

**SOUTH EAST REGIONAL HOUSING STATEMENT 2001-2004
CONSULTATION DRAFT**

**COMMENTS ON BEHALF OF
THE SOUTH EAST ENGLAND REGIONAL ASSEMBLY**

The South East England Regional Assembly has been pleased to be involved in preparing the latest Regional Housing Statement for the South East and now welcomes the opportunity to comment in a formal capacity. The following comments have been prepared by the Regional Assembly's Housing Advisory Group. They are subject to the formal endorsement of the Planning Committee which will be discussing the Regional Housing Statement at its meeting on 12 October.

As requested, the comments are clearly referenced to the text in the draft document wherever possible. However, there are a number of important but more general points that the Assembly would like to make relating to the content of the Draft Statement as a whole and to its overall structure. These are grouped together under the first heading.

General Comments

Affordable Housing: The emphasis on affordable housing is welcome, reinforcing as it does the messages in RPG 9 (to which there should be a cross-reference). However, the Statement needs to explain more clearly the scale of the problem in the South East, the links with key worker housing and why it is so important that urgent action is taken to address the issue. This should also be emphasised in the Foreword when it is drafted and the Vision. The 'key actions' set out in the vision should include a regional target for the provision of affordable housing within the period covered by the Statement. As it will not be possible to reach the full output target within the three year period, this needs to be a transition target demonstrating how we are moving towards the final goal.

It is also important to recognise that affordable housing is not really a separate priority but one that cuts across a number of the other priorities identified. This is reflected in the repetitive content of some sections of the Statement. One way of overcoming this would be to

present the provision of affordable housing as an overarching objective.

Resources: The recognition early on in the Statement that unless actions are taken there is likely to be a very substantial shortfall between the number of affordable homes required in the South East and those likely to be provided is welcome. While the Draft Statement acknowledges that the gap is unlikely to be filled by the private sector, nowhere does it address this fundamental issue further. It is important that best use is made of the funding that is available. However, if there are issues relating to the need for funding of affordable housing in the South East, these should be drawn out in the Statement.

Role of Planning: As the section of the Statement on the planning system explains, the land use planning system has an important role to play in ensuring that everyone has the opportunity of a decent home. It provides a set of tools which can help to realise the vision set out in the Statement and we should look to ways to improve its contribution to supply further. This should be acknowledged in this section. However, it is also important to recognise that planning alone cannot resolve issues relating to affordable housing, key workers and sustaining rural communities.

The Assembly's Affordable Housing Sub Group is considering barriers or obstacles to the provision of affordable housing. The work is ongoing, but a long list of issues has already been identified, covering communications, finance, the policy framework and local circumstances. More detail is set out in an attachment to these comments.

Implementation: It is recognised that this year the Statement is at a transitional stage, and that in the future the document is likely to be more strategic in nature. However, to be useful the Statement must be clearly implementation oriented and its status must be clear. The emphasis on recommended actions throughout the Statement is therefore a welcome improvement from the earlier draft. However, the Statement should be improved further so that there is a much stronger and clearer link between the issues, priorities, actions, and crucially, who is to implement them and when. Where necessary, the Statement should stress the need for further action by a range of organisations, not least Central Government.

Examples of good practice will add an important dimension to the Statement. However, it might be more logical if they were to follow the key actions.

Key Commitments: For its part the Regional Planning Committee on behalf of the Assembly confirms that it will: strive to improve the coherence of regional policy making by identifying consistent regional priorities; make the provision of housing, especially affordable housing, a core objective of its regional strategies; monitor the supply of housing in the region, including affordable housing; ensure that urban capacity studies are undertaken in a rigorous and consistent manner; and consider how best to encourage further networking, sharing of information and spreading of good practice on key housing issues.

South East Focus: Many of the key actions relate to national policy. More emphasis should be placed on regionally specific actions that are appropriate within the South East context. The Statement also lacks any spatial dimension (although it appears that sub regional variations are to be included in the final version). This will be an important element of the Statement; the starting point should be RPG 9.

Overall Length: When the Statement is being finalised it will be important to guard against it becoming too long. Although the following comments on the detail of the Statement do include suggestions for some additional content, they also put forward ideas relating to the structure of the report which could help avoid unnecessary repetition.

Detailed Comments

Introduction

Para. 1.3: A number of the Statement aims are not sufficiently clear (for example, 'Provide the basis for identifying priorities within the region').

The list of Statement aims should also refer to local (land use) plans and related documents. Development plan reviews and corporate working are identified in the section on Planning as means by which aims can be translated into actions.

There should also be a reference to other relevant partners such as health and social services, and to community plans and partnerships.

