

REPORT TO: Executive Board

DATE: 20th September 2007

REPORTING OFFICER: Strategic Director - Health and Community

SUBJECT: Department of Communities and Local Government Housing Green Paper "Homes for the Future: more affordable, more sustainable"

WARDS: All wards

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to inform Executive Board of the content of the Housing Green Paper "Homes for the Future: more affordable, more sustainable" and to consider the implications for Halton and the wider City Region.

2.0 RECOMMENDATION: That

- i) **Executive Board note the content of the Housing Green Paper and endorse the comments at 3.8 as the basis for Halton's response to be forwarded to the Department of Communities and Local Government (DCLG), the North West Housing Forum and Merseyside Policy Unit for inclusion in wider regional and sub regional responses.**
- ii) **Executive Board authorise the Chief Executive to contact neighbouring local authorities regarding the potential to explore development opportunities arising from the Green Paper as described in 3.8.2.**

3.0 SUPPORTING INFORMATION

3.1 During his early days in office, the new Prime Minister made it clear that housing, and specifically affordable housing, would be a key priority area for his Government. The Housing Green Paper provides evidence of this commitment and sets out how the Government intends to address the affordability issue, while minimising the impact on the environment.

3.2 The DCLG is consulting Local Authorities and other stakeholders on the range of ideas and proposals contained in the Green Paper. The deadline for submitting responses is 15th October 2007.

3.3 The Green Paper has the following three aims, each of which is considered in more detail below:

- To provide more homes to meet growing demand;
- To provide well designed and greener homes, linked to good schools, transport and healthcare;
- To provide more affordable homes to rent or buy.

3.4 More homes to meet growing demand

3.4.1 The paper acknowledges the growing demand for housing caused by increasing population and reducing household size. It introduces a new target for 2016 to deliver 240,000 additional homes per year to meet this demand and address affordability issues, with 3 million new homes needed by 2020 and 2 million of them by 2016.

3.4.2 It is proposed that this target is delivered through:

- Increasing housing supply in existing Growth Areas and Growth Points and to expand these areas with, for the first time, areas in the northern regions able to submit proposals for new Growth Points.
- Establishing at least 5 new eco-towns with a minimum of 5,000 units each, where the whole development is zero carbon. Again, northern regions will be able to submit proposals, subject to the criteria outlined in a separate prospectus.
- Developing a new target for affordable housing in rural areas.
- Increasing targets for development on public sector land from 130,000 to 200,000 by 2016.
- Introducing a new Housing and Planning Delivery Grant, to direct extra resources to councils delivering high levels of housing and those who have identified 5 years worth of sites ready for development and have a further 10 years worth identified in plans.
- Exploring a range of measures, including using the new Housing and Planning Delivery Grant, to encourage local authorities to do more to bring long term empty properties back into use.

3.4.3 The existing target of over 60% of new homes to be built on brownfield land is to be retained with individual authorities expected to set their own targets. The document also confirms the commitment to continued investment in Housing Market Renewal, albeit with greater targeting of funding to areas facing deep seated structural challenges.

3.5 Well designed and greener homes

3.5.1 The Green Paper seeks to ensure the sustainability of new development through high quality design of greener homes with good access to amenities.

3.5.2 Key proposals to achieve this are:

- Introduction of the Community Infrastructure Fund to link the provision of funding for transport infrastructure to the delivery of housing in Growth Areas, Growth Points and eco-towns.
- Introduction of the Planning Gain Supplement as the Government's preferred method of ensuring that communities benefit from the value uplift generated by new development, although there is a commitment to review alternative options to see whether a better way can be identified.
- Targets for "greener homes" through a reduction in carbon emissions, with all new homes to be zero carbon by 2016.
- Continued support for the Decent Homes programme.

3.6 More affordable homes to rent or buy

3.6.1 The paper contains a target to deliver at least 180,000 new affordable homes over the next 3 years and more than 70,000 affordable homes a year by 2010 – 11.

3.6.2 Key proposals to deliver these targets are:

- An opportunity for local authorities to set up joint venture Local Housing Companies, with support from English Partnerships, to deliver new affordable housing. 14 such companies are to be created this year, with Manchester being the only Authority in the North West region.
- A commitment to build more social housing with a target of 45,000 new social housing dwellings by 2010-11 with a goal to reach 50,000 in the next spending review. Proposals to achieve this include options for local authorities to build inside and outside of the HRA including keeping the rent and capital receipts from new homes built on council land and opportunities for the private sector to build social housing.
- An expectation that local authorities will provide land for housing development at a reduced cost or for free and that Registered Social Landlords will place greater reliance on their own resources or borrowing powers to allow available public resources for affordable housing to be stretched.
- Providing more help for first time buyers by providing at least 25,000 more shared ownership and shared equity homes (funded mainly by the Housing Corporation), increasing opportunities for social tenants to buy a share in their home and delivering more homes using the private sector through equity models, joint venture or special purpose vehicle structures and expansion of open market home buy products. The paper also contains proposals to improve the mortgage market by making mortgages more affordable e.g. through longer term fixed rates.
- Increased provision of family homes where they are needed, with a commitment to develop a new indicator to measure people housed.

