

# Housing, planning and homelessness

Moving the conversation on



## **This paper is the very start of our campaign ahead of the Spending Review.**

We have published a series of papers, commissioned by LGA boards, which start the new thinking around building the case for long term, sustained investment in local government as well as laying out the positive outcomes this would deliver for the country:

- local government funding
- housing, planning and homelessness
- improving schools
- Brexit
- the future of non-metropolitan England
- a sustainable adult social care and support system for the long term.

Over the coming months, we will be seeking your thoughts and evidence to further strengthen the rallying call to Government.

Find out more at [www.local.gov.uk/moving-the-conversation-on](http://www.local.gov.uk/moving-the-conversation-on)

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**Councils must be freed and empowered to play their full role in ensuring the provision of housing that supports health, jobs, and community.**

# The housing crisis

**In life every one of us needs a stable and secure home, it is central to leading healthy, fulfilled and productive lives. But for too many people housing is unavailable, unaffordable, or not appropriate for what they need.**

The impacts of our housing crisis are huge and widespread. It damages our communities, holding back growth and the creation of jobs. The impact of poor housing on health is similar to that of smoking or alcohol and costs the NHS at least £1.4 billion a year, as well as creating housing worries that ends in homelessness for too many families.<sup>1</sup>

Councils are currently providing temporary housing to over 200,000 homeless people, over half of whom are children.<sup>2</sup> Last year there were 4,751 rough sleepers living on our streets – more than double the number recorded in 2010.<sup>3</sup>

With an ageing population, older people in the UK now live in a third of all homes and the vast majority of over 65s currently live in the mainstream housing market with just 0.6 per cent in housing with care.<sup>4</sup> The suitability of the housing stock for our ageing population is of critical importance to the health and wellbeing of individuals, and the capacity of public services to sustainably support healthy ageing.<sup>5</sup>

While there are a number of explanations for our housing crisis, the reality is that the housing market is a complex system that is interconnected with other parts of our economy and society, and varying significantly around the country.

However, it is clear that councils need to be at the heart of solutions, and must be freed and empowered to play their full role in ensuring the provision of housing that supports health, jobs, and community.

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<sup>1</sup> BRE, 2015

<sup>2</sup> Housing our homeless households, LGA, 2017

<sup>3</sup> Rough Sleeping Statistics Autumn 2017, England (Revised), MHCLG

<sup>4</sup> Can be termed extra care, assisted living, very sheltered housing or close care. It is housing for older people that often includes personal and domestic support, a dining service, communal facilities and 24 hour on site staff.

<sup>5</sup> Housing our ageing population, LGA, 2017

# A renewed focus on the role of councils

The LGA has played a central role in shaping a growing consensus around the need to empower councils to fix our broken housing market.

Working with the sector and Government we have secured a number of successes over the last year, this includes support for councils to:

**Build homes** – with an additional £1 billion borrowing headroom for the Housing Revenue Account; an expected consultation on reforming Right to Buy; a further £2 billion for the Affordable Homes Programme, including for social rent; and £5 billion for the Housing Infrastructure Fund.

**Prevent and tackle homelessness** – by helping to secure a £125 million Targeted Affordability Fund; £30 million for council rough sleeping projects; reversing the decision to apply the Local Housing Allowance rate to social housing and to end housing benefit for young people.

**Plan good places** – with the implementation of planning fees increases, and new powers enabling councils to set up local development corporations.

