House of Commons
South East Regional Committee

Housing in the South East

First Report of Session 2009–10

Report, together with formal minutes, oral and written evidence

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The South East Regional Committee

The South East Committee is appointed by the House of Commons to examine regional strategies and the work of regional bodies.

Current membership
Dr Stephen Ladyman MP (Labour, South Thanet) (Chairman)
Ms Celia Barlow MP (Labour, Hove)
David Lepper MP (Labour, Brighton, Pavilion)
Gwyn Prosser MP (Labour, Dover)
Mr Andrew Smith MP (Labour, Oxford East)

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Committee staff
The current staff of the Committee are Sîan Woodward (Clerk), Duma Langton (Inquiry Manager), Leena Mathew (NAO Adviser), Emma Sawyer (Senior Committee Assistant), Ian Blair (Committee Assistant), and Anna Browning (Committee Assistant).

Contacts
All correspondence should be addressed to the Clerk of the South East Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 3274; the Committee’s email address is regionalcommittees@parliament.uk
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Summary

Housing is very important to the people and economy of the South East. The region needs to build new homes for several reasons: not least so families can move into bigger properties as they grow, so people can move to the region to take up work opportunities and remain, and so that employers will want to locate and remain in the region because their staff are happy and able to afford to live near where they work.

The South East Plan contains an annual target for new homes that provides a benchmark which can be reviewed. Sub-regions will have their own targets that allow local circumstances to be taken into account, but the regional overview is valuable to ensure consistency and to enable review of the regional target as a whole. Different bodies suggest different targets, prioritising various factors that affect housing need. It is important that any review of housing targets in the South East takes into account the range of numbers put forward, the underlying reasons why those numbers have been put forward, and the consequences of not meeting any decided targets. South East England Partnership Board and the Government Office for the South East will need to take into account the higher house building targets suggested by the National Housing Policy Advice Unit and be prepared to revise upwards.

The economic downturn has meant that we are building fewer homes in the region than we need to. There are concerns that the lack of infrastructure provision alongside housing developments is stopping schemes in many parts of the region from making progress. We recommend that the Government review the funding mechanisms currently available for providing the necessary infrastructure alongside housing developments.

It is important that the Homes and Communities Agency, which has done so much to maintain the current level of housing delivery in the region through the downturn, is given the resources it needs in future years so it can continue this valuable work. Not least to produce the homes that the region needs, but also to support the construction industry, to keep people in work and to help retain valuable skills.

Focusing development on brownfield land is important to stimulate regeneration and rejuvenate communities. However, we must be careful that concentrating development in brownfield areas does not have adverse effects such as using up employment land or valuable urban greenspace.

Parts of the region do not have large amounts of brownfield land available. We think it is appropriate for there to be selective reviews of the green belt in the South East. The green belt policy has advantages, but is also has disadvantages. In some areas it is contributing to unsustainable growth within the urban area and the immediate area beyond the belt boundary. It may also inadvertently lead to pressure on areas of the region that have genuine ecological or visual qualities that are important to protect.

We are concerned that the region is currently not achieving the 35% target for affordable housing set out in the South East Plan. We consider it essential that all involved in housing delivery continue to aim for the 35% target as a minimum. It is also important to recognise that as the number of new houses being built reduces, so will the provision of affordable
housing in the region, creating a backlog of demand. We urge the Government to consider alternative ways of delivering affordable housing and to monitor the delivery in the near future.

We also recommend that greater attention be paid to alternative models for providing housing land in rural areas, including community land trusts and nomination rights.

It is also important that the region provides the right mix of homes for rent and for schemes such as Homebuy. Local authorities need to assess the need for different types of housing and maintain a good mix of housing types available. This would enable the housing provision to respond to fluctuations in demand for sale or rent, and also for flats or family homes.

The future economy of the region will be built on a low carbon future and housing has an important part to play. The Government should stick to its timetable for the Code for Sustainable Homes and aim to meet the commitment to ensure all housing has a zero carbon rating by 2016.

Retro-fitting of the current housing stock is both urgent and necessary. Carrying out work to make the current housing stock more sustainable maintains jobs, invigorates skills that will be in demand in a future green economy, contributes to lowering fuel bills and improves the standard of living for residents.

There is some concern that the housing needs of the ageing population in the region are not understood. Local authorities must carry out research into the specific housing needs of the ageing population in their region now, and in the future, and build their findings into local housing strategies.

We welcome the positive working relations between regions and we support the engagement and consultation that has occurred between regional authorities to discuss how Regional Strategies may impact upon each other. Regions must make greater effort to ensure their housing strategies do not conflict. We recommend that the Regional Minister raise the issue of housing, and the co-ordination of delivery as the economy improves, with his neighbouring Regional Ministers for the South West and London.
1 Introduction

1. Across England the rate at which the population is growing is rising. In the period 2001 to 2008 the population of the South East increased by 4.4% (357,000), faster than the UK as a whole at 3.7%. It is projected the region will have 9.5 million residents by 2026, a 16% increase on 2006.\(^1\) It is the third highest region in terms of population density with an average of 440 residents per square kilometre.\(^2\)

2. The South East economy contributed more than 14% of total UK Gross Value Added (GVA) in 2007,\(^3\) the second highest after London. Economic growth translates to additional jobs with more people attracted to or retained within the region. The Government Office for the South East recognised the role that housing plays in underpinning economic growth, stating that, “Housing is critical to attracting and retaining the workers with the skills which employers need.”\(^4\)

3. On 16 December 2009, we announced the start of an inquiry into Housing in the South East. After requesting written evidence, we held two oral evidence sessions. The first, on 23 February 2010, was with witnesses representing councils in the South East, those in the house building industry, and selected interest groups. The second, on 9 March 2010, was with the South East England Partnership Board (SEEPB), and the Regional Minister for the South East. We are grateful to all those who gave evidence or otherwise assisted with the inquiry, especially our specialist advisers, Professor Graham Haughton and Dr David Counsell.

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2 Office of National Statistics, *South East Regional Profile*, October 2009
3 Office of National Statistics, *South East Regional Profile*, October 2009. The ONS uses GVA to measure the contribution to the economy of each individual producer, industry or sector in the UK and it is an important measure in the estimation of GDP.
4 Ev 75
2 How many houses are needed in the South East?

4. The setting of average annual targets for future house building has been a contentious issue in successive regional plans for the South East Region. These targets were debated at length at the Public Examination of the most recent South East Plan, arriving at an ‘agreed’ target of 32,700 net additional dwelling per annum between 2006 and 2026. Since these debates took place alternative and higher estimates of housing need have emerged in advice from both the National Housing and Planning Advice Unit (NHPAU) and in Department of Communities and Local Government (DCLG) publications. Some local authorities and environmental bodies, on the other hand, have suggested that planned rates of house building might be already be set too high in view of environmental constraints in the region.

Future house building rates

5. NHPAU, told us that the number of households in the South East was expected to grow a quarter as fast again in the next 25 years as it grew in the last 25 years, due to a range of factors such as people living longer and more people living alone or in smaller households, higher birth rates and continued net in-migration. Its advice states that regional plans for the South East should consider a range of between 38,000 and 53,800 new dwellings a year on average between 2008 and 2031—a total of between 874,000 and 1.24 million additional homes. The lower figure of the range is number of dwellings that would be needed to accommodate the projected increase in households—DCLG projections indicated that the number of households in the South East Region would increase by some 28% between 2006 and 2031, at an annual rate of change of 39,000. The higher rate, it suggests, would be needed in order to tackle the problem of unmet need, second homes and vacancies in new supply and to stabilise affordability at no worse than levels experienced in 2007.

6. By contrast the South East Plan, published in May 2009, proposes a building rate of 32,700 net additional dwelling per annum between 2006 and 2026—a total of 654,000 over the twenty year period. That is, however, some 3,800 dwellings per annum higher than the house building rate proposed in the draft plan put forward by the South East England Regional Assembly. The official figure of 32,700 is the annual house building rate that local authorities in the region are currently working towards in preparing Local Development Frameworks—the figure is disaggregated into targets for individual sub-regions and local authorities in the region.

7. The Home Builders Federation told us in its evidence that it supported higher rates of house building than provided for in the South East Plan stating that “the figure in the...
South East Plan should be higher than that finally decided upon by the Secretary of State in order to ensure that it properly reflects the demographic need of the region as set out by the Government’s own National Housing and Planning Advisory Unit (NHPAU).  

8. SEEPB and The Campaign to Protect Rural England (CPRE) both indicated to us that targets for housing target numbers as currently used were not always the most appropriate way of providing for future housing need. In its evidence SEEPB pointed out that:

   Local Authority experience suggests that centrally driven targets for housing numbers will ultimately become an end in itself. They are not the most appropriate way of ensuring that the right house is provided in the right location … [and] any review of the housing numbers set out in the South East Plan must be done through its work on the regional strategy.  

9. CPRE suggests that “housing demand in the South East is almost limitless and any attempt to satisfy demand could mean unacceptable damage to the environment and countryside”. It told us that housing targets in spatial strategies should be replaced by a range of possible figures which should be tested locally as well as at the regional scale.

10. Evidence from local authorities revealed some widely different attitudes to housing numbers. Oxford City Council, in its evidence, supports an annual target of 39,000, higher than the South East Plan target. Hampshire County Council however says that although it was currently exceeding the South East Plan delivery targets it could not be assumed that it was capable of accepting more housing on an indefinite basis.

11. The NHPAU has asked for an objective debate about the number of houses to be built in the region. It argued that there was a need to have an informed, objective debate, underpinned by evidence about the number of homes that needed to be planned for. The choice in the region was not between increasing housing supply or continuing at current build levels: “the real choice is whether we plan for the houses needed, so that people are decently housed, or we plan for the social and economic consequences of persistent and increasingly severe undersupply”.

