

**SOUTH EAST ENGLAND
REGIONAL HOUSING BOARD**

Date: 14 May 2007

Subject: **Housing Type and Size in the South East**

Report of: Planning Implementation Director
South East England Regional Assembly

Recommendation:

The Regional Housing Board is recommended to approve the actions and priorities proposed in the annex to the report.

Purpose of Report:

To identify the key issues and recommendations highlighted in recent research into the size and type of new housing and courses of action open to the Board.

Key Issues:

- Recent trends in housebuilding show a shift towards building smaller homes and a greater proportion of flats. In the open market, this is not of immediate concern.
- In the affordable housing sector, there is evidence that a higher proportion of smaller homes and flats is being built. The research indicates that action is required to stimulate the building of larger affordable homes.

1. Background

- 1.1 Consultants were jointly commissioned by SEEDA and the Regional Assembly to investigate how the size and type of new housing completions in the market and affordable sectors have changed in recent years. The project looked at data on housing completions since 1980 and consulted stakeholders on a range of hypotheses to explain the reasons for the identified changes. The full report has been circulated with the agenda.
- 1.2 The study found a distinct shift towards building smaller homes and a greater proportion of flats and concluded that the changes are significant for housing and planning policy. While not of immediate concern in the open market where larger homes continue to be created through extension and conversion, the stock of newer dwellings is less flexible than previously due to the increased proportion of flats and monitoring of completions by dwelling type is therefore desirable.
- 1.3 The affordable housing sector shows greater polarisation with one and two bedroomed homes taking a progressively greater share of completions, from approximately 55% in 1998/99 to around 80% in 2004/05. Over the same period, the proportion of flats completed in the affordable sector increased from 29% to 66% in the South East. When levels of family homelessness and overcrowding are considered, the evidence suggests that urgent action is required.
- 1.4 The RHS review reflected the consultants' preliminary findings by indicating that overcrowding in the social housing sector is of considerable concern to the Board and is likely to worsen if the trend of building smaller dwellings continues. The review document drew out the financial tensions between providing the maximum amount of affordable housing to meet need and the importance of providing the right type and size of homes in the right places.
- 1.5 The research touches on the principle articulated elsewhere, including the Strategic Housing Market Assessment practice guidance, that building one larger property could help resolve the needs of several households as they "move up" through the system into larger properties.

2. Proposals

- 2.1 The consultants' report makes 15 recommendations. Those which relate to the planning system will be considered by the Regional Planning Committee and may provide the basis for further work,
- 2.2 The consultants' recommendations which appear most appropriate for the Regional Housing Board in relation to advice to Government on funding allocations are set out in the annex to this report with proposals on how they could be taken forward.

Housing type and size: Proposed action by Regional Housing Board

Recommendation (Consultants' numbering)	Proposed action by Regional Housing Board
<p>Recommendation 3 The Regional Housing Board and individual local authorities should develop strategies to deal with overcrowding and determine the priority that should be given to investment to address the problem. These strategies need to identify the role that new housing provision is expected to play in these strategies.</p>	<p>In making the case to Government for the region, the Board to press for an urgent decision on a new statutory definition of overcrowding and for this to be used in strategic housing market assessments.</p>
<p>Recommendation 4 Local authorities should become more sophisticated in their analysis of what type of affordable housing provision they need. The mix of new affordable housing needed should be determined by reference to the characteristics of those in priority need, and not by reference to the characteristics of all households in need, since many of these households are unlikely to be allocated affordable housing.</p>	<p>The Board's funding submission to Government to recommend that local evidence of the profile and waiting time of households in priority need to be a key consideration in assessment of bids for grant funding.</p>
<p>Recommendation 5 Local authorities, working in partnerships with RSLs, should incorporate an assessment of social sustainability into their allocation policies, to minimise the prospects of management difficulties emerging. The issues are greatest in large mixed tenure blocks of flats, but need also to be taken into account in planning new neighbourhoods.</p>	<p>Seek Housing Corporation advice on how these considerations can be taken into account in assessing scheme bids.</p>

<p>Recommendation 6 Regional and local strategies for overcrowding and social sustainability should inform what local authorities ask RSLs to provide, and hence the type of schemes that RSLs put forward for funding; but they should also inform discussion with developers regarding the size and type of affordable housing provision as part of mixed tenure development.</p>	<p>Work is in hand to address overcrowding issues at a later stage.</p>
<p>Recommendation 8 In the longer term, authorities should consider moving from affordable housing targets based on a quota of units, to quotas based on floorspace, habitable rooms or bedrooms. At the same time authorities need to develop a stronger appreciation of development economics, so they can assess the implications of changes in the size and type mix of affordable housing on scheme viability.</p>	<p>In considering whether funding allocations for 2008-11 are expressed in terms of percentage funding or numbers of homes, the Board will influence the local approach to affordable housing targets.</p>
<p>Recommendation 9 In developing a revised Housing Strategy for the South East, the South East England Regional Housing Board and the Assembly should consider introducing a target or targets that reflect the need to secure a range of different sized affordable dwellings, for example including a proportion of larger affordable homes. Development of such a target should be informed by the analysis of those households in priority need on the housing registers across the South East and the availability of different types and sizes of dwellings within the existing stock of affordable housing.</p>	<p>Set an aspirational target in 2008 – 11 funding allocations to encourage scheme bids to include a greater proportion of larger units where need is identified at the local level.</p>

Recommendation 11: If the output of family houses for social renting is to be increased this will need to be reflected in the allocation decisions made by the Housing Corporation. A shift to measuring the number of people housed by the affordable housing development programme as the key measure of success, rather than the number of units built would help this, and encourage the use of grant per person to become the key measure of Value for Money.

The Board is asked to consider its preferred indicator for the delivery of affordable housing: numbers of dwellings or people housed.