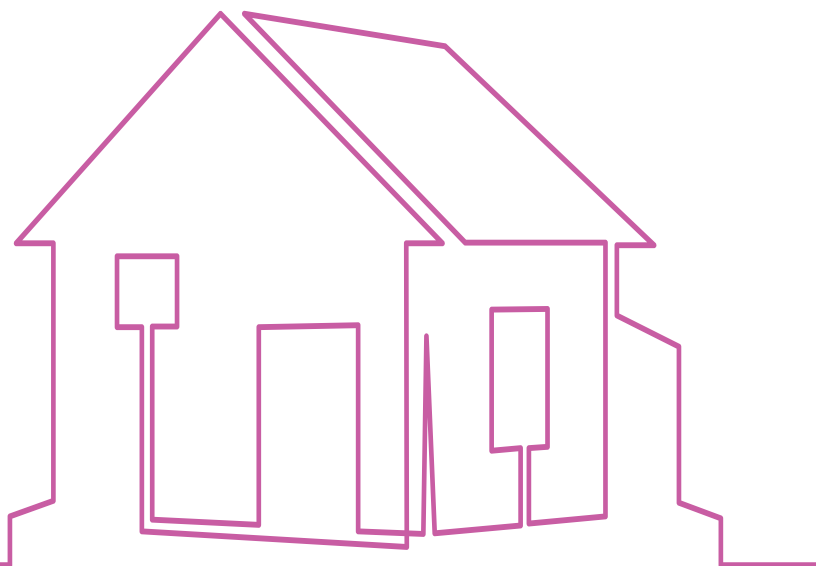
However, there is still a very long way to go in ensuring that councils have the tools and freedoms to meet the growing housing needs of their communities. We will continue to advance the case for councils to be fully enabled to tackle their local housing crisis with partners locally and nationally.



# Planning

**The planning system is not a barrier to building. Councils are approving nine in 10 planning applications and last year worked with developers to grant permission to over 350,000 homes, an 11 year high.<sup>6</sup> In fact, developers have been granted planning permission for 423,000 homes that they are yet to build.<sup>7</sup>**

A robust local plan-led system allows the views of communities to be heard and reflected in development proposals, but this risks being further undermined by national policy reforms. In essence, government proposals would impose a house building target on communities but give councils no new tools to deliver that target. In addition, communities may be penalised should independent private developers not deliver sufficient units, via the presumption of sustainable development – which allows development on sites not laid out and agreed in council's Local Plans. This type of development could account for 153,000 homes by 2020 and have a number of unintended consequences, including an impact on community support for development.



<sup>6</sup> Record planning permissions show house builders' investment continuing to rise, Home Builders Federation, May 2018

<sup>7</sup> More than 423,000 homes with planning permission waiting to be built, LGA, 2018

Permitted development rights, allowing the change of use of a number of different types of property into residential use without planning permission, will further erode the public's trust in the planning system. Since 2015, 8 per cent of new housing units nationally have arisen from the conversion of offices to flats. In many areas this accounted for over a third of net additions, and some areas old offices accounted for three quarters of new supply. These conversions do not provide any contributions to local infrastructure and services, provide no affordable housing, and risk being poor quality and badly designed – all issues of great importance to the public.<sup>8</sup>

Uncertainty in the process for negotiating the financial viability of developments, including developer's commitments to provide affordable housing and infrastructure, is also an issue. Developers are currently able to over-pay for land in the knowledge they can push down their contributions in later financial viability discussions. Government proposals for reforming viability are well-intentioned however, they risk maintaining a level of ambiguity that will not allow for further investment in affordable rented homes and infrastructure.

Within the context of further reforms and a rising number of planning applications it will be important for councils to be able to halt recent losses of experienced planners. Government must move quickly to provide the additional 20 per cent planning fees increase, and begin piloting local fee setting.

### **To ensure the planning system works, Government must:**

- Scrap permitted development rules and empower local communities to have a say over development in their areas.
- Work with local government, establish a clear, robust and transparent national viability system that helps to manage down the escalation of land values and ensure the delivery of affordable housing and infrastructure that our communities desperately need.
- Work with local government to attract and retain the next generation of planners and place-makers.

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<sup>8</sup> 'One in 10 new homes was a former office', LGA, 2018

# Housing

## **Council house building must be at the centre of a renewed effort to deliver homes that generate growth and that communities need now and into the future.**

In the wake of events last June, councils' immediate priority was to ensure that a fire like that at Grenfell Tower never happens again, and to make certain the buildings which people live, visit and work in, are safe. We have led calls for a review of building regulations and made the case for systemic change. Councils are ready to play their important role in making sure the new system works. However, significant funding concerns remain around the cost of safety improvements and must be urgently addressed by government.