12. SEEPB told us that the NHPAU targets would be one of many considerations to take into account in reviewing the South East Plan. However, they argued that other factors across the region also need to be taken into account: “not least the capacity of the infrastructure to accommodate growth and the capacity of the industry to deliver a certain level of housing.” There were also “overriding factors” associated with the implications for the quality of the environment and the landscape such as the issues of flood risk and flood defence, “given that a significant part of our region consists of areas of coastal development.”

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9  Ev 75
10  Ev 108
11  Ev 51
12  Ev 75
13  Q 73 [Mr Tugwell]
Recent rates of house building

13. Data on house building rates are published quarterly by DCLG, and statistics on completions are also compiled by SEEPB from local authority monitoring reports. A recently published DCLG report shows house building reaching a peak at about 32,000 per annum in 2007–08 with rates before and after somewhat less than the South East Plan target figure of 32,700.14

![Figure 1: House completions 1997/98 to 2007/08](source)

14. Evidence from the SEEPB and the Government Office for the South East (GOSE), based on local authority monitoring reports, pointed to higher rates of house building in the pre-recession period—34,560 in 2006–07 and 35,400 in 2007–08. In oral evidence, Mr Laxton, Head of Service for Housing and Planning, GOSE, explained that the monitoring report figures were higher because they are compiled differently and include conversions and changes of use.15 There is agreement amongst those giving evidence that housing starts have fallen significantly in recent years, by as much as a half of those achieved during peak years.16 This will result in many fewer houses being completed in coming years than are needed in the region. SEEPB in its oral evidence told us that:

"The evidence available for starts on site shows that we are running about 50% down on what we were two or three years ago. In the last quarter, of autumn 2009, about 5,180 homes started on site; that is roughly 50% down on two years before that. We’ve seen that pattern consistently now for two, two and a half years. Taking that through to completion, one would expect to see a drop-off in housing completion figures for this current financial year and the next."17

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14 Department for Communities and Local Government, *House Building*, September Quarter 2009 England
15 Q 91 [Mr Laxton]
16 Housing starts is the number of dwellings where construction has started. Housing completions is the figure when they are finished.
17 Q 69 [Mr Tugwell]
Unintended consequences

15. SEEPB warned of unintended consequences in pursuing targets set out in the South East Plan. It argued that to maintain momentum with delivery, local authorities could be forced to accept sub-optimal schemes in terms of location or quality because they were the ones that were financially viable.

In the current circumstances there is an increased risk that the desire to maintain housing outputs at all costs might over ride broader policy objectives. Whilst the importance of maintaining output is acknowledged there is a need to avoid creating a supply of permissions that is ultimately inconsistent with the agreed policy framework.18

16. Some organisations giving evidence to us questioned whether centrally imposed targets represented the best way forward to plan for future housing development. It was suggested that the focus should be shifted to building the right kind of houses rather than focusing on the numbers built, with particular concerns evident about affordable housing and family-sized homes. We also heard persuasive arguments that the amount of house building planned for should take more account of local circumstances and environmental limits in both rural and urban areas. Despite such arguments, we concluded that it was difficult to see how the supply of housing could be adequately planned and monitored without some benchmark against which progress could be measured. We recommend that annual targets be retained as a key performance target, since they provide a useful benchmark, provided that they are reviewed on a regular basis and recognised as averages that will not necessarily be met every year. In disaggregating the regional target to local authority areas varying local circumstances must necessarily be taken into account, but some regional oversight is necessary still to ensure that local areas address such variability in consistent ways. We acknowledge that opportunities for future house building should continue to be limited in the more environmentally sensitive parts of the region and in coastal areas and that more work be put into identifying these areas at a regional level.

17. Long-term average targets for house building are clearly going to be subject to review as new data become available. Current projections of population growth and household formation suggest that the target building rate in the South East Plan of 32,700 houses per annum will be insufficient to satisfy the region’s need for houses. SEEPB acknowledges that recent projections by NHPAU will be a factor that is taken into account in reviewing the plan. We recommend that SEEPB and GOSE take full account of the higher house building targets suggested by the NHPAU projections as a matter of urgency and be prepared to revise their target upwards.
3 The impact of the recession on housing

Economic and social consequences of not meeting housing targets

18. Several organisations commented on the dire economic and social consequences of not meeting housing targets in the South East Region. These included constraints on economic development through shortages of skilled labour, increased traffic congestion caused by people travelling further to work and to access services, overcrowding, homelessness and impacts on physical and mental health. NHPAU summarised these consequences in its written evidence pointing out that should the South East fail to increase house building to the level required to meet demand, the region will need to plan to deal with:

- The likely rise in house price volatility—damaging the economy; causing negative equity; adding risk and cost to house building;
- More overcrowding;
- Growing social housing waiting lists and housing benefit bill;
- A polarised housing market, with growing gap between the housing ‘haves’ and ‘have-nots’;
- Employers finding it increasingly difficult to attract staff, particularly in lower paid roles;
- The detrimental effect on environmental sustainability in the region, as people travel further and further from their place of work to find homes that they can afford, and
- Children having to live longer with their parents, with the risk of growing resentment that the housing options that earlier generations enjoyed are not available to them19.

Local authorities added to or elaborated upon these problems:

- Overcrowding and concealed households leading to health and stress issues.
- Businesses discouraged from locating in the borough because of the lack of appropriate skills/available workforce.
- Increased congestion and unsustainable travel as people travel further to work from areas where homes are more affordable. This also results in extra long working days and potentially additional stress.
- Market weakness reducing possibilities for cross-subsidising and cost recovery in for infrastructure, including provision of affordable housing within major developments, and for shared ownership schemes to cross-subsidise rented social housing.20

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19 Ev 75
20 Ev 122
19. Whilst campaign groups go to great lengths to explain to the public the negative impact of home building, too little is done to explain the negative impact of failing to meet targets. We recommend that the Government and its agencies do more to ensure the public has a rounded view of the issues.

20. Jonathan Shaw MP, Minister for the South East, told us that 200,000 people were already in housing need in the region, as evidenced by local authority waiting lists. We were told that overall demand for housing was not expected to diminish during the recession: it would instead create pent-up demand from those looking to buy houses and increase demand for affordable housing, including social rented housing. The impacts of this were widely expected to be most severe for those already vulnerable, given the legacy of pent-up demand evident in housing waiting lists of the region, and the anticipated slow down in providing more affordable housing. The South East Housing Coalition told us that:

The recession has not made housing more accessible or affordable in the South East. There is a catch 22 scenario whereby developers will only return when the market recovers but market recovery will mean that house prices carry on getting further out of reach for families in the region. As the production of new homes reduces and the lack of mortgage availability continues for all but those with high levels of equity, the region will see the numbers on household waiting lists increase.22

21. Whilst housing completions had held up early on in the recession, we were told a substantial decline was now becoming evident. As part of this trend other problems were emerging for the housing market model which had developed in the South East, where strong demand had encouraged a complex series of cross-subsidisation and cost recovery measures to emerge. Guildford BC provided us with a clear example of this:

The recession has already impacted on the provision of housing … in terms of a 70% drop in housing completion rates in Guildford Borough between 2007–08 and 2008–09. As the amount of completions decreases, so do the amount of financial contributions through s.106 agreements, thus impacting on infrastructure provision. The impact of the recession on lenders ability and willingness to lend at reasonable rates to higher risk borrowers has led to great uncertainty in respect of the development of shared ownership homes with the consequent loss of cross subsidy from sales to contribute to the viability of affordable housing schemes.24

The knock-on effects for other aspects of government policy were also expected to be substantial, not least the provision of affordable housing.25

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21 Q 93 [Jonathan Shaw MP]
22 Chartered Institute of Housing, *Impact of the credit crunch for the South East Housing Market*, Ev 92
23 Section 106 (or s.106) of the Town and Country Planning Act 1990 allows a local planning authority to enter into a legally-binding agreement or planning obligation with a landowner in association with the granting of planning permission
24 Ev 122
25 Ev 130
Private house building

22. We heard that many private house building firms were experiencing financial difficulties and in consequence laying off workers and holding back developments. The House Builders Federation (HBF) told us that:

The economics of development have changed due to the fall of gross development value and an ever increasing requirement for funding of public services under Section 106 contributions being sought by public authorities. This leads to a disproportionate fall in land value which renders sites uneconomic to develop.26

23. The skills issue was seen as particularly problematic in terms of holding on to and building from existing skills. The Government had introduced extra funding through Kickstart27 to help keep development moving and is working proactively with developers to encourage them to take on apprentices.28

24. Among the outcomes of the difficulties being experienced by private developers was that many permissions are not being implemented due to a lack of financial backing, uncertainty about profit returns and the decline in the market for flatted developments. This has been complicated by landowners having unrealistic ideas about profit returns and land values, particularly if they purchased land at high values which now do not look like giving the return originally anticipated.29

Infrastructure: who will pay and how

25. Our witnesses frequently argued that arrangements for adequate infrastructure had to be in place from the start of the development, with some arguing that development permission should not be granted unless adequate infrastructure was in place:

In terms of infrastructure, the South East Implementation Plan already indicates that there is an infrastructure deficit of £3.7 billion to 4.7 billion which needs to be addressed before the new development proposed in the South East Plan can be delivered. […]

Hampshire County Council is clear that development must not proceed without appropriate provision being made for the infrastructure necessary to serve it; meaning that any absence of funding for infrastructure delivery will impact adversely on housing delivery. And indeed the County Council would prefer that some funding should precede or accompany any house building. It is this mistake, many times repeated, that has resulted in the infrastructure deficit referred to above.30

26. More than this, there was a belief that some developers were holding back on development rather than meet previously negotiated s.106 agreements:

26 Ev 75
27 Kickstart is an HCA programme, announced in the 2009 Budget, to support mixed tenure housing developments that may have stalled
28 Q 118 [Jonathan Shaw MP]
29 Ev 118
30 Ev 137
Recession means that developers are reluctant to honour their s.106 agreements and many sites with planning permission are not coming forward. The risk is that the Planning Inspectorate are giving permission on additional greenfield sites because they are easier to develop than brownfield sites and this could have a very adverse effect on the environment.31

27. Similar evidence came from other local authorities such as Basingstoke and Mid Sussex,32 while Oxfordshire County Council pointed to the multiple burdens on the planning system resulting from expectations around funding infrastructure, addressing climate change and dealing with contaminated land as part of the push to develop on brownfield sites.33

28. This situation was also recognised by the SEEPB:

Funds arising from private sector contributions, such as Section 106 Agreements, are currently significantly reduced. Moreover the lack of availability of development finance and the downturn in the housing and commercial property markets has affected the financial viability of schemes and reduced the scope for realising developer contributions.[...] Some developments with planning conditions/obligations agreed before the recession are no longer viable leaving them undeliverable in their consented form. A particular concern remains the disproportionate impact that the recession has had on the viability of proposals for brownfield and regeneration sites; it is these that have arguably been most severely hit by the fall in development values.34

29. The new Community Infrastructure Levy (CiL) is due to start in April 2010 and we were told that at local level negotiations are already underway in anticipation of this. Whilst supporting the CiL as a means of bringing clarity to the existing system, more generally the HBF argued that the current approach to infrastructure provision through developer obligations had become overly burdensome, contributing to some of the blockages currently being experienced in the system. Others also felt the current model was struggling to provide a solution to infrastructure provision in the context of the recession.