3.7 Delivery

3.7.1 The paper also makes recommendations for how the Government's growth plans can be delivered and implemented including:

- A recognition of the skills and capacity required to meet the challenges and a commitment to addressing the skills gap;
- Local communities need to be involved in the debate around housing growth to ensure that concerns around infrastructure are addressed. This will include the development of a "toolkit" which will bring together relevant evidence and information into one single place.
- A commitment to support local authorities in their strategic housing role.
- Sub regional partnerships (particularly through Multi Area Agreements) are promoted as ways of tackling housing market issues across local authorities boundaries.
- Consideration will be given as to whether further measures are needed to incentivise developers to complete developments more quickly and prevent landbanking.

3.8 Implications for Halton and the wider City Region

3.8.1 The paper acknowledges that affordability is an issue that is not confined to the South of the country and, for the first time, offers opportunities for Northern regions to bid for funding for major housing development programmes. For the Liverpool City Region this presents a potential opportunity to deliver on some of the recommendations of the Liverpool City Region Housing Strategy and support the economic growth potential identified by the City Region Development Plan. The challenge, acknowledged in the Green Paper, is how to balance housing growth alongside regeneration and to ensure that new development does not undermine existing renewal programmes.

3.8.2 There has been a suggestion in the housing press that Warrington and Cheshire are considering submissions to become New Growth Points. However, in Warrington's case, this seems unlikely given the recent moratorium on new housing development in the area contained in the draft Regional Spatial Strategy. If it is the case, land availability issues in Warrington may prompt the authority to seek the support of neighbouring boroughs to secure the housing numbers required. It is unlikely, given the scale of housing growth likely to be required of the New Growth Points and eco towns, that Halton would have enough developable brownfield sites to qualify in its own right. However, it is proposed that the Chief Executive write to neighbouring authorities to explore any potential to make a case for housing growth and jointly identify possible growth locations.

- 3.8.3 The content of the paper is to be debated by the North West Housing Forum Strategic Advisory Group and a decision made on how best to respond. Merseyside Policy Unit are also preparing a response on behalf of the Merseyside Housing Forum.
- 3.8.4 The Green Paper makes it clear that local authorities are expected to do more to bring long term empty properties back into use. At 1st April 2007, 602 private sector dwellings in Halton had been empty for more than 6 months representing 1.5% of the total private sector stock. This proportion is lower than the regional and national averages. However, because future Planning Grant is dependent on this area, officers are examining what more can be done to bring properties back into use.
- 3.8.5 Halton's Housing Needs Survey, completed in 2006, highlighted an affordability issue in the Borough due to recent house price inflation. However, this has become a national phenomenon and average house prices in Halton remain below the regional average and well below the national average. It is likely, therefore, that additional investment in affordable housing will focus on rural areas where there is a shortage of affordable housing and suitable development land and in areas with higher house price to income ratios. Despite this, the Council will do all it can to secure funding from the Regional Housing Pot for RSL development where a need has been identified e.g. housing for the elderly and for existing regeneration programmes e.g. Castlefields.

4.0 **POLICY IMPLICATIONS**

- 4.1 The Green Paper sets out the Government's proposed policy on housing supply and will influence future Regional, Sub Regional and local policy development and strategic direction relating to housing and planning issues.

5.0 **OTHER IMPLICATIONS**

- 5.1 The proposals will require significant Government investment at a national level, including £6.5 billion in social housing over the next three years. The increased investment will focus on areas of high housing growth and rural areas with high house price to income ratios.
- 5.2 The proposed increase in housing supply will have wide reaching implications for other essential services such as education, transport, health and leisure which will need to be taken into account through the planning system.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 6.1 **Children and Young People in Halton**

The emphasis on family sized housing contained in the Green Paper should contribute toward a reduction in national levels of overcrowding which studies have shown has an adverse impact on the health, education and wellbeing of children.

6.2 Employment, Learning and Skills in Halton

None

6.3 A Healthy Halton

The provision of more environmentally sustainable housing will have a positive impact on the health of households living in such accommodation.

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

Should new housing be provided in Halton as a result of the Green Paper, this will have a positive impact on the urban renewal of the Borough.

7.0 RISK ANALYSIS

7.1 Not Applicable.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The proposals contained in the Green paper aim to improve the national housing offer by increasing the supply and improving the quality of housing, making it more affordable and ultimately building more sustainable communities. This should have a positive impact on improving equality of access to and choice of housing and bridging the poverty gap.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
The Housing Green Paper "Homes for the Future: More Affordable, More Sustainable"	Grosvenor House	Steve Williams Housing Strategy Manager