

A manifesto for housing in the North: Securing economic growth and reforming services for our regions

March 2015

A manifesto for housing in the North: Securing economic growth and reforming services for our regions

Jo Boaden, Charlotte Harrison

Introduction

The Northern Housing Consortium (NHC) believes that locally driven regeneration and a strengthened housing supply are critical to achieving the growth needed across the North to develop and rebalance our economy. We know the North has the potential and the opportunities to do this.

We share the views of many in calling for concerted and consistent policies to boost investment in our infrastructure, which includes housing, and to provide the local flexibility to most effectively manage it. In return we will bolster our tax base whilst equitably and sustainably driving down expenditure on welfare dependency.

The UK's unbalanced economy has meant that housing markets, opportunities, challenges, demand and needs are becoming ever more geographically diverse. Whilst parts of the North face acute affordability problems and housing shortages others are seeing potential growth undermined in different ways – for

example, by an outdated housing supply, by concentrations of deprivation or by contaminated land holding back new development. The tools and investment required to boost supply now differ greatly from place to place – we call on the new Government to acknowledge this and to accelerate work to introduce far greater local policy flexibility.

We have welcomed the recent “Northern Powerhouse” dialogue and potential investment and freedoms this looks to bring. Our members have been playing important roles in helping to modernise public services to turn these ideas into reality - we will commit to use our collective skills, experience and resources to build on this and to ensure that housing plays a central role in generating the growth that will enable the North to achieve its economic potential .

The NHC believes the key to success is to forge a strong partnership between modernised local government, the housing sector and private business with central government supporting and facilitating the process.

We have worked with the All Party Parliamentary Group for Housing in the North over the past four years to help strengthen understanding of the impact of policy on our communities and to develop practical proposals that support Northern growth and opportunity. We are now looking to step up this work and to work with the Group in establishing a comprehensive **Northern Commission for Housing** for the incoming Government which will

- **Inform a clear overall approach to housing and regeneration** strategy reading across all Departments within its first year and:
- **Set out the flexibilities needed to locally determine housing and regeneration plans to best reflect Northern markets and opportunities.**

The NHC commits its membership to work with the APPG

and partners to develop proposals to turn these strategic aims into operational reality. The main areas we believe that the Commission would need to review to achieve this are as follows:

1. Greater local flexibility to deliver more and better homes

- The need to build more new homes in the right places and to make best use of existing stock is universally accepted. Similarly, there is momentum behind moves to enhance the degree of local decision making. We would like to see a number of actions introduced to best align these two policy objectives – these include: consolidating the currently over-complex and often bureaucratic range of housing investment streams into a single, clear and outcome focused programme. To meet agreed strategic local housing objectives, including provision of affordable homes and support for first time buyers.
- Providing our Combined Authorities or Counties with the powers to determine how this investment is prioritised, delivered and managed.
- Providing greater flexibility over the use of public sector assets and receipts by allowing more local determination of policy tools to achieve agreed strategic objectives – the following are some possible products:
 - Local retention and application of Stamp Duty, ring

fenced to support development.

- Promote use of locally determined housing enterprise zones/housing growth zones with associated flexibilities around planning and land assembly.
- Use it or lose it planning tools for Local Authorities (could be flexed at local level from national benchmark)
- Flexible approach to the use of Right to Buy (RTB)
- Use government guarantees or equity stakes to help meet the challenges, especially prevalent in the North, of making residential development work on brownfield sites where the market will not take the lead.
- Local determination on use of surpluses and local authority borrowing.
- Decentralising housing benefit to Combined Authorities or Counties and linked to a Payment by Results deal over employment rates within appropriate time scales.
- Use of Social Impact Bonds to fund new affordable housing linked to welfare dependency reduction.
- Rent setting flexibility for registered providers.
- Protecting affordability in rural settings and smaller developments by removing the under 10 unit exemption of S106.

2. Shaping public sector reform

Local Authorities and Housing Associations have core roles in reforming public sector services to best meet resident's needs and in making structural efficiency savings. There are many good examples of collaborative working like this happening across the North in fields such as addressing troubled families, health, and adult care. This work risks, however, being developed in an ad hoc way with some areas missing out on the opportunities and synergies created by new partnerships between providers and strategic housing authorities.

Many now recognise the potential for such partnerships in improving development, delivery of efficient energy schemes, tackling worklessness and in many areas of health provision. Day to day delivery pressures can mean that work such as this misses out and the NHC will commit to working with government, housing providers, strategic local authorities, and other partners to create a new strategic framework for its development.

3. Ensuring quality and security in the private rented sector

The private rented sector plays a vital and rapidly growing role across the North. This growth trend is one of the most important factors across Northern housing markets today and looks set to continue at pace. We must ensure that the sector plays a positive role in meeting modern residential expectations through a fair and up to date legislative, regulatory and tax framework. We want to work with the industry's representatives and local and national government to help achieve a strong, professionally managed sector that will drive up standards and drive out unacceptable living conditions. To help achieve this we believe that local authorities need stronger, locally determined tool kits which could include:

- An ability to link housing benefit payments to minimum management and property standards.
- Incentives to improve security of tenure and property standards - reward those offering longer agreements of good quality homes.
- Enhanced protection against retaliatory evictions.

- Mechanisms to help drive up standards of lettings agencies.
- Local retention of fines levied against landlords/agents found in legal breach of their responsibilities.

Summary

We are acutely aware that this is a long and ambitious list of changes and requests of Government. This only comes about because of the long term and deep seated challenges we are seeking to address in strengthening our housing supply through regeneration. Recent discussion and action on the ground is showing the North's willingness to work in new and innovative ways to secure the economic outcomes demanded by our communities. NHC members are already active partners in this but, to maximise the potential this could bring, a new, ambitious and unambiguous strategy for housing and regeneration is required.

We know that some of our proposals will require a shift in approach whilst others are looking for an acceleration of current policy including the reform of the public sector. We welcomed the focus brought to housing by last year's Lyons and House/Elphicke Reports – they were both valuable at looking in depth at aspects of the challenges facing housing supply and now need taking forward in the wider context of local determination.

To address the core issues we have identified – the need for

local flexibility to enhance supply, **maximising the potential of public sector reform** and **strengthening standards in the private rented sector** – we want to see the establishment of a **Northern Commission for Housing** to consider evidence, consolidate thinking and application of the recent reviews. We believe such a Commission would provide an excellent foundation for a developing a strengthened partnership approach for the new Government to deliver more and better housing in the North.

Northern Housing Consortium

Webster's Ropery
Ropery Road
Sunderland
Tyne and Wear
SR4 6DJ