30. The Partnership for Urban South Hampshire (PUSH) explained that it was actively seeking new funding mechanisms as many developments appeared not to have any funding sources:

The Partnership for Urban South Hampshire is actively looking at new funding mechanisms because work that we’ve done, in conjunction with our district colleagues, looking at infrastructure requirements associated with the development proposed in Hampshire in the South East plan, indicates that a huge amount of infrastructure is needed, large amounts of which do not seem to have any funding

31 Ev 87 [South Downs Joint Committee]
32 Ev 115; Ev 45
33 Ev 86
34 Ev 108
source obviously attached to them at the moment. So there is a definite need for new funding sources, particularly, as I say, for sub-regional scale infrastructure.35

31. The issue of who pays for infrastructure has become more problematic since the economic downturn, with many arguing that the Government needed to step in, at the very least to develop new funding models, and possibly to increase its own investments. It was interesting in this respect for us to hear from a major developer of affordable housing who felt that infrastructure investment by government would be key to unlocking some of the supply side problems facing new housing, and describing the provision of new infrastructure as effective as housing grant.36 Chris Balch, from the Royal Institution of Chartered Surveyors (RICS), echoed this view, pointing out that when this country had produced large amounts of housing in the past, it did so led by the public sector providing infrastructure through development corporations, which was much simpler and more straightforward.37

32. Jonathan Shaw argued that there had been investment in the regional transport infrastructure, giving the example of the Hindhead tunnel, and the high speed rail link to North Kent that was not operating at full capacity.38

Price and availability of land

33. One of the barriers to future development reported to us was developers holding on to land, loathe to take a financial loss on land bought at the peak of the market. Canterbury City Council told us that a result of this was that land prices were not falling as much as expected.39 Hampshire County Council says that in its area it could take until 2016 for land prices to recover the ground lost during the recession.40 Chris Balch suggested that land prices have fallen sharply during the recession, arguing that “there has been a substantial correction in land prices, and they are certainly half of what they were at peak levels.”41

34. Guildford Borough Council, considered that falling land values had resulted in land owners being unwilling to release land for development:

Also many landowners have unrealistic ambitions about profit returns and land values, with many having purchased land at high values which now do not give the calculated potential return originally envisaged.42

35. HBF laid the blame for failing to meet housing targets historically on the planning system, for not allocating enough land for development and for the focus on brownfield land. More recently it commented that:

35 Q 13 [Mr Roberts]
36 Ev 142
37 Q 41 [Mr Balch]
38 Q 103 [Jonathan Shaw MP]
39 Ev 118
40 Ev 137
41 Q 34 [Mr Balch]
42 Ev 122
Many sites have been rendered unviable by falling development values not being matched by lower expectations of planning authorities of the amount of land value able to be captured through Section 106 agreements.43

36. Recovery of private house building is largely dependent on improvements in market conditions. However, recovery would be greatly facilitated if different funding mechanisms could be established for providing associated infrastructure. We therefore recommend that as a matter of urgency the Government reviews its funding mechanisms for providing development related infrastructure, in view of the concerns it has heard about the ability of s.106 and Community Infrastructure Levy to respond to the current crisis.
Where should they be built?

37. The South East Plan aims to focus new development on twenty-two regional hubs and seven Strategic Development Areas. These are in addition to the national Growth Areas identified for the region in the Sustainable Communities Plan—Ashford, Milton Keynes and Kent Thames Gateway and the eight growth points identified in the 2006 initiative.

Rationalised by sustainability criteria, growth within these areas is focused on urban areas and urban extensions, with a target for 60% of new housing development to take place on previously used, or brownfield land. Selective reviews of green belts are proposed to facilitate development, including North and East of Guildford and South of Oxford. These reviews are held up pending the outcome of legal challenges.

Balancing an urban focus with meeting rural needs

38. The South East Plan policy of stimulating growth in urban areas was broadly supported in evidence to the Committee. PUSH said the focus on brownfield sites helped urban regeneration and where brownfield could not accommodate development needs it ‘promotes urban extensions’. RICS also supports this approach as being in-line with sustainability principles, and encourages housing to be located close to centres of employment, economic activity and co-located with transport. Thus minimising the need to travel.

39. The South East Housing Coalition though cautioned against too strong a focus on urban areas pointing out that 80% of the region is rural:

The region should not focus its housing development solely in urban areas. 80% of the South East is classified as rural, whilst 78% of the population lives in an urban area. Rural housing development is vital if the South East is to maximise its rural economy.

40. In oral evidence HBF pointed out the focusing development on urban areas had resulted in a shortage homes in rural areas:

We should not be surprised that we face rural housing problems, because we have had many years of planning policy that focuses development on urban areas. That means that we do not build in rural areas. Therefore, as a result of a simple supply and demand equation, people who want to live in rural areas do not have enough

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44 Office of the Deputy Prime Minister, Sustainable Communities: building for the future, 2003
45 Department for Communities and Local Government, Growth Points: partnership for growth with Government. October 2006
46 Brownfield is land that has been previously developed. Greenfield is land that has not been previously developed. Green Belt is land, usually adjacent to towns and cities, designated as such, with the intention of containing urban sprawl. There is a presumption against developing on Green Belt land.
47 Ev 126
48 Ev 87
49 Ev 92
homes to choose from. That pushes the price up and leads to the affordability problems.\textsuperscript{50}

41. The issue of rural housing, in particular affordable housing, was one that was addressed by many of our witnesses, concerned about wide-ranging but inter-related issues such as growing waiting lists for affordable housing, loss of young families to villages and the loss of local services such as schools and shops. Both RICS and New Forest argued that new incentives were required to encourage landowners to release land for new housing. RICS told us that some landowners were open to selling village land provided they could retain some nomination rights.

RICS carried out a survey among members that suggested that 40\% of landowners would be willing to sell land at less than full market value if they retained some control over how it was used. This could include nominating employees or family members for the housing or retaining a financial stake. Innovative ways to increase available lands supply do have a role in avoiding some of the worst consequences of the lack of affordability.\textsuperscript{51}

42. New Forest District Council told us that villages offered limited economies of scale for developers and as a result higher costs were incurred, leading them to ask for higher levels of housing grant support. This viewpoint was disputed by others during oral evidence, who felt that higher land costs and costs of remediation meant that urban areas deserved more subsidy.\textsuperscript{52} We heard nothing to convince us of the need to change the current subsidy regime.

**Brownfield land**

43. The urban focus in the South East Plan is to be achieved in large part by prioritising development on brownfield land, mostly found in existing urban areas, followed by urban extensions. SEEPB argued that the region was already achieving well in excess of the 60\% target for development on brownfield land:

We have a very high level of achievement of brownfield development already in the region. The most recent monitoring report shows that we’re achieving something in the order of 80\% of development on brownfield sites in the region, well in excess of the target in the South East Plan, but that doesn’t mean that we can be complacent about continuing to achieve that target. We need to be careful that we maintain the focus on brownfield development as a way of relieving pressure on greenfield and the green belt.\textsuperscript{53}

44. The South East Housing Coalition told us that there is sufficient capacity in the South East without developing greenbelt or greenfield sites:

\textsuperscript{50} Q 36 [Mr Whitaker]
\textsuperscript{51} Ev 97
\textsuperscript{52} Q 7 [Ms MacLean, Ms Lane]
\textsuperscript{53} Q 76 [Mr Tugwell]
According to CLG statistics the South East does, however, contain the highest quantity of unused previously developed land of any region apart from the North West. Even in rural areas there will be brownfield and ex industrial sites that may be developed. The picture in the South East is not therefore and simple as that painted by those that oppose development. There is sufficient development capacity in the South East without developing greenbelt, greenfield sites.  

45. Other local authorities, such as the Isle of Wight District Council, also supported a continuing emphasis on developing brownfield land. However, while the HBF acknowledged that some parts of the region did have sufficient brownfield land, it argued that it is necessary to build on greenfield land in some parts of the region:

PPG3, published in 2000, put all the emphasis on delivering brownfield first, greenfield last. Many local authorities assumed that meant only brownfield development and no greenfield development. In some places [...] that is practically possible because there is a lot of brownfield land. In other places, it is not practically possible.

46. Kent Wildlife Trust also pointed out to us that brownfield land sometimes has significant value for wildlife and as urban green space, so should not automatically be considered as appropriate for development:

That having been said, from a wildlife point of view, and the point of view of people’s access to natural places and the sustainability of cities, it is also undesirable to have too much pressure on development of every piece of open space. That includes brownfield sites. In north Kent, many of these brownfield sites are of significant value for wildlife, and also some of the only open spaces within urban areas.

