

LAA Housing Priorities

Use of Public Sector/Partnership Land for Affordable Housing

Introduction - National Picture

In an effort to boost the supply of affordable homes and in response to Kate Barker's review of housing supply the Government have announced a raft of new measures to deliver increased housing supply, infrastructure, design and environmental standards. These measures include: new planning guidelines, a £40m start up fund for infrastructure projects, 200,000 new homes each year, increased investment of £970m through the National Affordable Housing Programme, a 50% increase in funding for social housing and a consultation on Planning-Gain Supplement with a view to helping local authorities finance infrastructure projects. The Government has also announced plans, as part of its commitment to increase home ownership to 75%, to work with the private sector to promote shared equity schemes and recently launched a new Shared Equity Taskforce.

Worcestershire - Delivery of Affordable Housing

The new emphasis by the Government on the increased delivery of affordable housing is very much welcomed by Worcestershire local housing authorities, but there are a number of constraints, well documented, that inhibit 'on the ground' delivery. The most significant being the lack of suitable sites that Housing Association partners can secure for new development both in terms of the number of sites generally available, and the financial constraints that Housing Associations are bound by, in terms of competing with the private sector. Whilst there is some positive action being taken through the planning process to secure allocations of affordable housing on new developments, these are generally limited to larger sites where Planning thresholds can be applied. The consequence is that despite affordable housing being seen as a priority, there are significant problems in meeting both general housing needs and providing for people who need support. As an illustration, there are a total of 13,500 people on the combined Housing Waiting Lists of Worcestershire District Councils and during 2005/2006 those same Local Authorities dealt with just over 1,800 homelessness applications.

See Appendix 1 for recent public statements by Ministers of the need for affordable housing.

Use of Public Sector Land / Assets for Affordable Housing

A real frustration felt by Housing Authorities across Worcestershire, and like minded social care organisations from other disciplines is the lack of opportunities to secure suitable sites from public authorities across the County which are being lost for a number of reasons :-

- The desire to secure maximum capital gain from disposals to fund other priorities

- The belief by certain professionals that statute requires that ‘best price’ must be secured from the disposal of publicly owned land and assets, when this is not necessarily the case.
- Whilst there is recognition that decent housing solutions have significant long term financial advantages for the health and social care authorities, the emphasis is to secure funding for short term gain to meet immediate pressures.
- The lack of understanding about Housing Association / Housing Corporation financing in respect of the purchase prices that can be paid for acquisitions.
- The lack of initiative in seizing opportunities that could provide advantage to all parties, in particular the under-utilization of publicly owned assets.
- The lack of ‘joined up’ thinking between different organisations and departments within them.

The LAA housing target of seeking to use more public sector land/assets for affordable housing can be the catalyst to a genuine partnership approach to help address the shortfall of suitable sites in the County.

Note

The term ‘public sector land/assets’ is used as a generic description covering land and property held by a range of statutory and non-statutory public authorities. A list of such public authorities is set out at Appendix 2, but should not be seen at this stage as the definitive list.

Proposals

‘Early Wins’

- That all public authorities in Worcestershire agree to inform the local housing authority on any impending land/asset disposal within that area, and that a period (four weeks is suggested) for the housing authority to respond before the land/asset is advertised. This would provide the opportunity to assess the use of the land/asset for affordable housing in discussion with planning colleagues, partner Housing Associations, Social Care and Health Authorities.
- That all Partnership members make available details of their land/asset register to the local housing authority in order that an assessment could be made of individual land/asset holdings for affordable housing use.
- That all public authorities actively look at their land/asset portfolio to assess its potential for affordable housing use.
- That all officers and members involved in land/asset disposal attend a half day training awareness session on Housing Association/Housing Corporation rules and policies governing acquisition of land/assets for affordable housing.

Medium/Long Term

- That all public authorities will agree to give Housing Associations nominated by the local housing authority a 'first purchaser' option, before open advertisement, and
- That where the local housing authority agrees that the land/asset would be suitable for affordable housing, the nominated Housing Association is able to purchase the land at a value that can enable the provision of affordable housing on the site. Public authorities would need to acknowledge that the price negotiated could be less than that secured for open market sales.