Regional Strategic Context

Para. 2.7: Some more information on the Regional Economic Strategy would be helpful, particularly given the emphasis on sub regional variations and key workers elsewhere in the document.

Regional Housing Profile

Section Three: The purpose of this section is not clear. If it purely to provide background information, then it could probably be quite short, presenting some key facts about the region. If, on the other hand, the purpose is to identify key issues this section should be more focused and will require more 'hard evidence', preferably on a sub regional basis. The following data could be helpful: DTLR (or other data) on housing need; data from the DTLR HFR and HIP returns (number of affordable homes provided, dwelling type/size, the role of previously developed land, and number of affordable dwellings coming through the planning system); data on land prices; data on house prices and their relationship with earnings; data on rental levels: and data on housing supply (which could be extracted from the last SERPLAN survey).

Para. 3.1: These statements needed to be supported by evidence.

Para. 3.3: The suggestion here that private rented accommodation is increasingly available only to families on low incomes is contradicted elsewhere in the Statement. See, for example, para. 4.7 where it is suggested that landlords are letting their properties at market rents in excess of housing benefit levels and to prospective tenants who present a lower risk. Also see para. 3.13 where it is stated that a higher proportion of owner occupiers than in other regions are former private sector tenants, one in six of them buying a detached property. The point that needs to be made is that the high cost of private rented accommodation in the South East creates an affordability problem for those households on low incomes but ineligible for assistance though the housing benefit system.

Para. 3.4: While this section would benefit from more analysis of sub regional variations (particularly given the emphasis placed on them throughout the section dealing with regional priorities), it would more effective to see this picked up under each of the sub-headings rather than being dealt with as a separate sub section.

The maps of sub regional variations referred to in the list of annexes should be factually based rather than based on those generated at the RHF meeting in Crawley. Those maps were inevitably very subjective and to some

extent reflected the geographic composition of the various workshop sessions.

Para. 3.11: Define 'disadvantaged groups'.

Para. 3.14: This does not relate to tenure. It would be more appropriately included as part of the previous section on housing stock.

Para. 3.15/3.16: The content of these paragraphs conflict with RPG 9 and are potentially confusing. The reference should be to the latest sub national projections (ie. 1996-based). Furthermore, it is not helpful to make a direct link between household projections and housing provision. RPG 9 sets the overall level of housing provision for the next five years and it is not anticipated that this will be reviewed during the life of the Regional Housing Statement.

Key Regional Housing Priorities

Affordable Housing

Para. 4.1: To add clarity the term 'affordable housing' should be defined.

Para. 4.2: It is not clear whether the first part of this paragraph is referring to housing generally or to affordable housing. Also, it is over-simplistic to suggest that simply increasing the supply of housing in the South East will ensure that those in housing need benefit. This supports the identification of a provisional affordable housing indicator in Regional Planning Guidance.

There also seems to be a contradiction between the reference to accessing owner-occupation and para. 3.13 which states that the percentage of owner occupiers is higher than the national average.

Actions: The actions on affordable housing all relate to land use planning. There is therefore some overlap with the later section on planning. When the Statement is being finalised GOSE should consider whether the structure could be improved. One solution would be to bring the various actions from section four together in the concluding section titled 'A Framework for Action' (see below).

This section should also stress that the affordable housing issue cannot be addressed through land use planning alone (as acknowledged by the Statement itself earlier on). This part of the Statement would be more balanced if there were also references to non-planning based actions.

- Key Workers** It would add clarity if the Statement were to set out what it means by the term.
- Para. 4.4: It would be useful if the statements about recruitment and retention were supported by evidence.
- Para. 4.5: Include a reference to the current funding regime which means that it is difficult to provide for key workers because traditionally they have not been regarded as a group that is in housing need.
- Good Practice: This could also refer to research carried out by Surrey CC on behalf of the Surrey Local Government Association.
- Key Actions: More emphasis should be placed on the potential role of public sector land in providing both for key worker housing and affordable housing more generally.
- These should also include seeking a contribution towards key worker housing from non-residential employment generating developments.

Supported Housing To add clarity this term should be explained.

Sustaining Rural Communities

- Para. 4.25: There should also be a reference to the fact that many rural areas suffer from poor access to transport facilities and services.
- Para. 4.27: It is not clear whether the point about lead-in times is a reference to rural exceptions schemes or to housing developments in general.
- Actions: As with the actions relating to affordable housing, there are many references here to planning. The same comments apply about repetition and restructuring.

Housing Corporation Investment Strategy

- Para. 5.4: The reference to sub regional analysis supports the comments made above suggesting that the Statement should include more evidence presented on a sub regional basis.
- Para. 5.5: To add clarity the term 'Egan compliant' should be explained.