47. South East Forum for Sustainability emphasised the importance of retaining green spaces in urban areas. Councillor Tilbury, of Basingstoke and Deane Borough Council, referred to another problem in focusing too much on brownfield land, the loss of employment land to housing where they saw housing development as more profitable in the short term.

48. The urban focus in the South East Plan was broadly supported in evidence to the Committee, with the proviso that this should not rule out small scale developments in rural areas needed to improve their viability. We recommend that further attention be given to rural housing in reviewing the South East Plan in view of the exacerbated problem of affordability in rural areas. The committee does recommend that greater attention be paid to alternative models for providing housing land in rural areas, including community land trusts and nomination rights.

54 Ev 92
55 Ev 105
56 Q 33 [Mr Whitaker]
57 Q 66 [Mr Moyse]
58 Ev 83
59 Ev 78
49. Evidence to the Committee suggested that targets for development of brownfield land are currently being exceeded in the South East Region. **We recommend caution in considering any increase in the current target.** Whilst we support the broad principle of prioritising development on brownfield sites, easy options for housing development on brownfield land have already been used-up in some parts of the region. We heard with some concern that the brownfield target may be having perverse impacts, including loss of local employment where existing employers are tempted to sell up their land to housing developers. We recommended that clearer policy guidelines be provided:

- to prevent perverse policy outcomes;
- to protect sites that sometimes have alternative value for nature conservation of urban greenspace; and
- that have the potential to add to green infrastructure of the urban areas themselves, particularly in those areas where substantial new development has been planned or already put in place. The committee recommends that serious consideration be given to rebalancing the need to protect rural open space with the need to provide, protect, and improve urban greenspaces.

**Green belt**

50. Development of green belt is one of the more controversial issues in evidence to the Committee. Green belt has its strong supporters and also strong detractors. CPRE has long campaigned in support of green belt:

> It is essential that the metropolitan green belt and the Oxford Green Belts are retained and their integrity protected. In many ways green belt has been the saviour of the region, because it has prevented the outward spread of the capital. It is integral to the future of the region. Green Belts are in fact integral to all relevant strategic and local plans.60

51. It maintained this support in its oral evidence, highlighting that the policy tends to be misunderstood and green belt does not mean all green fields. Mr Dawson argued that he did not think the green belt prevented towns from developing but rather it helped them retain their identity, such as in the case of Oxford.61

52. The South East Forum for Sustainability (SEFS) said that the green belt should be incorporated into the wider green infrastructure of the region.62 Others, such as Hampshire County Council and Gravesham Borough Council, also supported green belt policy as a way of encouraging regeneration of brownfield land and allowing the preservation of strategic gaps between settlements.63
53. We received several submissions suggesting that the green belt was contributing to increased traffic problems in the region. The HBF pointed out that imposition of green belt results in new development leapfrogging the green belt, separating where people live from where they work or the services they might wish to use.\(^{64}\) This created a need for extra public transport links between settlements beyond the green belt to reduce traffic congestion.\(^{65}\) The HBF described the green belt as a ‘very blunt instrument’ that was ‘a little dated’. They thought it was more in line with current thinking on sustainability to allow development close to existing urban areas.\(^{66}\)

54. Much of the evidence supports the general protection of the green belt allied to a selective review that was adopted in the South East Plan. The Royal Institution of Chartered Surveyors supported a review as the “right approach”\(^{67}\) and thought the increase in population in the region should provide the opportunity for a new debate on the purpose of the green belt with regard to producing sustainable communities.\(^{68}\)

55. One such review of the green belt south of Oxford was proposed in the South East Plan. Oxford City Council set out for us in some detail why it was felt that a review was justified emphasising that the present tight boundary encouraged commuting from beyond the green belt boundary:

In Oxford city, for a while we were the leading authority in the entire country in terms of reusing brownfield land. The problem is that there is only so much to go around. We were talking a moment ago about sustainability. What is less sustainable than declining to expand a city outwards and instead building new properties in areas where there are no jobs and where people are then forced to commute by motor car on congested roads into an area where there is a chronic shortage of housing? That does not seem sustainable at all. So no, that is not a strong argument in defence of the green belt, if you ask us.\(^{69}\)

56. The CPRE was concerned that releasing green belt land at Oxford and Guildford will be seen as a precedent for further releases:

The policy has served us well for a long time, but I think in that case it needs to be looked at in terms of the whole of the functioning of areas such as Oxfordshire. Certainly there is great public attachment to the green belt, and it wouldn’t be lightly given up, I think, for the reason that people feel the floodgates can be opened. There is the danger of feeling that once you do something here, in a sense the whole system collapses. Those dangers may be realistic, they may be simply perceptions.\(^{70}\)

57. However, support for this policy of selective review was reiterated by Pam Alexander, Chief Executive, South East England Development Agency, said:

\(^{64}\) Ev 44  
\(^{65}\) Ev 97  
\(^{66}\) Q 47 [Mr Whitaker]  
\(^{67}\) Q 47 [Mr Balch]  
\(^{68}\) Ev 97  
\(^{69}\) Q 27 [Councillor Turner]  
\(^{70}\) Q 66 [Mr Dawson]
[...] taking a local view is entirely appropriate, so we support strongly the protection of the green belt as a general proposition because we see it as a crucial part of the attractiveness of the region and the importance of maintaining balance. There is an opportunity for looking at the application of green belt policy on a case-by-case basis, and there have been some very high quality examples where permission has been granted.71

58. The Minister commented that additions had been made to the Metropolitan Green Belt and that the Government remains committed to protecting it:

We’ve added some 2% to the green belt. Local authorities need to look at their housing demand and land. You know that around 60% of houses now go on to brownfield, but we are committed to protecting the metropolitan green belt. We think that there is sufficient land to be able to do that.72

When pressed whether he supported the selective review policy, he replied, “We have reviews from time to time on many aspects of Government policy.”73

59. We heard polarised evidence from CPRE and HBF on development of green belt—CPRE strongly promoting retention of current boundaries whilst HBF vigorously promotes relaxation of green belt policy. Most other evidence we received generally supported the approach adopted in the South East Plan—that the present boundaries should generally be retained, but with some limited reviews in areas of greatest pressure such as to the south of the City of Oxford. There are advantages to the green belt policy and it is undeniable that is has helped to retain the rural character of large areas of the region which otherwise would have become overwhelmed by urban sprawl in the last 50 years. However, it was designed for a different time, and it is now working against the ideal of sustainable communities which hope to encourage people to work, rest and play in the same local area. As a result, there are areas of the region where the green belt is adding stress to the immediate transport network and inadvertently placing pressure for development on valuable areas of greenspace within urban areas. We recommends continuing support for this policy of selective review of green belt in the South East Plan.

Environmental constraints

60. Environmental bodies giving evidence to the Committee indicated that development in should be contained within the environmental limits of the South East Region. Kent Wildlife Trust commented:

From my viewpoint, the problem is that the housing numbers have never been tested against the environmental limits of the South East—what the environment of the South East can hold.74

71 Q 78 [Ms Alexander]
72 Q 124 [Jonathan Shaw MP]
73 Q 124
74 Q 51 [Mr Moyse]
61. The South East Forum on Sustainability suggest that development in South Hampshire is in danger of breeching environmental limits, in view of its designation as a Strategic Development Area. Other concerns were raised with regard to the capacity for growth near the South Downs and New Forest National Parks, and other areas with environmental constraints such as areas of flood risk.

62. We heard evidence from various environmental bodies promoting the idea that development in the South East should be contained within the limits of the region’s environment. Whilst supporting this in broad principle, the Committee did not receive any conclusive evidence about what these limits are or how they should be determined. However, we are aware that the landscape and environmental assets are part of what makes the South East such an attractive place to live and work. We recommend that as part of their preparation of the Single Regional Strategy, the SEEPB fully engage at an early stage with regional agencies involved in environmental protection, such as the Environment Agency and Natural England, and the third sector.
5 What types of homes are needed?

Affordable housing

63. Affordability is commonly expressed as a ratio between housing prices to earnings. In 2008 the average house price in the south east was £267,573 compared to an average salary of £22,100. That means someone earning an average salary would need to borrow over 12 times their income to be able to afford an averaged priced home. In the most affordable part of the region the average house price is 7.5 times the average salary. In areas like Chichester, Chiltern and South Buckinghamshire it is nearer 20 times the average salary. This situation is steadily getting worse. The average house in Oxford in 1997 was near 5 times the average income; by 2006 it was over 10 times average income.

64. This gap between earnings and house prices, alongside the onset of the credit crunch and the associated problems in acquiring mortgage finance, has made it difficult for those who wish to move into their own home to do so. There are currently 205,000 households on local authority housing waiting lists in the region, an increase of 59% since 2002. The need for affordable housing is growing.

65. Affordable housing is defined as non-market housing and is provided to those whose needs are not met by the market, for example homeless persons and key workers. It includes social rented housing and intermediate housing. The South East Plan and the Regional Economic Strategy set out policies on housing including a target of 35% affordable housing. Local authorities are able to set sub-regional targets that override the regional one.

77 Affordability is calculated as the ratio of lower quartile earnings to lower quartile house prices in the first quarter of 2007 and NHPAU advice on the level of housing provision that would be necessary to return the ratio to the 2007 level by 2031. South East England Partnership Board, Think Piece 4

78 National Housing Federation, Annual Survey of Hours and Earnings, Home truths publication, 2009

79 Ev 92

80 Ev 101

81 Ev 75

82 The Government Office for the South East, The South East Plan: Regional Spatial Strategy for the South East of England, London, The Stationery Office, May 2009, Chapter 7 Housing, p59. Social rented housing is rented housing owned and managed by local authorities or Registered Social Landlords. Intermediate affordable housing is that made available below market price or rents, including shared equity schemes such as Homebuy.

