

15th October 2007

Housing Green Paper Team
Communities and Local Government
2/J9 Eland House
Bressenden Place
London
SW1E 5DU

Dear Sir or Madam

Homes for the future: more affordable, more sustainable

Response of the West Midlands Regional Assembly

Introductory text

West Midlands Regional Assembly (WMRA) welcomes the opportunity to comment on the Housing Green Paper and supports its ambition to increase the supply of homes, particularly affordable homes.

Within WMRA, the Regional Housing Executive (RHE), which undertakes the Regional Housing Board function and Regional Housing Partnership (RHP), were both established in September 2006 following the merger of Regional Housing Boards with the Regional Planning Bodies.

Both the Regional Housing Executive and Partnership consist of representation from local authority Elected-Members, the Business Sector and other Stakeholders and are supported by the former Regional Housing Board Members, namely; English Partnerships, the Housing Corporation, Government Office West Midlands and Advantage West Midlands.

The Executive and Partnership are also supported by the Regional Housing Advisory Forum, an Officer / Stakeholder Group and the four Sub-Regional Housing Market Area Partnerships (HMAPs) which act as the gateway through which Regional Housing policy is communicated to the sub-regional and local level who in turn influence Regional advice and decision making.

The West Midlands has developed highly effective partnership arrangements as detailed above to ensure wide and active engagement in the implementation of the Region's Regional Housing Strategy and also in ensuring full consideration of housing issues within the partial revision of the Regional Spatial Strategy.

WMRA would particularly like to stress to CLG the need for Government to understand the strengths of what has been achieved by the West Midlands Regional Assembly. We have achieved a great deal of integration and joined up working between planning and housing in terms of strategy alignment, partnership working and joint monitoring. WMRA has taken a holistic view across key policy areas in the Region in order to fulfil the Government's requirements, following the Barker Review of Housing Supply to join up housing and planning functions at the regional level. WMRA is concerned that such achievements will be lost and a credibility gap created between now and when the changes in the regional structures proposed in the Sub-National Review are fully in place. It is important that continuity and confidence in the established partnership and joint working arrangements remain during this transition period.

In relation to the above, WMRA would urge CLG to set out its proposals for new regional arrangements as soon as possible, particularly setting out the new structures for the regional housing function. This is vital in ensuring valuable momentum in partnership working is not stalled or lost.

WMRA would also like to stress that whilst meeting housing growth needs, which the Assembly is working on currently within the Phase 2 revision of the Regional Spatial Strategy, the Urban and Rural Renaissance principles of the current Regional Spatial Strategy must remain and not be undermined by an ill considered unsustainable response to the need for housing growth. Having undertaken extensive technical work, thorough consultation and a risk assessment the Regional Planning Partnership is about to 'sign off' the Preferred Option for the Phase 2 Revision at its meeting on 22nd October 2007. This includes a very positive consideration of the housing land release figures which the Assembly is confident is a practicable match to the Government's requirement that the demographically derived housing needs of the Region to be met over the 20 year period.

WMRA would like to take this opportunity to urge CLG to respect the sub-regional Housing Market Area Partnerships developed in the West Midlands within the new regional arrangements, particularly with regards to housing, following the Sub-National Review. The sub-regional Housing Market Area Partnerships have achieved a great deal in a relatively short space of time, particularly in terms of implementing the Regional Housing Strategy, steering the development of the Regional Housing Allocations Strategy in terms of investment priorities and undertaking Strategic Housing Market Assessments.

WMRA would also like to see CLG work with Regional Assemblies in stressing to local authorities the value of sub-regional partnership working. Whilst the Green Paper does make reference to sub-regional partnership working and the need to respect the difference between Local Authority boundaries and housing markets, WMRA would urge CLG to reinforce this message, particularly following SNR and prior to the new regional arrangements being in place. Future regional structures need to strengthen the strategic regional housing function and support the Sub-Regional Housing

Market Area Partnerships, if the activities of and demands upon sub regional partnerships are to expand. Consideration needs to be given to the funding and governance of these partnerships to strengthen their capacity. WMRA acknowledges that the current IDeA programme will go some way to addressing these issues, however, longer term support is required.