Leadership, Partnership and Commitment

- Section Six: The key commitments should include explicit references to other stakeholders involved in the delivery of housing, particularly local authority housing departments and community-based organisations which are vital to the delivery of affordable housing.

Making the Most of the Planning System

Good Practice: The Assembly's Affordable Housing Sub Group is an example of the Assembly bringing together the range of interests involved in providing affordable housing in order to help increase supply and improve the delivery of affordable housing in the region.

A Framework for Action

Structure: It would help the structure of the report as a whole if this section was to draw together the key actions from section four. This could help deal with the problems of overlap and would contribute to a much stronger and clearer link between the issues, priorities, actions, and crucially, who is to implement them and when.

Monitoring: The Assembly agrees that monitoring will be important and that it will be necessary to set regional (and perhaps sub regional) indicators against which progress can be measured. However, inclusion of the national targets as an interim measure at this stage could lead to confusion later.

Where appropriate the indicators in the Regional Housing Statement should be consistent with those being developed for the Regional Sustainable Development Framework and for RPG 9.

Examples of Barriers to the Provision Of Affordable Housing

Communications

- (i) **Inter-organisational relationships:** Includes inadequate co-ordination between the various players involved in the process (for example, Government, the Planning Inspectorate, housing providers, health providers, social services, highways departments, and private developers).
- (ii) **Lack of cross-boundary working:** Local authorities often do not work together across boundaries to consider housing need and ways of meeting it.
- (iii) **Intra-organisational relationships:** In some areas housing and planning departments are not working together as well as they might be. There are also problems locally at a political level, particularly where there are inherent tensions between local housing and planning policies.
- (iv) **Lack of trust:** Sometimes this is between local authorities and RSLs, but more often it occurs between local authorities and private sector developers.

Finance

- (i) **Level of funding and the way the funding regime operates:** Whilst it is true that the Housing Corporation's Approved Development Programme has increased, so too have grant rates and costs. This means that the number of affordable homes being provided has not increased in direct proportion to the additional finance that is available. The funding regime also means that it is difficult to provide for non traditional needs groups such as key workers. There is criticism that the TCI system is too inflexible and does not adequately recognise intra-regional differences in land and building costs.
- (ii) **Right-to-Buy:** This continues to erode local authority and RSL stock. There is also concern that local authorities with outstanding debt are only allowed to reinvest 25 per cent of the receipts from right-to-buy sales into new housing with the remainder to be used for debt repayment.
- (iii) **Local authority resources:** As well as the level of finance available for affordable housing there are other dimensions to the local authority resource issue. These include inadequate skills (particularly in negotiations with landowners and developers), a poor understanding of the way in which housing markets operate, and insufficient staff.
- (iv) **Tax regime:** The current tax regime acts as a barrier to conversions and renovations.

Local Circumstances

- (i) **Political attitudes:** As well as the political difficulties associated with tensions between local housing and planning policies, there is also in some areas of the South East a general antipathy towards housing development. In some areas there is also an antipathy to affordable housing provision.
- (ii) **Public attitudes:** These are often negative to the point of being hostile, both in terms of housing development as a whole and affordable housing in particular.
- (iii) **Local characteristics:** Including social, economic, environmental, geographical, infrastructure and transport issues, as well as land availability.

Policy Framework

- (i) **Circular 6/98:** This advice attracts much criticism from many quarters. Much of it stresses the lack of clarity which allows the Circular to be interpreted in a selective way and the need for greater flexibility. Critics argue that these shortcomings hinder effective negotiations and do not allow local solutions to be tailored to fit local problems. A particular concern is the imposition of site size thresholds to the provision of affordable housing.
- (ii) **Land use planning powers:** Covers a range of criticisms including: powers that are not sufficiently strong and flexible to determine house type and mix; insufficient scope to allow for more innovative approaches to groups not conventionally regarded as being in need such as key workers; and, lengthy local plan processes compared with local HIP and housing strategy processes.
- (iii) **Complex and time-consuming processes:** There is a general concern that it is taking an increasing amount of time to progress affordable housing schemes through to delivery. There are also more concerns about specific types of affordable housing such as rural exceptions schemes, and particular tools including Circular 6/98 (see above) and compulsory purchase orders which add complexity and require additional local authority resources.
- (iv) **Public sector land disposals:** Rules governing the disposal of public sector land and property holdings require that sites are sold at the highest obtainable value. While the Secretary of State may approve an exception if there is a case for providing affordable housing, the rules create an expectation of higher capital receipts. The result is that in areas of high land value affordable housing is often seen as uneconomic. Even where land is disposed of at a discounted price the amount of public subsidy being contributed must be reduced in direct proportion, thereby making no difference to the financial viability of the scheme.