES WHERE PEOPLE WANT TO LIVE

Sustainable models for the long-term financing of infrastructure. Investment in infrastructure is critical to unlocking housing and generating growth. Through the devolution process, the Government should explore opportunities to join-up and devolve infrastructure and growth funding to local areas – including Homes and Community Agency funding – that could be linked to an objective to support housing growth. A renewed drive for funding infrastructure could also include financial flexibilities, such as allowing councils to borrow against projected Community Infrastructure Levy and projected future tax revenues. Partners could also explore further opportunities for public authorities to finance infrastructure by capturing a greater proportion of the uplift in land values resulting from planning permission.

12,600

Wealden is developing a long-term area action plan aiming to deliver 12,600 homes around South Wealden up to 2037, as part of a strategy to stimulate growth and employment





New places and communities. Councils are committed to increasing the supply of homes on brownfield land, but the availability of sites varies across the country and are unlikely to deliver the supply of homes needed overall. Local and national partners could work together with communities to explore where new towns and villages can help increase housing delivery. Councils can explore options for using new compulsory purchase order powers to deliver new communities, and be further enabled with powers to establish development corporations that can help assemble land, forward fund infrastructure and provide long term stewardship of places. There might be opportunities for councils to come together to consider how new settlements could meet their strategic housing need across wider areas.

PROSPEROUS PLACES WHERE PEOPLE WANT TO LIVE

Place-proofing national housing policy. Housing markets are complex and vary significantly around the country. There is no single approach that will successfully unlock house building everywhere; for instance new housing in low value markets may rely on pump priming investment, rather than loans or models based on selling assets. For a long time, national policy has generally focused on tackling house price booms that do not apply in many local areas. The Government and the Homes and Communities Agency should work with councils through the devolution process so that new policy and interventions can respond to the diversity of different local housing markets.

**Newcastle is working
in partnership
with developers
Barratt Homes and
Keepmoat to leverage
£284 million into
building 1,800 homes
as part of a positive
reshaping of The Rise
at Scotswood area**



HOMES BOOSTING EMPLOYMENT

Secure housing provides the stability that is crucial for enabling people to find and progress in work, having a range of benefits for individuals, households, the economy and public services. A good mix of housing is critical in attracting both employers and workers to an area, and housing providers play a leading role in helping their residents to gain the skills to find and progress in employment. Investment in construction creates jobs and growth, and industry is a significant and valued employer experiencing real skills shortages.

Whilst employment has wide ranging benefits, it will not reduce the significant and growing demand for a broader mix of affordable housing options. Analysis suggests a minimum of 3.98 million people of working age will need access to affordable housing options by 2024, even if the country is able to achieve full employment by upskilling 3.5 million people to take higher level higher paid jobs the economy is projected to create. This demand will be greater should the country not achieve those employment levels by 2024 and when taking into account people not looking for work, such as those that have retired.

Achieving full employment and upskilling the workforce will, in large part, depend on how the right opportunities are provided for residents of affordable and social rented housing, who are more likely to have lower qualifications and other barriers to employment. This is recognised by housing providers but too often large national employment support programmes are not joined up with local services.

We have heard from a range of councils and their partners, such as the Chartered Institute of Housing, the National Federation of ALMOs, and the National Housing Federation, about the importance of partnership and emerging models for delivering employment and skills support in a financially challenging environment.

**House prices
have risen over
five times faster
than wages
over the last
five years**

Source: Resolution
Foundation



EMERGING AREAS OF RECOMMENDATION

Homes at the heart of local growth and employment. Employers and employees benefit from having decent and secure housing that is accessible and affordable across local economies. Employers need to retain or attract the people their businesses need to grow, which can mean more demand for affordable homes in some areas, or expensive property in others. Councils are uniquely placed to lead a local effort to integrate housing investment and planning strategy into a wider ambition for boosting local growth, skills and employment. The Government can support this by actively devolving the key responsibilities and services to encourage economic growth, such as infrastructure and skills and support. New partnership commitments at the national and local level could be forged to increase the mix of homes alongside new approaches for supporting households that need help to find work, improve skills and increase their earnings.

