



Solace Response to Government's Housing White Paper 'Fixing Our Broken Housing Market'

Introduction

Solace is the representative body for over 1200 Chief Executives and senior managers working in the public sector in the UK, committed to promoting public sector excellence. We provide our members with opportunities for personal and professional development, and seek to influence debate around the future of public services to ensure that policy and legislation are informed by the experience and expertise of our members. Whilst the vast majority of Solace members work in local government, we also have members in senior positions in health authorities, police and fire authorities and central government.

Solace welcomes the opportunity to respond to Government's 'Fixing Our Broken Housing Market' White Paper, published on 7 February 2017, which sets out plans to reform the housing market and boost the supply of new homes in England. This response has been developed with input from the Solace Policy Board and Solace membership more widely.

In December 2015, Solace published a housing policy paper, '[Addressing the National Housing Challenge](#)'. The paper outlined a set of recommendations, based on the considerable knowledge and experience of Solace members. It proposed ways to tackle national housing issues; ensuring we can build enough homes, at the right time and for the right price. It set out our invitation to Government and partners to work with Solace to transform the housing landscape nationally and establish a sustainable, affordable housing sector.

The housing shortage in the UK continues to be one of the great challenges we face. Availability and quality of housing underpins economic prosperity and is fundamental to creating resilient, confident and sustainable communities. Local Government plays a crucial role in driving prosperity and growth, ensuring that housing solutions reflect the needs of local communities. We are therefore pleased that Government's White Paper responds to some of the recommendations made by Solace, and recognises the key role Local Government has in providing the solutions to address this challenge.

Planning for the right homes in the right places

As highlighted in our policy paper, one of Local Government's strengths is its role in shaping places and creating the conditions for increasing housing supply through the use of local powers and exercise of responsibilities. We welcome Government's commitment to support building the right homes in the right places to meet the ambitions of our communities.

Solace's response to Government's Industrial Strategy Green Paper emphasises the central link between housing and growth. In many areas of the country economic growth ambitions will only be realised if there are corresponding increases in the number of homes built, alongside associated infrastructure solutions to support them. **We wish to see clear links between the two agendas in Government's response to the consultations ensuring housing supply is more responsive to changing**

patterns of demand and flexes as the industrial strategy is implemented.

Solace welcomes Government's offer to make the planning process more simplified and streamlined, as well as supporting measures to increase capacity within planning departments. We also recognise the importance of having a strong development plan system which provides certainty for private sector investment. We have **previously called for the creation of local planning frameworks** which are specific to the needs of each Local Authority or Combined Authority administrations, as **we believe this would better support local development whilst also reducing the need to make major or frequent changes to national policy.**

We welcome the move to standardise the process for objectively assessing housing need, as well as Government's plans to make land ownership and availability more transparent. It is important that the process by which local plans are developed is locally-led, and that national housing targets are not imposed on local communities. The role of national housing policy is to create the framework within which the housing challenge can be addressed locally. **We therefore hope that any changes to national policy would guard against potential unintended consequences of delays to local plan preparation.**

In our Housing Policy paper, we recommended that development of public land should be a principal source of new housing appropriately supported by investment and funding flexibilities agreed by Government. We therefore welcome the £45m Land Release Fund which will support release of surplus land. However, as land is identified, the **issue of how public sector bodies dispose of it at 'best value' needs clarifying and simplifying.**

Building Homes Faster

We are pleased to see Government's recognition of one of our housing policy paper's recommendations, calling for further investment to support those Local Authorities which bring forward ambitious plans for housing development.

To support Local Government's ambitions, we welcome the increase in planning fees by 20% aimed to provide additional resources for planning departments to fulfil Local Authorities' duties in the delivery of new homes. These nationally set fees should however be determined locally to more accurately reflect what is needed in each area; the current estimate by the LGA is that 30% of processing cost for planning applications is being subsidised by the taxpayer.

Solace would like to see the introduction of new measures to simplify local plans and give Local Authorities more certainty on timescales to develop local plans. The introduction of guidelines would also be helpful to help streamline the process to make it more time and cost effective.