In regards to the long term future of council housing the new system of self-financing gave councils control over their Housing Revenue Accounts, ending the unpopular central government control of rental income. It also provided a degree of certainty and capacity to plan for the development of council housing. After a period of uncertainty created by short-term measures such as rent reductions, Government and councils need to work together to explore bold options for restoring longer-term income certainty and freeing councils to stimulate a resurgence of council building.

Our analysis showed that councils have only been able to replace a fifth of homes sold under the right to buy since 2011/12, losing a total of 46,000 affordable homes. These could have provided secure affordable housing for key workers, victims of domestic violence, veterans, people facing homelessness, and others in desperate need of a home they can afford. Increased discounts and restrictions on the use of receipts risk making the right to buy unsustainable, and government must begin a major reform of the scheme.<sup>9</sup>

Housebuilding by councils at scale would boost local economies and productivity, reduce the Government's housing benefit bill, contribute to tackling homelessness, and create revenue-generating assets for communities.

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<sup>9</sup> 'Right to Buy replacement will be all but eliminated in just five years', LGA, 2018



**To ensure housing is available and appropriate for local communities, Government must:**

- Meet the unexpected exceptional costs for councils arising from conducting fire safety and major remedial work and for any essential fire and safety measures needed.
- Give councils a leading role in shaping investment through the Affordable Housing Programme and other funding schemes to ensure that new housing and infrastructure meets the needs of their local communities.
- Remove the Housing Revenue Account (HRA) borrowing cap for all areas.
- Allow councils to keep pace with right to buy replacement by letting them retain all the receipts generated from sales, and set Right to Buy discounts locally.
- Local authorities with no HRA should be able to access borrowing to develop housing if that would help meet local housing need.

~~46,000~~

Councils have only been able to replace a fifth of homes sold under the right to buy since 2011/12, losing a total of 46,000 affordable homes



**Just 1 in 5  
Right to Buy  
homes  
replaced**



# Homelessness and rough sleeping

**The number of households approaching councils as homeless has been increasing as housing costs rise above incomes. Latest figures show councils are currently housing 77,200 homelessness households in temporary accommodation, including 120,500 children.<sup>10</sup> In addition rough sleeping has doubled since 2010.**

Mirroring the experience of families themselves, the increasing unavailability of affordable housing further limits the options for councils trying to find settled and temporary accommodation for those that need it. Spending on temporary accommodation has increased by 39 per cent in real terms since 2010/11.<sup>11</sup> This is unsustainable for councils, and disruptive for families.

Councils want to end homelessness by preventing it happening in the first place. In the longer term this means building more affordable homes. However, these will not be built overnight and short term solutions are needed.

The Homelessness Reduction Act has the potential to bring a stronger focus to the prevention of homelessness and helping people before they reach a crisis point. However, councils have serious concerns that the new burdens funding to finance these changes is likely to fall short of the costs in delivering the duties in the Homelessness Reduction Act.

Building on the principles of the Homelessness Reduction Act, prevention and early action is fundamental to tackling the rise in rough sleeping. Local government cannot do this alone and it is encouraging to see the commitment to tackle rough sleeping supported across government. This commitment must translate into positive, systematic co-operation across agencies on the ground.

## Government must work to tackle homelessness and rough sleeping by:

- Adapting welfare reforms to reduce the risk of homelessness for key groups including lifting the Local Housing Allowance freeze to ensure the private rented sector and housing associations can play their role in preventing and relieving homelessness.
- Committing to cover any shortfalls in funding the new duties for councils in the Homelessness Reduction Act. This should be built into the Government's review of funding provision.

<sup>10</sup> Housing our homeless households, LGA 2017

<sup>11</sup> Homelessness Summary, National Audit Office 2017

# Our commitment

**In the year ahead the LGA will continue to work with councils, and on their behalf, to tackle the housing crisis and ensure that positive changes are made in all areas of the sector. This will ensure residents can live with dignity, achieve their goals and aspire to do more than just get by, as well as help reduce pressures on the rest of the public sector.**



We will continue to make the case for an empowered and resourced locally-led planning system led by councils working with communities, developers and landowners.

