

REGIONAL HOUSING BOARD

Making the Case

Draft Outline Structure

NOTE: this framework may need to be updated to take into account issues or comments made by the Panel that conducted the independent Examination in Public of the draft South East Plan.

1. Context

- The evidence submitted to the Examination in Public (EiP) of the draft South East Plan stressed that housing affordability is a key issue for the region; a point that was not disputed at the EiP.
- The issue of affordability is more acute in the region than in any other outside of London; it is getting worse and this is in spite of the fact that the number of houses being provided in the region is increasing.
- The cost of housing is a major barrier to economic growth.
- The scale of the problem associated with acute lack of affordability is such that it cannot be tackled by means of increasing the supply of housing; the region cannot build its way out of the problem.
- The region needs to provide a larger number of affordable houses to address the need identified in the research underpinning the South East Plan.
- Increasing the supply of housing alone will not be sufficient to address the need to provide a larger number of affordable houses. More importantly such an approach will not ensure that the right types of affordable houses are provided in the right location; it requires greater investment by the public sector in the provision of affordable houses.

2. Economic Implications

- The economic performance of the region's economy is vital to the success of the national economy; investing in the continued growth of the region brings added value to the UK.
- The acute affordability problem in the region has a disproportionate impact on the economic performance of the region compared with other regions.

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- The region is experiencing an increase in the number of sharing households and concealed families; in part this is likely to be a consequence of the acute affordability problems.
- It is likely that an implication arising from the circumstances in the region is that the economically active are more dependent upon the availability of non-market housing than other regions.
- The corollary is that additional investment in the provision of affordable housing is likely to have a greater benefit for the economically active compared with other regions.
- The economic performance of the region cannot be taken for granted; the rate of increase of GVA per head in recent years has been below the UK average.

3 Social Implications

- A failure to deliver sufficient affordable housing in the past has resulted in a significant backlog of unmet demand.
- While the housing situation is complex the fact remains that the number of households on local authority waiting lists is increasing and overcrowding remains a serious concern.
- Equally concerning is the quality of the private sector housing stock with a significant proportion of this failing to meet the decent home standards; budgetary pressures have seen the funds available to invest in this stock decrease in recent years.
- The investment made in affordable housing in rural areas is failing to keep pace with housing need; leading to both economic and social pressures within communities.
- An over reliance on market housing to provide the funding for affordable housing does not ensure that the right type of affordable housing is provided in the right locations; the resulting patterns of development may be less sustainable in the long run.

4. Current Level of Funding

- The region has gathered a comprehensive and robust evidence base; it demonstrates a need for at least 35% of new housing provision to be provided for in the form of affordable houses.

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- Based on the current level of public sector investment available the region is only able to deliver approximately 80% of this identified need; the region is continuing to under provide in terms of the level of affordable housing needed.
- Without additional funding to invest in affordable housing the economic and social implications for the region are likely to grow.

5. Other Pressures

- The Board has a key role to play in acting as a champion in delivering affordable homes of the highest possible quality; it believes that level 3 of the Code for Sustainable Homes should be absolute minimum standard for both new homes and the refurbishment of existing homes. Achieving higher standards is likely, in the short to medium term, to require a higher level of public sector investment in affordable housing.
- The region is currently achieving 79% of all new homes on previously developed land; additional land and remediation costs are a potential barrier to the delivery of affordable housing in the right location. This needs to be better reflected in the funds made available to invest in the delivery of affordable housing.
- The proportion of small scale sites in the region is significant; this potentially restricts the opportunity to achieve economies of scale in the delivery of affordable housing.
- The evidence base highlights the importance of increasing the availability of larger-sized affordable houses to meet the needs of families. Delivering this need is likely to require higher levels of public sector investment.

South East England Regional Housing Board

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