83 The 35% is the combination of the two targets of 25% of all new housing to be social rented and 10% to be provided as intermediate tenures.
### Sub regional targets for affordable housing in the South East

<table>
<thead>
<tr>
<th>Sub-region</th>
<th>Target</th>
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<tbody>
<tr>
<td>South Hampshire</td>
<td>An average of 30–40%</td>
</tr>
<tr>
<td>Sussex Coast</td>
<td>40%</td>
</tr>
<tr>
<td>East Kent &amp; Ashford</td>
<td>30%</td>
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<tr>
<td>Kent Thames Gateway</td>
<td>30%</td>
</tr>
<tr>
<td>London Fringe</td>
<td>40%</td>
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<tr>
<td>Central Oxfordshire</td>
<td>At least 40%</td>
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<tr>
<td>Milton Keynes &amp; Aylesbury Vale</td>
<td>30%</td>
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<tr>
<td>Gatwick</td>
<td>40%</td>
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Source: South East England Partnership Board, Think Piece 4, para 3.4

66. Local authorities, and partners, are responsible for evaluating need for, and providing, affordable housing. Many local authorities told us that their local assessment of affordable housing need commonly exceeded the total number of housing being provided. At the same time some local authorities were still losing part of their housing stock through Right to Buy.

67. There was great concern in the region that as the number of housing starts falls, so would the number of affordable homes provided. There were also concerns that adhering to the affordability proportions during the recession was in danger of making developments unviable. The backlog of unmet need continued to grow and this placed increased pressure upon local authority housing waiting lists.

68. Martin Tugwell, Director of Regional Investment, SEEPB, explained that as the amount of market housing fell, so would the amount of affordable housing.

> You cannot separate the delivery of affordable housing from the delivering of market housing; the two are inextricably linked. [...] we are currently hitting around 29% of new houses being affordable houses, which compares with a target of 35% in the South East Plan.

69. Local authorities told us they aimed for higher than 35% where possible: Gravesham aimed for 50%, Oxford 50%, Burgess Hill 40% affordability; and that the affordable proportion can vary within the local authority. We did hear concern that raising the 35%...
of housing supply as affordable will not necessarily increase the total number delivered. Councillor Richard Gates, Leader of Waverley District Council and Regional Housing and Regeneration Board Member, told us:

You don’t solve the problem by saying that we will have 75% affordable houses, because there will not be a development that viably can allow the developer to give you that side of it. Indeed, in today’s circumstances, there is some evidence that a lower percentage would get you some, rather than none.91

70. We asked the Minister his views on the current delivery of affordable homes in the South East and if he thought the 35% target should be increased. Jonathan Shaw told us:

It’s not something we can just live with. Of course, some of the affordability issue is about supply and demand. That is relevant to most of the communities across the South East, [...] so it isn’t something that I am happy to live with.92

Obviously, local authorities are in a position to be able to make judgments about the percentages that they want. Across the board, 35% seems a reasonable balance. It is something that we should, of course, keep under review. Indeed, many authorities will, for particular developments, set a far higher yield.93

71. We are concerned that the region is currently not achieving the 35% target set out in the South East Plan. We consider it essential that local authorities, and their partners in housing delivery, continue to aim for the 35% target as a minimum. We welcome the higher sub-regional targets and support those authorities who are working to deliver a higher percentage where possible.

Affordable housing and the recession

72. Several witnesses said that the current method of providing affordable housing was not effective, and this situation has been made worse by the economic downturn.94 For housing associations future difficulties are anticipated, not least as many of their larger developments relied on a level of cross-subsidy between rental and for sale housing. Pam Alexander pointed out that delivering social housing through cross-subsidy from the private sector was a recent development.95 Canterbury City Council told us that:

Hitherto, housing associations used capital receipts from shared ownership to subsidise social rented dwellings. This is no longer viable because shared ownership sales fell due to the lack of mortgage finance. [...] The recession has encouraged the council to try and find a more “recession-proof” approach to providing new affordable housing by reducing reliance on s.106 developer contributions to a more diverse programme. However, many of the proposed models are very complex legal
and financial arrangements, best suited to long-term projects, and do not provide an immediate solution.96

73. Witnesses suggested we explore different methods of delivering social housing that move away from grant-led development for social housing and look at other models. Places for People suggested a Residential Property Fund which would combine long-term equity investment from an institution with builders contributing land and/or unsold stock in return for an immediate, below market value, payment.97

74. The RICS suggested greater incentives to land owners to release land at lower prices if conditions could be placed on the future use of land and of community land trusts.98 This was explained further in oral evidence:

But I think different models, such as community land trusts and so on, can start to overcome the fact that perhaps historically the land price was a big part of the challenge of affordability. If that land can be put into the hands of the community and held in perpetuity for the purposes of affordable housing, that’s the type of model that ought to be pursued and explored.99

*Alternative ways of providing affordable housing*

75. Alternative ways of delivering social housing were suggested to us.100 Some local authorities wanted greater freedom, and funding, to build social housing,101 others suggested the Government could provide incentives to landowners to make sites available for affordable housing, for example by offering landowners a share of the equity of any new build; or placing conditions on the future use, such as being held in a community land trust.102 Others pointed out that London has adopted numerical targets, rather than the previous 50% affordable percentage share, with the aim of providing local planning authorities flexibility in where affordable housing is needed.103 The CPRE said that affordable housing numbers should be separated from market housing numbers and stated as a specific target figure, then delivered through housing associations using grant from the Homes and Communities Agency.104 There was also support for increasing the role of the private rented sector.105

76. The Minister agreed there remained a need to provide a range of housing types using a range of measures:

96 Ev 118
97 Ev 142
98 Ev 97
99 Q 36 [Mr Balch]
100 Q 36; See also Ev 142
101 Q 17
102 Q 36; Ev 97
103 Ev 97
104 Ev 51
105 Q 22
We need to ensure that there is supply, not just of market housing, but of mixed-tenure housing and rented housing, both from housing associations and, more recently, as a result of council house building.\textsuperscript{106}

77. The provision of affordable housing has not satisfied need while the region has been meeting the South East Plan overall target. The number of housing starts (the commencement of house building) has reduced during the recession and a backlog of demand is accumulating. We are concerned that it might take several years for housing delivery in the region to deal with the backlog without either an injection of subsidy to make schemes viable under the current system or through alternative ways of delivering affordable housing. We urge the Government to explore additional methods of providing affordable housing, including the residential property fund and community land trust initiatives suggested to us.

\textbf{Affordable Housing and the Homes and Communities Agency}

78. The Homes and Communities Agency (HCA) was established in December 2009 as the national housing and regeneration agency, combining the former English Partnerships and Housing Corporation with the housing delivery functions of the Department of Communities and Local Government. The HCA manages the affordable housing funding programme, with a budget in the South East of around £1.2 billion in the three years from April 2008.\textsuperscript{107} They also administer the Social Housing Grant, the Kickstart programme, and support for local authorities who may wish to build council homes through the Government’s Housing Pledge.\textsuperscript{108}

79. When the Agency was established it set up the Single Conversation as its business model for engagement. The Single Conversation is an area-based framework for agreeing priorities and investment with local authorities and other partners SEEDA praised the Single Conversation pilots which have, “enabled us to look much more coherently and comprehensively at how regeneration and housing work together to improve communities”\textsuperscript{109}. SEEDA also commented on an overall positive relationship with the HCA.\textsuperscript{110} The role of the HCA in bolstering house building in the region was widely recognised by our witnesses, with particular praise for its role in supporting affordable housing provision during a difficult period.\textsuperscript{111} Wendy Lane, Principal Planner, Gravesham Borough Council, described how the HCA is an improvement on previous arrangements:

\begin{quote}
HCA now having the Thames Gateway Strategic Executive more closely related to it makes life a lot easier for us. Previously, you would have loads of different agencies very much interested in developing the Thames gateway, and it was a little bit harder to have a strategic approach. Having it under more of an umbrella organisation has
\end{quote}

\textsuperscript{106} Q 107
\textsuperscript{108} Ev 37
\textsuperscript{109} Q 89
\textsuperscript{110} Q 89
\textsuperscript{111} Ev 44
made both the aims and how these sites need to be pushed forward clearer. We found the HCA very useful and very helpful.\textsuperscript{112}

80. From the evidence we received, there is no doubt that but for the Government’s substantial investment housing difficulties in the South East in the past two years would have been much more acute. Indeed many witnesses expressed their concern that when the current commitments ran out they would face major problems, particularly in the provision of affordable housing.

81. The HCA has a target of delivering 10,000 affordable homes a year, lower than the Government target of 11,300 (35\% of the 32,700) in the South East Plan.\textsuperscript{113} However, there is a backlog of unmet need in the region which is not being met by the current method of delivery. HCA expects to exceed the Government’s programme target in 2009–10, but it noted that to reach the South East Plan target was expected to be “a slow process”.\textsuperscript{114}

82. For every year that the region does not provide enough housing it will need to overcompensate in the years to follow. This will mean aiming for more than 32,700, and probably somewhere within the NHPAU range of 38,000—53,800. We are concerned that the number for affordable housing need will similarly increase above the current 11,300 target, and will be much higher than the current HCA target of 10,000. We doubt that simple adherence to the 35\% affordable ratio will be able to meet housing need.\textsuperscript{115}

83. Whilst we, along with many organisations in the region, welcome the work that the HCA has been doing to unblock construction projects and maintain delivery of some affordable homes, we are concerned that this has been done through forward funding from later financial years.