In addition, we will lobby the Government to make the changes detailed above to spark the necessary renaissance in house building by councils, including releasing the significant potential to further build from Housing Revenue Accounts.

We will fight to deliver our ambition of ending homelessness and rough sleeping by ensuring it is the business of everyone to help prevent it happening in the first place. We will work towards longer term solutions to tackling homeless by seeking practical solutions to increase the supply of affordable homes.

We will support the sector to meet local housing ambitions by providing advice through the Housing Advisers Programme and delivering a series of sector-wide learning projects.<sup>12</sup>

**As the case studies overleaf demonstrate, local government can deliver on housing. But national ambitions will not be realised without new freedoms and powers for councils and now, more than ever, is the time to act.**

<sup>12</sup> Further details of the Housing Advisers Programme available at (deadline for last round of submissions was on 26 June 2018): <https://www.local.gov.uk/topics/housing-and-planning/housing-advisers-programme-201819>

# Local government housing, planning and homelessness reduction in action

## Planning

**Chelmsford City Council** and Countryside Zest (Beaulieu Park) LLP (a 50/50 joint venture between Countryside Properties PLC and L&Q) has been collaborating closely to masterplan and deliver a vibrant neighbourhood to the North East of Chelmsford known as Beaulieu. The new community of 3,600 homes of which 27 per cent are affordable, includes 176 acres of public open space together with new schools, business space, shops and major infrastructure.<sup>13</sup>

**Plymouth City Council's** Plan for Homes has taken a proactive and collaborative approach to delivering 5,000 homes in the city. The £80 million programme identified 16 initiatives aimed at maximising investment in infrastructure and making land and finance available to accelerate delivery in the city. The council has released 33 sites and over 138 acres of land to deliver 1,649 homes, of which 51 per cent are affordable. For each of these sites, the council produced a site planning statement to guide developers and encourage innovation. The council has worked closely with its successful development partners to encourage meaningful public consultation, secure planning permissions, secure or provide funding and remove barriers to delivery.<sup>14</sup>

A strong and effective partnership between **Stoke-on-Trent City Council** and St. Modwen Homes has been fundamental to transforming the former Victoria Ground, a former football stadium, with 200 new homes, a park and school sports facilities. Planning permission was granted in Autumn 2017 and construction has now commenced. With its 'open for business' attitude, the city council has enabled St. Modwen Homes to prepare a high quality design and layout to create popular and stylish homes close to Stoke's city centre. The council has also opened up discussions between St. Modwen Homes and the local primary school to assess the feasibility of including sports facilities in the overall design of the scheme. The school does not currently have any sports facilities so new provision would greatly improve the pupil experience.<sup>15</sup>

**A robust local plan-led system allows the views of communities to be heard and reflected in development proposals**

<sup>13</sup> Planning positively through partnership, LGA, 2018

<sup>14</sup> Planning positively through partnership, LGA, 2018

<sup>15</sup> Planning positively through partnership, LGA, 2018

## Housing

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**Nottingham City Council** has two delivery vehicles. Nottingham City Homes (NCH) manages the council's housing stock and delivers new homes. Blueprint is a 50/50, private/public partnership between Aviva's Igloo fund and the city council. It assembles land and delivers new market homes in regeneration zones and establishes new markets in areas that had no residential offer or one of poor quality or low value.<sup>16</sup>

Birmingham Municipal Housing Trust is **Birmingham City Council's** brand for building new homes with over 2,500 homes already delivered or under construction. This includes building new dormer bungalows to provide high quality homes for older people looking to 'rightsize'. The reaction from people living in the new bungalows has been overwhelmingly positive and has freed up large, family homes, a scarce resource in the City.<sup>17</sup>