HOMES BOOSTING EMPLOYMENT

Joint ambition to improve employment outcomes for residents. Providers of affordable and social rented housing share an ambition to support their residents to fulfil their potential in employment, and are delivering a range of employment services that build on their strong relationships with communities. This activity has been affected by funding constraints and so housing providers are now developing innovative ways to support residents. They are seeking to work in partnership, targeting the help they offer, and, as large employers in their own right, creating work experience, training and employment opportunities directly and through the procurement of goods and services. Housing and employment partners should work together, at the national and local level, towards an ambition to organise services that guarantee employment, skills and careers support for affordable and social housing residents so they can find, sustain and progress in employment.



Bradford's housing options service is developing a 'single gateway' providing vulnerable residents with a holistic assessment of their **housing, health and employment** support needs

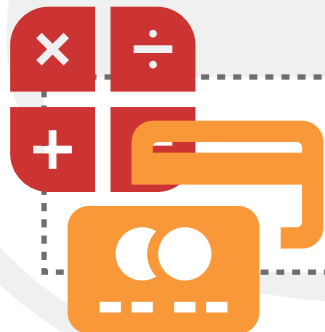
Even if the country achieves full employment by 2024, a minimum of 3.98 million people of working age will still need access to affordable housing

Source: Learning and Work Institute

Homes embedded into wider employment and skills services. The valuable role that affordable and social rented housing providers already play in supporting residents should be more widely recognised. The Government and employment providers should improve their understanding of successful approaches developed by housing providers to help their residents. They should take steps to build on the benefits of housing providers as a trusted local provider of nationally funded employment support, and explore how innovative housing provider activity could be supported and scaled up across the country. The Government should also explore new models for financially rewarding housing providers that are successful in supporting residents into work and to increase their earnings.

48%

Haringey's welfare reform team has approached 1,811 households with help to adapt to the benefit cap, 1,366 have ceased to be affected by the cap with 48 per cent securing a job or increasing their earnings



Blaby are working with housing providers and other partners to help prepare residents for Universal Credit, this includes financial management, skills and employment support

HOMES BOOSTING EMPLOYMENT

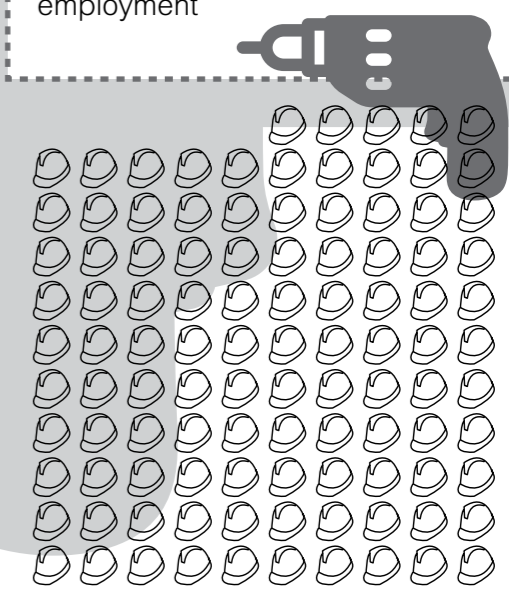
Joining up services within communities.

Employment and housing services are fragmented and complex in ways that make little sense to individual tenants, and which make it difficult for partners on the ground to jointly plan or deliver help. National partners should aim to create conditions that allow local services to more effectively join-up locally. The Government could support this by setting and promoting frameworks that enable data and information sharing across providers of housing, employment and skills services. It could also continue to encourage the co-location and co-design of various national and local services in community settings, which can also offer wider help for tenants around financial management, confidence and other life skills.



Brighton and Hove housing service and its repairs partner Mears offers apprenticeships and work placements to boost skills and experience, 105 apprenticeships have been created with 21 offers of employment

105





HOUSING, HEALTH AND OUR AGEING POPULATION

HOUSING, HEALTH AND OUR AGEING POPULATION

Between 2008 and 2033 around 60 per cent of projected household growth will be made up of households with someone aged 65 or older. The aspirations and needs of older people are growing and diversifying, and there is a need for all partners to consider how the existing and new supply of housing options can positively respond to that diversity.