84. Pam Alexander told us:

\begin{quote}
I think what has been happening to keep the momentum up—if we look at the profile of the work that is going ahead—is that grant rates have been increased for social housing, which has enabled schemes that otherwise would not have been viable to wash their face and create the basis for going forward. That is obviously something that is not sustainable in the long term.\textsuperscript{116}
\end{quote}

Martin Tugwell agreed:

\begin{quote}
We can probably do more, but there is an issue about the level of funding that is available, which really reinforces the concern that we expressed earlier and in the submission. That is that we see the danger of heading towards what I might call a
\end{quote}

\textsuperscript{112} Q 8
\textsuperscript{113} Q 112 [Ewing] This difference was explained as a discrepancy between the South East Plan target being averaged over 20 years and the HCA being a short term target set over a three year spending cycle.
\textsuperscript{114} Ev 146
\textsuperscript{115} Q 115
\textsuperscript{116} Q 81
cliff, in terms of the level of public sector funding, and the consequences of that on delivery are likely to be quite significant.117

85. Maintaining momentum in the construction of new homes is vital for the provision of affordable homes. While the economy may be moving into recovery, the level of housing starts in the region is extremely concerning, and without the increase in grant rates enabling borderline developments to go ahead, the number of starts will have been much worse. The Homes and Communities Agency has only been able to do this by bringing forward funding from future financial years. It is essential that the Homes and Communities Agency is able to maintain its investment in affordable housing until the housing market has stabilised. The Government has to ensure that the HCA has the funding it needs to be able to continue this work.

Social rent and intermediate sale

86. There is currently a wide gap between the cost of social rented accommodation and the cost of either market rented or owner occupation, and as a result, there has been a dramatic increase in demand for social rented housing.118 One witness told us that 82% of their housing need was for social rented accommodation.119

87. The South East Plan divides the 35% affordable into 71% for rent and 29% for intermediate housing.120 The HCA is seeking to move from a split of 60% rent 40% intermediate in 2008–09, to one of 65% rent 35% intermediate in 2009–10. The initial increase in intermediate housing was to cater for those home buyers who were not able to afford their own home turning to shared ownership as the next option.121 However, as Richard Bayley from Places for People pointed out, acquiring mortgage lending in the short term will be difficult and pressure has now moved onto the rental market.122

88. Local authorities were responding to this change in demand by increasing the proportion of affordable homes as rented rather than intermediate. Councillor Richard Gates said:

Rented is a much more attractive proposition for housing associations because people cannot afford the intermediate bit that they have to bring forward for their mortgage. We have a particular scheme going forward, with 100% social rented for different types of tenants.123

89. Wendy Lane also pointed out that retaining flexibility as to the proportions of social rented to intermediate had improved the viability of a particular development,

117 Q 85
118 Ev 97
119 Ev 101
121 Ev 146
122 Q 30 [Bayley]
123 Q 83
Our viability assessment originally tested a 70:30 split for social-rented intermediate, but changing to a 50:50 mix made a number of schemes more viable without an additional grant having to be paid. [...] It is a matter for negotiation.124

90. However, the HBF believes that tenure should not be a planning consideration. They warned against forcing areas, maybe already with a high level of affordable housing, to take a higher proportion of a similar tenure, as this would be going against the idea of creating mixed and balanced communities.125

91. We received several submissions that said there remained too much emphasis on home ownership rather than rented.126 Home ownership was falling nationally before the recession, from 71% to 68% in the six years since 2003, and John Healey MP, the Housing Minister, has suggested that the UK could be moving towards a society more willing to live in rented property. He also suggested there could be more variety in how housing was supplied through co-operatives, community land trusts, mutual societies and other third sector providers.127

92. We asked the Minister’s view on this. He replied that while there was a cultural impulse to own your own home it should not override the importance of not having somewhere to live. He said:

Renting is perfectly desirable and meets needs and aspirations, and it should be seen more as something that people across the socio-economic spectrum do—not, as it is perhaps sometimes characterised, as just for people who are less well off. It would be highly desirable if rented accommodation were seen as something for people from all walks of life to aspire to in a similar way that they aspire to home ownership. [...] I think that if we had more, that would be a good thing.128

93. When asked if he thought we could do more to encourage a private sector that could help absorb some of the housing need in the region he said:

I don’t think that the private sector housing market has developed a great deal in recent years. [...] I think that rented housing can and should be an important part of the supply. Could we see an increase in it, and would that be desirable? Yes.129

94. Many submissions noted the possible social problems that result from a large number of houses in multiple occupation in concentrated areas, particularly in the private sector.130 We welcome the measures, taking effect from April 2010, that mean private landlords will need to apply for planning permission if they want to alter a family property to a shared house with three or more tenants who are not related, and the recently

124 Q 18
125 Ev 71
126 Ev 142
127 Healey points to the end of home ownership, Local Government Chronicle, 11 December 2009
128 Q 119
129 Q 120
130 Ev 101
published proposals for councils to license landlords, requiring them to provide safe and quality rented accommodation, and to register letting agents.\textsuperscript{131}

95. There is currently increased demand for rented housing, and some local authorities are taking steps to provide more social rented housing to meet this demand. We support their steps to meet housing need, particularly given the current fluctuations in demand. These fluctuations are likely to continue as the economy improves, when the demand for intermediate properties may expand. It is important that local authorities retain the ability to alter the split between social rented and intermediate housing tenures within the affordable proportion of new housing.

96. It is in the interests of providing mixed and balanced communities that developments include housing for sale on the open market, some available for social rent and some available for intermediate schemes. In addition, it is desirable that there is a good mixed provision of intermediate housing, social rented and private rented in most areas to be able to react to fluctuations to variations in the housing market. It is for the planning authority to determine, within the framework outlined in the South East Plan and the evidence available to them, the relative proportions in each development.

**Family homes and flats**

97. In 1997–98, new homes built in the region consisted of 86% houses and 14% flats, by 2008–09 the proportion had changed to 47% houses and 53% flats.\textsuperscript{132} Stuart Roberts, Head of Spatial Strategy and Research, Hampshire County Council, told us that in the last three years, 88% of all the new properties built in Southampton and Portsmouth have been flats.\textsuperscript{133} Oxford City Council told us that 92% of the dwellings built in Oxford in 2005–06 were 1 or 2 bed flats.\textsuperscript{134} There are several possible reasons for the increase in flats: simple demand for smaller flats; policies designed to drive up densities and increase use of brownfield sites;\textsuperscript{135} easier access to development finance, personal credit, and mortgage finance; small scale investors expanding the buy-to-let market; the potential profit to developers of several flats in the land area of one house, and the increase in house prices meant first-time buyers could not afford anything larger.\textsuperscript{136}

98. Many submissions to the Committee suggested this was counter to current demand and contributing to a rise in overcrowded households, particularly in social rented accommodation, and disruption to families and communities.\textsuperscript{137} Canterbury District Council told us that their SHMA showed 45% of their social rented need and 60% of their

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\textsuperscript{131} John Healey: Local powers for councils to protect communities and improve standards in the private rented sector, CLG press notice, 27 January 2010

\textsuperscript{132} South East England Partnership Board, *Tackling housing affordability*, Think Piece 4

\textsuperscript{133} Q 6

\textsuperscript{134} Ev 101


\textsuperscript{136} Department for Communities and Local Government, *The credit crunch and regeneration: impact and implications*. 2009

\textsuperscript{137} Ev 92. The number of overcrowded households in the region has risen from 59,000 in 2007/08 to 61,000 in 2008/09. Over half of these households are in the social rented sector. See Ev 115.
intermediate need to be for three bed homes. Chris Balch, from the RICS, suggested that the market would revert back to building family houses, subject to what the planning regime allowed, while the CPRE felt the region had been too dependent on the market to provide family homes.

99. Oxford City Council has since 2008 tried to influence this imbalance. They told us,

In our affordable housing supplementary planning document, we require a particular mix of housing because, again, there is a tendency to provide social rented flats and market houses. That is again something we are resistant to because it doesn’t meet our need, which is primarily for family homes. We would like to produce many more, but our aim is for about 250 units a year. That perhaps meets an eighth to a tenth of our need if you include the backlog, so it is nowhere near enough. There need to be planning solutions to that.

100. The Regional Housing Strategy sets the aim that 25% of social rented and 15% of intermediate homes funded through the 2008–11 programme should have three or more bedrooms. Martin Tugwell said:

We saw that, against the target of 25% of social rented homes being three bedrooms or more, the current estimate is that we will hit 27% this financial year. On intermediate, against a target of 15%, we are just a bit shy of 13%. It shows where the policy framework at the national level allows us to give guidance and shape the types of development coming forward. Being the affordable housing sector, we can make a difference. The point that Councillor Gates is making is that we don’t have the same ability with the market, and that is reflected in the outputs that we are getting for the market sector at the moment.

101. The Government has tried to encourage higher housing densities by including a target of 40 dwellings per hectare in the South East Plan. We asked the Partnership Board whether the density target of 40 dwellings per hectare was contributing to the production of more flats than houses. Councillor Gates said it depended on what was included in your Local Development Framework or Local Plan, and if that gave you strength to refuse a development that was at a lower density. However, if the application was refused, the developer could appeal and the planning inspectors allow it on the grounds it was against the stated policy in the South East Plan. As a result, “Unless we had foreseen the issue some years [ago] in our local plan and been allowed to foresee it by the inspector, we don’t have that flexibility.”