## Homelessness

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**Teignbridge District Council** has taken action to reduce the number of homeless household placed in bed and breakfast accommodation due to a lack of suitable alternatives. Its strategy includes conversion of a former GP surgery into a well-managed hostel. The hostel can accommodate up to 10 placements at any one time. It is significantly higher quality than B&B, provides tailored support to the households living there, and is financially advantageous to the council. The council is also working with partners to improve access to the private rented service and an enhanced service to homeless young people.<sup>18</sup>

The **London Borough of Brent**, like other London boroughs, has been hit hard by decreased social housing lettings, increasingly unaffordable private rented accommodation for people on low incomes. Among other strategies, the council is making successful use of the powers in the Localism Act to reduce homelessness by supporting between 200 and 250 homeless families into a home within the private rented sector every year. This is because of a well-organised, thorough, and joined up process in identifying suitable properties and in handling the PRSO process with tenants.<sup>19</sup>

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<sup>16</sup> Building our homes, communities and future, LGA, 2016

<sup>17</sup> Housing our Ageing Population, LGA, 2017

<sup>18</sup> Housing our Homeless Households, LGA, 2017

<sup>19</sup> Housing our Homeless Households, LGA, 2017

**South Norfolk District Council** has developed a strong focus on the prevention of homelessness. The council has implemented a new approach that gets at the very heart of some of the issues that can cause homelessness in the first place. The financial independence, resilience, skills and training (FIRST) approach provides residents with skills and resources to maintain their independence, avoid debt and achieve their potential. It is a holistic support package which seeks to improve the resilience of residents by providing the earliest one to one help. The council has evidence to show this approach, combined with other collaborative early intervention activities has helped vulnerable families and children into a safe and secure environment and away from the high need and costly levels provided at crisis stage.<sup>20</sup>

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## Housing Advisers Programme

The Housing Adviser Programme (HAP) is already making a difference, offering independent consultancy and advice to help councils meet the Housing challenge. In the first year of the programme, a large number of councils came forward with bids for funding.

The HAP funded over forty councils who delivered a wide range of projects around our core themes of planning, housing supply and homelessness including the examples below. The LGA will update all projects as detailed case studies on our website. Councils have been very positive and have welcomed the support provided, particularly the quality of the advice given by the specialist advisers.



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<sup>20</sup> Housing our Homeless Households, LGA, 2017

The 2018/19 programme is well underway and the LGA will continue to adapt and improve the programme to strengthen the improvement offer to housing colleagues.

**Warwick District Council** is keen to support and manage the growth of its thriving student population and how it impacts on the general housing supply and the local community. The aim of its HAP project was to develop a Student Housing Strategy to plan for future population demands.

The adviser worked with both Warwick and Coventry Universities to analyse projections of student numbers and produced detailed statistics to inform the strategy. Detailed statistical models were developed to appraise possible options and these have formed the basis of a SMART action plan. Throughout the project there was consistent consultation with the council's executive in order to shape the action plan.

In the short term, Warwick District Council has made excellent progress on developing the Student Housing Strategy. On completion, the council will have a comprehensive Student Housing Strategy for the district with a set of clear SMART actions and targets to take forward. In the longer term, this will support a thriving student community in the district, as well as providing an adequate amount of appropriate housing, well-integrated into the community.

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**Purbeck District Council** participated in the HAP in order to source additional private rented, (particularly temporary accommodation) to prevent homelessness, and meet the new duties of the Homelessness Reduction Act 2017.

The advisers spent time on site understanding the council's position and issues it faces in relation to the current and anticipated future demand for temporary accommodation, and to gain an understanding of the local market. They collected current research and reports to review what was known and identified gaps that may have existed.

From this process, Purbeck District Council now has a detailed project plan which contains a number of actions that the council can adopt to tackle homelessness in a small rural area with a limited private rented sector. A clear action plan with a range of options will increase the supply of private rented accommodation, prevent homeless and meet the new duties of the Homelessness Reduction Act. The plan has incorporated the specific needs of a small rural community and has the potential to deliver significant savings. In addition, it will also reduce the number of households in emergency temporary accommodation.

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