Local government is playing a leading role in bringing together housing, health and care. Councils have a real opportunity to shape the provision of housing for older people in a way that supports independence and positive ageing, reduces demand on expensive health and care services, and helps create a better functioning housing market by better matching homes to households.

We have heard from a range of councils and health partners, such as Age UK, NHS Confederation, Public Health England, Centre for Ageing Better, the Housing Learning and Improvement Network (LIN) and Carers UK on how local partners are innovating to meet the housing needs of older people.



EMERGING AREAS OF RECOMMENDATION

Planning for our ageing population. All local areas are set to see an increase in the number of older people and households, and a diversity in their aspirations and level and type of need. Partners could come together to understand how to shape healthy places and what older people want from the local housing offer, and strategically plan for the mix of housing that responds to demographic change and creates inclusive communities. Health and wellbeing boards can play a key role in bringing together planners, environment, housing, and health and social care partners to provide a shared understanding of where there are opportunities and gaps in provision that can be reflected in local planning policy.

9.5 million older people live in 43 per cent of all homes and will need help to maintain their independence and health in those homes

Source: English Housing Survey



Homes at the heart of integrated health and care. The majority of older people will live in general housing and some will need help to maintain their health and independence in those homes for longer. Housing should be central to emerging models of integrated health and social care services, activities, and facilities. Councils are already playing a key role in providing information, advice and support with property repair and adaptation that help older people and their carers. The Government could create the conditions that enable councils to innovate and integrate services by creating a more stable funding environment for housing adaptation, including exploring the opportunities for innovative equity release. It should also incentivise public service partners to participate in emerging local models such as the joint commissioning of integrated housing, health and care services.

HOUSING, HEALTH AND OUR AGEING POPULATION

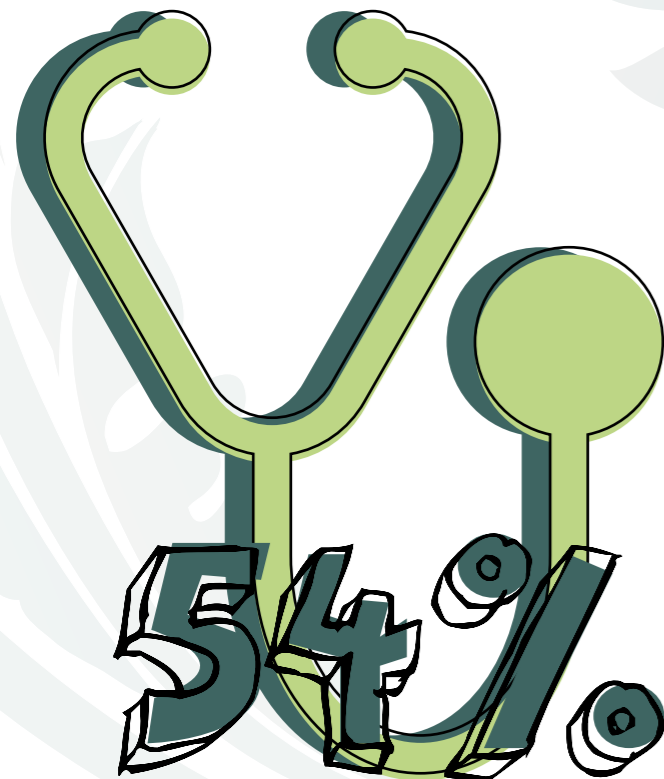
Developing a new market of all-age homes.

Attractive new housing options for older people can stimulate pro-active housing moves that help prevent future health and care needs and costs, and release family homes into the market. Older people represent a large proportion of the housing market with significant purchasing power, but supply tends to narrowly focus on one of two ends. Councils that are building homes directly or with private and public sector partners have an opportunity to significantly scale up the delivery of properties designed in locations and to standards, such as the 'HAPPI' principles, which meet the growing need for homes that support people as they age. They could also seek to support affordability by including shared ownership, co-housing and collaborative housing options. The Government and councils could work together to encourage house builders, investors and lenders to increasingly meet needs of this growing market as part of their general offer.

London has set the Lifetime Homes as the design standard required for new homes in the capital



HOUSING, HEALTH AND OUR AGEING POPULATION



Derby has developed a Healthy Housing Hub that offers help, advice, repairs and adaptations to reduce home accidents, falls and general health risk. People with a history of falls who received services had 54 per cent fewer acute hospital stays



Building specialised homes for older people.