The work of the Sub-Regional Housing Market Area Partnerships has also helped to strengthen the partnerships between individual local authorities and communities. This is important given the high levels of growth required to ensure that the Government agenda is sustainable and deliverable and supported by the local communities. Elected members and officers have a significant role to play within this, along with other local strategic and voluntary agencies. This partnership working will bolster the local strategic housing role and facilitate its development as an effective policy and enabling tool.

WMRA feels that the Housing Green Paper is not consistent with the recent Communities England consultation and re-consideration of both documents is required by CLG to reconcile and unify them. CLG are then encouraged to re-consult in light of this reconciliation work.

General comments regarding the Green Paper:

- WMRA welcomes recognition of need to increase the supply of housing, particularly the supply of affordable housing.
- Whilst the recognition of high levels of housing need in rural areas is welcomed, it is important to target funding in such a way as to deliver housing for local people where it is needed. To achieve this, some review may be required regarding the preconceptions around sustainability in rural areas, particularly regarding the use of public land as in rural areas this may well be remote from sustainable settlements. Applications to develop affordable housing often fall foul of the sustainability criteria in PPS3 exception site criteria. In order to use these land resources to meet local need will require further thought on sustainability and the provision of social and hard infrastructure to create properly balanced communities.
- Housing and Planning Delivery Grant will be used to encourage local authorities in housing delivery but the role of developers in setting the rate of development needs to be taken into account in reaching judgements about performance.
- WMRA welcomes the Government's recognition of the need to strengthen the strategic housing role of local authorities. WMRA is working with the IDeA (Improvement and Development Agency), GOWM and the Housing Corporation to deliver a capacity building programme in the West Midlands for both Members and Officers to support them in their strategic and enabling housing role.

- WMRA welcomes Government recognition of the need for sustainable development and location of new homes. Well designed and greener homes, linked to good schools, transport and healthcare - greener homes are required to tackle the effects of climate change. More environmentally friendly ways of building new homes are needed that make even better use of brownfield land. However, robust action on existing homes is required too.
- More affordable homes to buy or rent - cheaper homes must be produced to meet the pent up demand from those unable to get onto the property ladder. Government loans and subsidies - including public sector land and assets - can help make new homes more affordable.

Regarding the proposals for a Single Regional Strategy:

- WMRA welcomes the alignment of key regional strategies provided the Regional Housing Strategy is not lost or its influence weakened within the new framework. The regional housing function should be clearly strengthened by the new arrangements.
- As highlighted above the future of the regional strategic housing role needs to be clearly defined by CLG.
- A Single Regional Strategy needs to be able to build on the very successful partnership working present in the West Midlands across the public, private and voluntary sectors and not lose these important relationships in the new framework, i.e. if focus is solely on local authorities and the Regional Development Agency, work with housing associations, RSLs, private developers and other voluntary and community organisations and partnerships may be lost.
- It is vital that 'People issues' are not sacrificed within the new framework, for example; the Supporting People agenda, Homelessness, Asylum Seekers, Refugees and migrant workers and Gypsies and Travellers, People with Disabilities.
- The place of Regional Housing Strategy in the post 2010 Regional structures needs to be clarified. If it is intended that this too be part of the Single Regional Strategy this needs to be made plain and its significance within the Single Regional Strategy explained. If it is to be continued in some other form, for instance by the new Homes and Communities agency again clarity would be helpful, especially in defining its relationship with the Single Regional Strategy.

Comments regarding the Planning Gain Supplement proposals

Following the CSR 07 announcements on 9th October 2007, Government is no longer progressing Planning Gain Supplement (PGS) at this time, however, WMRA anticipates that PGS may be approved within the life of the Regional Spatial Strategy, and hence the concerns raised above will be valid at this time.