102. We asked the Regional Minister his views. He said:

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138 Ev 118
139 Q 39
140 Ev 51
141 Q 16
142 Regional Housing Board, Regional Housing Strategy 2008-11, March 2008. See also Ev 37
143 Q 84
144 Ev 37
145 Q 83
You have higher density. You'll have a mixture of flats and family housing—some of that is market housing; some of it is rented housing—detached houses and terraced houses. Good design can accommodate all of the above rather than creating communities of one particular type, income or style, whether it’s flats or houses.\textsuperscript{146}

103. The policy of 40 dph has a clear purpose to try and enable the best use of brownfield sites. By encouraging high density developments it has contributed to the drive producing developments that are overwhelmingly made up of flats compared to houses. \textit{It is important for the Government, and the HCA, to recognise and publicise best practice in designing housing developments that achieve a balance of flats and houses within the 40 dph target.}

104. We also received evidence suggesting that a similar increase in flats being built in London, compared to family homes, was contributing to the out migration of families into the South East in search of more living space. This was placing extra pressure on the already limited number of family homes available in the region.\textsuperscript{147}

105. \textit{There are thousands of families in the region in overcrowded conditions, over half of which are in the social rented sector. We support the current Housing Strategy target for 25% social rented housing and 15% intermediate housing to be three or more bed family homes, and urge the Regional Housing Board to consider maintaining this target in their strategy after 2011.}

\textbf{Sustainable homes}

106. Introduced in 2007, the Code for Sustainable Homes provides a sustainability rating between one (the lowest) and six (the highest).\textsuperscript{148} From April 2008, all new social housing should have been built to Code level three. By gradually improving the building regulations that enforce higher Code level standards, the Government wants all new homes will be zero carbon by 2016.\textsuperscript{149}

107. Many local authorities said that they promoted the Code, and some said they aimed for higher than mandatory standards wherever possible, while accepting this can add to the cost and therefore the delivery of affordable homes.\textsuperscript{150} The HCA said all new build homes they fund are required to meet the Code level 3 as a minimum.\textsuperscript{151}

108. The House Builders Federation welcomed the way the Code was being introduced gradually allowing developers and those in the construction supply chain to invest in new technologies and building methods for the future higher levels. They said they were ‘relatively happy’ with the 2010 deadline for level three and ‘fairly confident’ about the 2013

\textsuperscript{146} Q 97
\textsuperscript{147} Q 39; See also the Regional Housing and Regeneration Board, Minutes of meeting, March 2010, \textit{The London Plan Response and the London Housing Strategy}
\textsuperscript{148} The rating is based on nine criteria: Energy and CO2 emissions, water, materials, surface water run-off, waste, pollution, health and well-being, management and ecology.
\textsuperscript{149} Department for Communities and Local Government, \textit{Building A Greener Future: Policy Statement, July 2007}
\textsuperscript{150} For example see Ev 44; Ev 78; Ev 115
\textsuperscript{151} Ev 146
deadline for level four.\textsuperscript{152} However, they said that imposing higher targets ahead of changes to the building regulations was not helpful. They also shared the view of People and Places that such standards should not jeopardise the financial viability of schemes, and doubted that the higher standards of the Code were attainable in the medium term.\textsuperscript{153} However, the South East Forum on Sustainability is concerned that building regulations, planning policy and regional spatial strategies are not providing homes or communities of properly sustainable quality or design and that, “many of the current regulations are being ignored or circumvented.”\textsuperscript{154} Meeting these high building standards has a long term legacy as the construction industry is the second largest contributor to the South East’s current ecological footprint.\textsuperscript{155}

109. The Code for Sustainable Homes is an important and admirable and important aim, and one we should not compromise on with the housing standards we have decided upon. One of the lessons of previous improvements in housing stock has been if you provide sub-standard housing now, it will not retain its value, it will become uninhabitable quicker, it will cost more to maintain in the long term, and eventually it will be have to be replaced at greater cost. The Government needs to continue to encourage the highest standards attainable and provide housing that anyone would be proud to live in for a long time to come. We recommend that Code Level three remains the standard for new build social housing, and that the Government continues the timetable for higher code levels as planned.

110. It is important to hold onto and expand the necessary skilled workers so the construction industry can expand again as the economy recovers. We recommend that the Government continue to prioritise training for the building sector, with an emphasis on the skills associated with the shift towards building homes that meet the Government’s commitment to achieving zero carbon housing by 2016.

**Retro-fitting**

111. There was considerable concern in the evidence that while new homes have to adhere to statutory energy efficiency requirements, there remains an important need to retrofit older sub-standard housing with energy efficient measures that is not being met.\textsuperscript{156} As Stuart Roberts, Hampshire County Council, pointed out:

> Even in 20 years’ time, the stock that already exists and was built some while ago will still constitute the vast bulk of the housing stock. Therefore, retrofitting the existing stock is the big issue. If you just focus on new build, you are missing the bulk of the problem.\textsuperscript{157}

\textsuperscript{152} Q 42
\textsuperscript{153} Ev 71; Ev 142
\textsuperscript{154} Ev 83
\textsuperscript{156} Ev 51
\textsuperscript{157} Q 24
112. Research commissioned in Kent Thameside concluded that the most effective efficiency measure is double glazing, followed by the filling of gaps in flooring, door frames and skirting. These are improvements that have added relevance for the ageing population and unpredictability over future utility bills.

113. It was suggested to us that while grants and incentives have been made available by Government to help retro-fit existing housing stock, such as the Warm Front initiative, but that some local authorities are “just not engaged with the agenda, which is a rather worrying state of affairs” regarding retrofitting. The House of Commons Environmental Audit Committee, in its recent report on Adapting to Climate Change, was also concerned. They recommended that:

The Government remove any administrative barriers, and encourage local agencies, to establish one-stop shop services capable of providing the public with integrated retrofitting programmes covering adaption, water efficiency and energy efficiency.

114. Pam Alexander said it was unfair to lay the blame with local authorities and explained there were difficulties as “it costs a lot to retrofit, because we are doing it in lots of different ways and everybody is experimenting, and builders can then very reasonably say that the cost does not justify the expense” but “If we could get some critical mass behind retrofitting, that would bring the cost of it down.” Martin Tugwell explained there were local partnerships in the region involving the private sector, the Carbon Trust and the Energy Saving Trust that were starting to make progress.

115. The Government announced the green homes strategy on 2 March. It sets out the target for cut carbon emissions from homes by 29% by 2020. The strategy includes a focus on vulnerable households and plans to raise the standards of energy efficiency in both private rented and social housing. It also sets out a payment scheme that aims to even out the up-front costs of retro-fitting measures. The green homes strategy is in addition to the Government’s ongoing Decent Homes initiative that aims to refurbish all social housing, and vulnerable households in the private sector, to set minimum standards by 2010. The set minimum standards include the criterion of a reasonable degree of thermal comfort. In their latest inquiry Beyond Decent Homes, the Communities and Local Government Committee recommended that the maintenance and improvement of the existing stock must be given equal priority to the building of new homes.

116. Retro-fitting of the current housing stock is both urgent and necessary. Carrying out work to make the current housing stock more sustainable maintains jobs,
invigorates skills that will be in demand in a future green economy, contributes to lowering fuel bills and improves the standard of living for residents. We support the initiatives and joint working that have already started in the region, but recognise that retro-fitting remains unevenly carried out, and that it involves advance expenditure for benefits that accrue over the long term. We look forward to seeing evidence that the Green Homes initiative is the mechanism that can provide the ‘critical mass’ necessary to make significant progress across the board.

**Sustainable communities**

117. The Sustainable Communities Plan, launched in 2003, set out a long-term programme for improving quality of life alongside housing delivery. Ideally, sustainable communities include well designed public and green space; good public transport and infrastructure links; engagement with local people in their planning; buildings that can meet different needs over time; developments of an adequate size, scale and density that minimise use of resources; local public services, including healthcare, education and leisure facilities; a local culture that inspired pride and a sense of place; and a well integrated mix of decent homes of different types and tenures to support a range of household sizes, ages and incomes.\(^{167}\)

118. However, as we described above, the evidence we received suggests that we are building high density, small, one or two bed flatted developments which may have a mix in tenure but will not necessarily have a range of household size or incomes. We asked our witnesses if they thought we were building sustainable communities. The South East Forum on Sustainability said,

> Social, and especially green infrastructure, is important with open space being at a premium. The over-supply of flats and smaller houses also connects with house size generally, with the size on an average new house being half of that in Denmark. This is socially damaging as an unhappy, overcrowded community is not a sustainable one.\(^{168}\)

119. The House Builders Federation commented on the difficulty of providing extra services at the same time as housing, “at the moment we see people—local authorities—trying to plug their budgets, almost with s.106 contributions, by saying, ‘We don’t have enough money to provide schools in our area, so we will put that cost on development,’”\(^{169}\)

120. Pam Alexander said:

> In the past, when we had mono-tenure, whether it was local authorities, or indeed social landlords through housing associations, and before we required that mixed tenure to be such a major part of section 106 agreements, we were producing single-tenure estates, and I do not think that any of us want to go back to that situation. So

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\(^{167}\) Office of the Deputy Prime Minister, *Sustainable Communities: Building for the Future*, February 2003

\(^{168}\) Alan Evans & Oliver Marc Hartwich, *Unaffordable Housing, Fables and Myths*, Policy Exchange, 2005 in Ev 83

\(^{169}\) Q 20
there is another issue, which is to ensure that we have the right mix of tenures within any development.\textsuperscript{170}

121. Howard Ewing, Deputy Regional Director, Government Office for the South East, described the redevelopment at Rowner, in Gosport, where he hoped the housing regeneration would provide for a better living environment, including youth facilities and a Sure Start centre. He said,

[...]
currently there are 500 units on this estate that are pretty shoddy and pretty dreadful places that none of us would want anyone to live in. They are being replaced by 700 units of mixed family housing of high-quality design. There are one-bedroom flats and two-bedroom flats, but there are also terraced family houses in there. The impact of that on the community is quite extraordinary. There is a strong community spirit, and they can now see that something is happening to improve their conditions, but in a well-designed and high-quality way.\textsuperscript{171}

122. \textbf{We fully support the creation of communities that will create a variety of property types, size and tenure. The challenge remains to build sustainable communities that also include attributes such good public transport, facilities and design that is sympathetic to the needs of young and old, easy access to public services, local employers, green space and an engagement with the community that inspires collective pride and respect.}

**Housing for an ageing population**

123. Over the last 30 years the average life expectancy for men has risen from 69 to 75, while for women it has risen from 76 to 80. Within 20 years, it is expected that one in four UK adults will be pensioners.\textsuperscript{172} People are living longer, many are remaining healthy and active longer, and the housing that might have been provided for them in the past is not necessarily suitable for current needs.\textsuperscript{173}