We welcome Government's offer of £25m funding to help Local Authorities in areas of high housing need to plan new homes and infrastructure and to engage communities in the design, mix and location of new homes. If this fund is successful **we would ask that Government consider further funding in this area at the earliest opportunity.**

We also welcome Government's offer of increased funding for infrastructure through the £2.3bn Housing Infrastructure Fund. It is critical that local areas have the ability to plan and resource infrastructure requirements to avoid excessive strain on existing infrastructure and services. Communities are more likely to support developments when they are accompanied by the supporting infrastructure and services. The contribution made by developers, through section 106 agreements or the Community Infrastructure Levy (CIL), to these aspects of community growth is critical.

We would ask that Government consider support for enabling-infrastructure development in lower-value areas, or where consents are not being built-out, so that it does not fall solely to the housing development. This in turn will help unlock more sites. Solace will commit to working with Government as it reviews this system to ensure Local Authorities are at the centre of strategically planning infrastructure delivery in a way that supports sustainable house building.

We welcome Government's recognition of the need to address construction and housebuilding skills. This was a recommendation included in the Solace housing policy paper, and we are pleased to see Government taking steps to address the skills gap in order to improve the sector's ability to respond to need.

Diversifying the market

As highlighted in the White Paper itself, Local Authorities have developed innovative approaches to building affordable homes for their communities and recognise the support that is in place from Government. It is however essential that Local Authorities have the income to provide homes for their residents where the market will not.

We would like to see Local Authorities retain 100% of Right to Buy (RTB) receipts, and the freedom to use them to meet more than 30% of the cost of building replacement homes.

We also believe that it is **necessary to lift Housing Revenue borrowing caps and provide long term certainty on rent policy** giving confidence to borrow against future rent revenue allowing Local Authorities to build more affordable homes.

The risk of extending the Right to Buy principles to affordable rented homes built by Local Authority-led models is highly likely to damage the viability of such models, risking the provision of affordable housing at a time when housing demand is overwhelming.

Local Authorities who already have Local Housing Companies that build homes to rent and those who are considering putting such companies in place will need to review the viability of their strategies and future plans once the detail of any new RTB policy is known. This could lead to a significant source of new homes no longer being built to meet market demand.

Solace welcomes the commitment to diversify the market to achieve the quantity, quality and choice of housing that people need, including supporting new and different providers, more innovation in methods of construction, and supporting new investors into residential development.



As a sector we look forward to working with the Homes and Communities Agency in its new role as Homes England, and welcome greater capacity at local level working with Local Authorities to deliver housing of all tenures and supporting necessary infrastructure delivery.

Helping people now

Solace welcomes Government's aim to support Local Authorities to build more affordable homes, helping those members of our communities at the sharp end of the housing crisis.

Local Authorities must have the flexibility to ensure housing developments meet the needs and ambitions of their local area as well as the particular market conditions. We are therefore pleased that Government has listened to our concerns and removed the 20% starter home requirement. **We wish to see flexibility locally on the proposed 10% affordable home requirement, negotiated on a site by site basis, allowing areas to provide starter homes, rent to buy, shared ownership products or other products where this meets the assessed housing need.**

Planning for housing needs of an aging population is of key importance for Local Authorities, and we welcome the intention from Government to consult on future approaches to Supported Housing. We believe Government's approach should include a greater emphasis on health interdependencies and the delivery of NHS England's Five Year Forward View. As part of this **we ask that our partners in the NHS work with Local Authorities to develop a shared vision for the use of surplus NHS land for housing**, recognising the benefits to the NHS of better housing solutions.

We will work with Government on further development methods to assess housing need for older and disabled residents. Local Authorities have responsibility for planning, housing, social care and public health and with the right tools can proactively plan to meet the housing, care and health needs of their communities.

Government's commitment to do more in homelessness prevention by supporting households at risk before they reach crisis point, as well as measures aimed to reduce rough sleeping, are positive and welcome. In particular, the £20m Homelessness Prevention Trailblazer fund is a positive step to address this issue and we support the plan to join up data across police and health services in order to better identify and help people who are at risk of homelessness.

Solace members stand ready to work with National Government to provide the solutions and local leadership essential to drive housing growth across the UK