The WMRA acknowledges the Minister's 'Planning Reform' announcement on 9 October 2007 that the Government intends to proceed with a new statutory planning charge to enable councils to capture greater levels of planning gain to support new infrastructure and housing. Given the serious nature of the concern that growth needs to be supported and matched by appropriate investment in infrastructure this approach is welcomed.

However we agree this needs to be monitored closely, and if in future the Planning Gain Supplement is introduced there will be a need to ensure that once approved, it is used as efficiently as possible and that affordable housing targets are strengthened rather than weakened by the reduced / scaled back use of Section 106, if this remains part of the proposals. WMRA is aware that some local authorities in the Region have also expressed concerns regarding the Supplement in that the precedence for infrastructure support may be at the detriment of the provision of new affordable housing. Once PGS is introduced robust guidance is required to ensure PGS contributions are in addition to affordable housing delivery. The Guidance would need to ensure thriving, safe and sustainable communities are delivered in keeping with the Government's aspirations.

Rural

Rural Housing Enablers work in partnership with rural communities to initiate and deliver affordable housing schemes. Their key task is to work with rural communities, usually represented by parish and town councils to identify local affordable housing needs and develop sites to meet these needs. They also have a vital role in brokering agreements between the various parties involved in providing the new homes. The sourcing and development of Rural Exception Sites is fundamental to their work. More resources are needed to fund these activities which are integral to achieving delivery on the ground.

Research undertaken by the Joseph Rowntree Foundation (Homes for Rural Communities Report of the Joseph Rowntree Foundation Rural Housing Policy Forum 2006) emphasises the key role of Rural Housing Enablers in the delivery of affordable housing in rural areas. The Report '(urges) central government to establish a new £5-6m pa fund for the secure employment of a wider network of Rural Housing Enablers funded by DEFRA through regional offices, together with professional development and networking opportunities.

Proposals for consideration being given to small towns and villages are welcome, however, the problems of developing housing in rural settings are

significant and not always fully appreciated. The lead in time can be considerable and the range of consultation and efforts to achieve local 'buy-in' substantial. Rural housing is still likely to fare less well when compared with the demands of urban areas.

Affordability is a significant issue

A recent housing needs survey indicated that many families still can only access social rented housing and even houses in the lower cost quartile are outside the earnings of some of the most deprived families in rural areas.

Specific comments regarding the Housing Green Paper

Page 25: extension of Growth Points into the North – will need to be carefully managed, to ensure Pathfinder Areas are not de-stabilised – need to ensure Pathfinders are protected or risk Growth Plans undermining their hard work/achievements to date.

Page 29: Welcome support of Community Land Trusts, North Warwickshire BC in the Region is developing this model and in North Shropshire, there is a Community Asset Trust which is looking at rural delivery vehicles to deliver affordable housing. WMRA feels that Government could also do more to help the development of Community Land Trusts by providing guidance and support on legal issues and also via sharing good replicable examples.

Page 30: Planning and Local Delivery – agree that Local Planning Authorities should take lead on deciding where new housing is located and what mix is needed but important they work with Housing colleagues and colleagues from adjacent authorities to ensure the correct mix for local housing markets and the wider sub-region is delivered. Housing Officers should be fully involved in all issues to do with location, layout, types and tenures of the housing developed and also, both Planning and Housing Officers should be jointly involved in assessing and monitoring housing needs and acting together to develop appropriate housing solutions.

Page 33: Planning Inspectors should have a clear understanding of regional housing priorities, particularly with regards to affordable housing and act in a manner supporting the development of mixed and balanced communities including supporting local authorities in bringing forward land for affordable housing.

Page 35: Use of surplus Public Sector land – welcome new uses of land which has outgrown its purpose but some of sites may be in remote locations and not suitable from a sustainability perspective, it is vital that fully functioning properly supported community infrastructure is in place and not just housing numbers delivered. Use of the new GVA Grimley and Housing Corporation Economic Assessment Tool will provide a user friendly and effective way of assessing site viability.