Added Value

Whilst the emphasis for adopting the above approach is for the delivery of affordable housing it will be appreciated that significant 'added value' comes from the provision of decent secure low cost housing, which achieves many of the outcomes that public authorities seek to secure, e.g

- Pride and self worth for individuals
- Improved health and well-being leading to reduced hospital admissions
- Increased community safety
- Assisting older and vulnerable households to remain independent at home longer, thereby reducing pressure of residential and nursing homes, and home social care provision.
- Reduction in homelessness and allied problems such as domestic violence
- Delivers housing solutions that are required to address county-wide strategies such as 'Substance and Misuse', Learning Disabilities', Supporting People, Domestic violence etc.
- Capital contributions for the provision of new infrastructure improvements /play facilities etc
- Capital support to existing schools and the provision of new schooling facilities.

Disposal arrangements

It is recognised that all bodies which sign up to the LAA proposal currently have different disposal policies. In order to commit to the LAA target, all participating bodies would have to seek formal individual approval from their respective executives.

For statutory authorities the Local Government Act 1972 places an obligation on the local authorities to dispose of land at the best price. The General Disposal Consent 2003 gives local authorities discretion to dispose of land at less than best price for the economic, social and environmental well being of an area. This requires Section 25 consent from the Department of Communities and Local Government (DCLG).

Funding for new Affordable Housing

The South Area Housing Market (Worcestershire and South Warwickshire Local Authority areas) successfully argued for increased funding for the area to meet the increasing shortfall of affordable housing that had been evidenced through the West Midlands Regional Housing Strategy and Local Authority Housing Needs Surveys and the growing number of applicants joining Housing Waiting Lists. The result has been over £60 million of Housing Corporation Social Housing Grant for Housing Associations has been made available between 2006 – 2008.

Conclusion

Over the last year, there has been a significant amount of work carried out in Worcestershire to raise awareness of housing issues and improve strategic co-operation. There has been a real groundswell of concern about meeting the high levels of need for affordable housing that exist across the County. An event held in October 2005 hosted by the Worcestershire Partnership to focus on housing issues, has resulted in the Partnership agreeing to support the inclusion of housing in the second phase of the Worcestershire LAA, as a way of raising its importance as a key strategic objective and delivering tangible outcomes. The result has been a range of further partnership and stakeholder events and the setting up of a steering group to manage the housing LAA. This approach has continued to be endorsed by the Worcestershire Partnership.

The outcome, under the LAA Stronger Community's thematic block, is to "increase the availability of affordable, appropriate and decent housing for people in Worcestershire".

Following wide consultation, the overwhelming top priority for action is to increase the level of affordable housing provided on public sector land.

The problem is brought into focus by the failure of the take up of the £60 million of Social Housing Grant on offer to the SHMA because of the lack of suitable sites for schemes. Only £40 million has currently been allocated, which is a major risk for the area and will let down local people in housing need if it is not fully secured. It will also put at risk further inward investment post 2008 if the current funding is not utilised.

“We have an aging and growing population and face growing housing pressures and we need more homes for the next generation. That means more social housing, more market housing and more shared equity opportunities to help first-time buyers, as we have set out today. The new homes also need to be environmentally sustainable for future generations too.”

- Yvette Cooper MP, Minister of State for Housing, DCLG, March 2006

“We need to build far more homes and that means funding the infrastructure to support them. The research shows there should be plenty of scope to increase contributions from planning gain without hindering development. The value of land can shoot up just because of planning permission. It is only fair that local communities should also be able to benefit from that gain through more affordable housing or infrastructure.”

- Yvette Cooper MP, Minister of State for Housing, DCLG, May 2006

“The Government has made it clear that suitable brownfield land must be a priority for any new development and that is why three-quarters of all new developments are already being built on previously developed sites. There is a real need to build more homes if we are to meet the housing needs of future generations...By making the most of brownfield land, local authorities can continue to protect the countryside whilst ensuring there are more homes available for first time buyers.”

- Baroness Andrews, Minister, DCLG, August 2006

List of Statutory and Non Statutory Authorities

Statutory Authorities

All Government Departments including

- Ministry of Defence
- DEFRA
- Environment Agency

Ambulance Service

Bromsgrove District Council

City of Worcester

Hereford and Worcestershire Fire Authority

Malvern Hills District Council

Redditch Borough Council

Strategic Health Authority

West Mercia Police Authority

West Mercia Probation Service

Worcestershire County Council (Education, Highways, Social Care Authorities)

Worcestershire PCT

Wychavon District Council

Wyre Forest District Council

Non Statutory Authorities/ Partnership organisations

Water Authorities

Rail Companies

Electricity Companies

Church of England

Other Denominations

University of Worcester