There is demand for a mix of housing that offers care and support for which supply can be constrained by costs and competition with traditional residential development. Councils and housing providers are seeking to find innovative approaches to finance the development of specialised housing options, such as Extra Care housing, through the use of public land and the local planning system. The Government should support partnership efforts by developing a viable long-term strategy and funding model that enables local housing and health partners to increase the mix of quality specialised and supported housing options, to rent or buy, for older and vulnerable people.



Supporting people to plan ahead for housing and care in later life.

Some older people will be interested in opportunities to move to more suitable homes earlier on in retirement. An increase in older people moving to such properties can support health and well-being and help stimulate the wider housing market. Alongside an effort to build attractive homes, local and national partners could work with councils that are seeking to promote, coordinate and provide access to the advice and practical support that encourages early consideration of future housing need. The Government could also support this by exploring options for exempting older home owners from paying stamp duty, which it would recoup through subsequent resulting moves in the housing market.

Poor housing is estimated to cost the NHS £1.4 billion every year

Source: Public Health England



Oxfordshire has led the delivery of over 800 Extra Care Housing units, including using its own land. It demonstrated that each placement can save an average of £120 a week compared to a similar placement in a care home

NEXT STEPS

The LGA Housing Commission will publish a final report shortly, including good practice case studies, analysis and recommendations.

The findings will form the basis of our improvement and good practice offer with councils, and our conversations and work with local and national partners.

We welcome the views of councils and our partners on the preliminary findings introduced in this paper, and on our opportunities for future collaboration.

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The LGA Housing Commission is overseen by the LGA Environment, Economy, Housing and Transport Board and is supported by advisers around four interconnected themes.

Building more homes

Catherine Hand, Partner, Trowers and Hamlins
Chris Wood, Partner, Altair

Prosperous places where people want to live

Professor Jo Richardson, Director of Centre for Comparative Housing Research
Will Colthorpe, Argent LLP, Chair of British Property Federation Development Committee

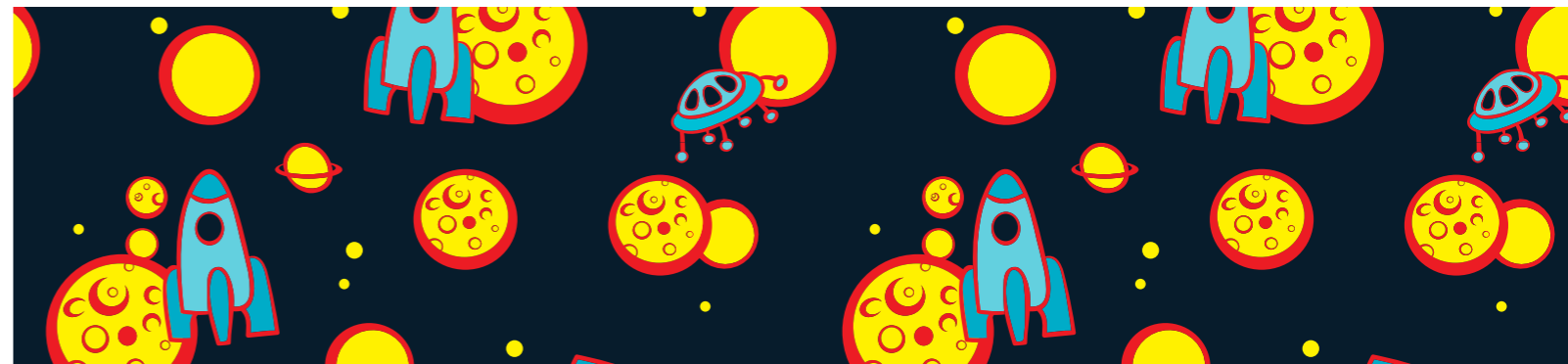
Homes boosting employment

Dave Simmonds OBE, Director, Learning and Work Institute

Housing, health and our ageing population

Neil Revely, Chair of ADASS Housing Network
Sue Adams OBE, Chief Executive of Care and Repair England

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