WMRA welcomes the intention to improve the take up of surplus public land for housing, but note the serious sustainability and accessibility issues which must be addressed where more remote sites are being considered. In parts of the Region, for example in the South Housing Market Area (covering Worcestershire and South Warwickshire) the supply of land is a major challenge and the funding of affordable housing on surplus land remains fraught with difficulties. Despite good relations between various public sector agencies the supply of land from public sector is yielding only modest results.

Page 37: Transfer and management of sites by English Partnerships (EP). It is important that EP takes an over-arching view to all sites that it acquires to ascertain how such sites 'fit' with growth proposals and with Regional Spatial Strategies. It is felt to be important that EP's activity takes its lead from the RSS, RHS and Regional Allocations Strategies and is conducted in close collaborative liaison with the Regional Assemblies, Housing Corporation and local authorities.

Page 40: Academy for Sustainable Communities. It is important that the profile of this organisation is raised and that local communities benefit from training, particularly those in areas with high rates of unemployment. The potential of the Academy could be far reaching in terms of training future planners, building control surveyors and also community workers, across the whole remit of the Government green paper to ensure positive and sustainable community development. In rural areas the Academy could support the development of local enterprises within dispersed rural economies.

Page 41: Welcome support for reducing number of empty homes. A number of local authorities in the Region have raised this as key priority. CLG will need to ensure it does not face perverse consequences later on if the NHPAU advice is to provide more housing supply than demographically required in order to address market price issues. One such consequence may be a rise in vacancy rates. Notwithstanding this future unwanted possibility, different approaches need to be followed in public and private sectors. Private sector action may be expensive if CPO action is necessary as a last resort. In rural areas of high unmet demand the disincentives for holding second homes should be tightened and the rates received given to the local housing authorities for them to use to provide affordable housing.

Page 42: Infrastructure Funding - £300m in Community Infrastructure Fund does not seem adequate given the level of Growth being proposed. Also the £1.7bn proposed in CSR 07 on 9th October 2007 for infrastructure funding also seems inadequate given the scale of the housing growth proposals. The funding of infrastructure is a source of considerable concern for the Region, for example, South Worcestershire in the South Housing Market Area has raised this as a matter of the highest importance in the delivery of housing growth.

Page 43: Welcome proposed review of CABE – CABEs work is integral to ensuring well-designed homes are delivered. It is important the advice

generated is respected and accepted by communities and not solely driven by academic theory.

Page 45: Creation of sustainable communities. The Government needs to be realistic here in terms of what is achievable in striking a balance between meeting the Governments household projections and creating mixed and balanced communities. WMRA in conjunction with a number of local authorities and other partners, express concerns regarding the conflicting demands for high density due to the housing growth projections balanced with the need for family housing and also the need to build aspirational housing, particularly in the Major Urban Areas in the West Midlands to stem the outflow of higher income groups.

Page 49: Three month cross-Whitehall review on Infrastructure and Growth. WMRA welcomes the Governments commitment to consult with a range of policy areas, particularly in relation to Infrastructure planning. WMRA's Regional Housing Partnership at its meeting on 10th October, could not stress highly enough how crucial it was for infrastructure issues to be dealt with in order to support housing growth.

Page 59: Good Design. WMRA welcomes support for Lifetime Homes; however, there is a need to balance efficiency savings in the Housing Corporation's National Affordable Housing Programme with the increased costs of good design. There is a need for developers to provide open market housing to the same standards as social housing and this can be enforced through robust planning guidance. Government should also ensure that every new house built in the country should meet the Code for Sustainable Homes 3 or higher now rather than wait until 2016 when the expected review of the Building Regulations is due to take place.

Page 80: Decent Homes: the WMRA welcomes the continued support for the delivery on decent homes, and would request this clearly be extended to Decent Homes in the Private Sector for vulnerable households. Concerns have been raised by local authorities regarding the lack of reference to Private Sector stock condition in the Green Paper. WMRA would welcome CLG's reassurance of its continued commitment to addressing poor stock condition, particularly for vulnerable people in the Private Sector.

In particular, Government's continued support for equity release models should be promoted with the private sector, and local authorities encouraged to work together to further the effectiveness of this model. A group of Local Housing Authorities in the West Midlands Region have mutually supported the development of the Kickstart model of equity release and further Government help in the development of this model would be appreciated.

Page 83: Support proposal for households to purchase 50% of a Homebuy product rather than having to finance 75%. The Assembly's Regional Housing Partnership and the South and West sub-regional Housing Market Area Partnerships in the West Midlands have expressed concerned regarding shared ownership products being unaffordable, particularly in some rural

areas in the South and West of the Region. Some parts of the Region require the purchase percentage to be below 50% due to the combination of low incomes and exponential increases in house prices.

Other alternative models of shared ownership could be considered, such as Mutual Home Ownership, (currently being considered by Redditch Co-Op Homes) which offers an opportunity for a more affordable access to home ownership in line with the Government policy agenda.

Chapter 10: Improving the way mortgages work. More mortgage lenders need to be encouraged to offer these types of products and also mortgages for affordable housing which are held in perpetuity for the community.

Chapter 12 – talks about the wider local authority strategic role and that Government is working with IDeA to develop a suite of good practice publication, to strengthen authorities' capacity to undertake a strategic housing role. WMRA welcomes this capacity building, as it will undoubtedly be required if LAs are to effectively undertake the many new challenges Government has set out for them in the future. As mentioned in the introductory text, WMRA, the Housing Corporation and GOWM are working with IDeA in the West Midlands to support local authorities in strengthening their strategic and enabling housing role.

Responses to specific Consultation Questions

Chapter 6: Well designed homes and places

6. *Do you agree that further work to explore and evaluate quality assurance approaches would be worthwhile?*

With such a high volume of construction now anticipated it is vital that poor quality construction is prevented and challenged where it arises. Future building failure must be avoided by the rigorous enforcement of best practise, building regulations, design standards and improved insurance provisions and meaningful guarantees to new home buyers. There is need to raise quality standards, houses should be of the quality, type, tenure and location to meet needs which exist in all sectors and these standards should relate equally to private sector developers.

Chapter 8: More social housing

7. *What are your views on our proposals to allow councils to retain the full rental income from, and capital receipts on disposal of, additional new properties financed from local resources and consult on detailed options?*

Not only should the receipts identified here be used by local authorities, but the full use of RTB receipts by Local authorities for housing purposes should be allowed in addition to the Regional Housing Pot and other

housing resources currently allocated to Local Housing Authorities.

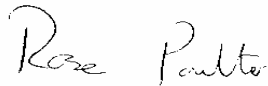
Right To Buy is a sensitive issue, one possible solution could be to ensure stock remains affordable in perpetuity when it is sold, rather than being a subsidised sale onto the open market. Controls on resale values would also enable people to own their own homes and deter RTB being used for profit purposes.

Further consideration should be given to the position of debt free authorities with unused borrowing capability. This represents an untapped financial resource which could address priority needs and add to the funds available. RSLs are expected to use their asset base to the full to fund development. This is a similar or broadly comparable consideration which could apply to debt free LHAs.

10. Are there other models you know of which could effectively secure the outcomes sought?

As detailed above other alternative models of shared ownership could be considered, such as Mutual Home Ownership, (currently being considered by Redditch Co-Op Homes) which offers an opportunity for a more affordable access to home ownership in line with the Government policy agenda.

Please do not hesitate to contact a member of the Housing Team with queries on any of the points made above.



Rose Poulter
Director of Policy

Contact Details

Steve Forrest
West Midlands Regional Assembly
Strategic Housing Advisor
Email: s.forrest@wmra.gov.uk
Tel: 0121 678 1064

Emma Kiteley
West Midlands Regional Assembly
Senior Regional Housing Advisor
Email: e.kiteley@wmra.gov.uk
Tel: 0121 678 1037