124. In 2007, 16.6\% of residents in the South East were aged 65 and over, compared with 16.0\% for England as a whole.\textsuperscript{174} The size of the ageing population will increase rapidly during the next 20 years and the population aged over 60 in the South East is projected to increase by 58\% by 2031 with the fastest rate of growth among people aged 85 and over.\textsuperscript{175} At the moment the highest proportion of our ageing population is located across the coastal areas, however, over the next 20 or 25 years this emphasis will move around our current growth areas (towns like Aylesbury, Milton Keynes, and the Medway towns).\textsuperscript{176}

\textsuperscript{170} Q 85
\textsuperscript{171} Q 111
\textsuperscript{172} www.thecarer.co.uk
\textsuperscript{173} Ev 78; Ev 115
\textsuperscript{174} Office of National Statistics, \textit{South East Regional Profile}, June 2009
\textsuperscript{175} South East England Partnership Board, Think piece, \textit{The Housing needs and aspirations of older people}, May 2009
\textsuperscript{176} Q 87
Gathering information and assessing need

125. The South East Plan stated that local authorities should identify the full range of housing needs in their areas, having regard to particular groups including older and disabled people, people with mental health problems, and families with children and others, as well as the size of homes required. A recent Audit Commission report on how Councils are dealing with an ageing population said that “poor housing and environment” was one of the main causes of social care need. Its report, *Under Pressure*, says that councils do not know enough about the cost implications of their ageing population, and may miss savings that could flow from preventive services and better work with partner organisations, particularly those involved with, among others, housing.178

126. Stuart Roberts agreed that Councils could do more to understand the needs of an ageing population:

> It is a big ticking time-bomb issue that councils have not fully addressed yet. It was partly for that reason that Hampshire County Council undertook a study of the needs of the elderly last year […] There is a vast array of information within that in terms of future need and the growth in the elderly population.9179

127. Royal Institution of Chartered Surveyors also announced their intention to commission research to quantify the scale of ageing in the region and to consider the implications this will have for housing and inclusive built environment and public realm access.180

128. Pam Alexander told us that the Partnership Board was currently carrying out on demographic change and the needs of an ageing population as part of its Think Pieces series.181 She recognised that there were key issues around the types of housing currently being produced for older people and the need to be flexible to their needs throughout their lives.182 Pam Alexander said that it is being taken very seriously by all local authority members as well as other partners, and stressed the importance of producing homes flexible to people’s needs throughout their lives and how to apply the standards for lifetime homes.183

129. The Regional Minister understood the desire for someone who has retired to want an energy efficient home that can be adapted over time according to changing needs.184 Howard Ewing said:

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177 Government Office for the South East, *The South East Plan: Regional Spatial Strategy for the South East of England*, London, The Stationery Office, May 2009, Policy H4. Policy CC5 of the South East Plan also says that local authorities and public agencies have to assess and plan for the future social needs of an ageing population. This includes changes to the existing housing stock and provision in new housing developments such as sheltered housing.

178 Audit Commission, *Under Pressure*, 18 February 2010

179 Q 26

180 Q 45

181 South East England Partnership Board, Think piece, *The Housing needs and aspirations of older people*, May 2009

182 Q 87

183 Q 87

184 Q 117
We encourage local authorities to pay particular attention to design [...] It is really important. They have a key role to play, both in setting the terms of their local plans but also then in looking at the individual planning applications. We can do that not just in a passive way but by working with developers up front, so that there are no surprises on either side. So, if the developer is developing something that a local authority might not find suits its local needs, the sooner that is known the better.\(^{185}\)

130. **There has been some research into the needs of an ageing population in the region. However, it is a serious concern for all the region. Local authorities must carry out specific research into the housing needs of the ageing population in their region, now and in the future, and build their findings into local housing strategies.**

**Sustainability of current housing for an ageing population**

131. The South East Forum on Ageing (SERFA) told us that the major demographic change of an ageing population was not being addressed adequately in mainstream housing policy. In particular it remained either an afterthought or not considered at all in design, location or planning. In evidence to us Pat Strachan, Housing Action Support Manager from SERFA, articulated this even more strongly: “We feel that, generally, elder people have been ignored.”\(^{186}\)

132. The importance of good housing for an ageing population is reinforced by the fact that older people spend more time at home and so the suitability of housing significantly impacts on their health, well-being and their ability to maintain independence in later life. Many older people live in their own home in the general housing stock including many people retiring off lower incomes who were given the chance to buy their own ex-council property,\(^ {187}\) and cannot necessarily afford high maintenance or renovation costs.

133. SERFA also make the point that although they support standards for new build homes, new build is only part of the story. It was important to enable people to remain in their own homes if they wish, which can mean unblocking barriers and delays for aids and adaptations, retrofitting and insulating homes, and generally maintaining existing stock. Several witnesses commented on the lack of variety in housing provision for older people. Chris Balch, RICS, said it was important to provide housing for older people within a community rather than just in a retirement complex.\(^ {188}\) This Richard Bayley from Places for People agreed: “integrating different ages of people within communities and providing care in the home … are both important parts of the future for older people.”\(^ {189}\)

134. It is also important to consider the wider physical attributes to a community that are important when considering the ageing population. Key physical features cited by older people include good public transport and safe, well maintained, well lit and wider

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\(^{185}\) Q 118  
\(^{186}\) Q 52  
\(^{187}\) Ev 58  
\(^{188}\) Q 45  
\(^{189}\) Q 45
walkways with dropped curbs. They also wanted a wide range of facilities such as toilets, local shops, the Post Office and health related services.  

135. SERFA is concerned that new home building is not meeting the housing needs and aspirations of an ageing population. They felt there had been a reduction in space and design standards over the past 20 years that has left more of the housing stock less adaptable to a person’s needs if they became less mobile. Richard Bayley felt the products and solutions would be quite a lot different from what they were in the past.

136. Richard Bayley impressed upon us that what older people require will change because the older aged market will be much more significant, and the current provision of sheltered accommodation, warden control and retirement villages, is not how he saw the market evolving over the next five to ten years. Rather he saw the products and solutions being quite a lot different from what they were in the past.

137. Lifetime Homes, published in 2008, sets out the need to build housing that is flexible for the future needs of the ageing population, taking into account design aspects such as hallways, bathroom layouts etc. Lifetime Homes design criteria will be mandatory with level six of the Code for Sustainable Homes. The Regional Minister was very supportive of the intention to produce well designed homes that people will want to live in.

138. We received support for the Lifetime Homes strategy, SERFA wanted the criteria to be mandatory on all new build, but others suggested it should not be introduced at the expense of reduced space. Places for People were of the view that that initiatives such as Lifetime Homes, “can sometimes be a bit of a blunt instrument. What you need is the flexibility to provide what older people will want in the future, rather than particular design criteria.” Neither did Lifetime Homes allow for the issue that many people wanted to stay in their own home. It is more difficult to adapt present homes.

139. Several witnesses raised the issue of older people occupying larger homes and how they could be encouraged to downsize. Wendy Lane also agreed that the housing needs of older people should be considered in a wider context:

> Our strategic housing market assessment says that providing for older people can be part of a really good mix for us […] by downsizing, they can free up family accommodation elsewhere, which bears a high level of under-occupation in our social housing stock. People do not feel that they have a product that they can move

190 Ev 58
191 Ev 58
192 Q 46
193 Q 117
194 Ev 58
195 Ev 51
196 Ev 142
197 Q 46
into […] having a holistic approach to all provision, of which the older person is a key component, is a win-win situation for everyone.\textsuperscript{198}

140. It is important that the region take a more holistic approach to addressing the needs of older people and to planning for an ageing population. Standards for new build are important, but there has to be a greater focus on how to improve existing housing stock, incentives for making improvements and providing suitable alternatives.

141. Housing for older people takes many forms including sheltered and the provision of extra care depending on the level of care afforded at each site. Local authorities should ensure that new provision in their area matches the needs of the local population.
6 The South East and its neighbours

142. The region is still growing on a long term basis, with inter-regional migration adding a net 22,000 people, and international migration increased the population of the South East by 30,000 in 2007. The region also experiences considerable daily commuter flows—370,000 people travel to London while 128,000 Londoners travel outwards to jobs in the South East each day. There are considerable commuter flows around other urban centres such as Reading.

143. We received from local authorities in the South West commenting on the effect of greater inter-regional migration and increased commuter flows, urging the South East to acknowledge the impacts of its aspirations for economic growth on neighbouring regions. They refer to the high rates of economic growth planned for the PUSH area which “are not sufficiently self-contained in terms of the housing supply needed within the South East region to meet the jobs and population growth associated with such economic expansion.”

144. The South West Councils were concerned that these issues were not addressed in a national strategy, and as result the South East Plan did not make enough provision to “consume its own smoke”, but rather assumes that surrounding regions would absorb out-migration from the South East, and that it was “vitaly important that the South East Region is able to acknowledge and address this issue.”

145. The South West Councils Strategic Leaders’ Board told us that the South East needs to consider the impact of a housing shortage, particularly in affordable housing, on neighbouring regions. It stated that, “The provision in the South East of more market and affordable houses for people on medium and lower incomes, better related to main centres of employment and, vitally, with a sufficiently attractive living environment would in our view make a serious contribution towards increased sustainability in both regions.”

146. NHPAU stressed the need for working across regional boundaries:

A point of principal importance is that housing markets areas go across local authority boundaries and that failing to provide sufficient housing in one local authority has knock-on effects on neighbouring areas. There is a need for concerted action if affordability is to be improved and the perceived burden of new housing is to be equitably shared.

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199 Office of National Statistics, South East England Regional Profile, updated June 2009
201 The South West experiences a net excess of workers commuting out of the region (6% of all in employment in 2001), mainly to London and the South East. In 2001, almost 34,000 more people left the South West to work in the South East and London than commuted in the opposite direction into the region. See Ev 62
202 Ev 62
203 Ev 126
204 Ev 75
147. Andrew Whitaker from the House Builders Federation said the relationship was not always recognised, “Unfortunately the South East doesn’t want to face up to the fact that its role in life is partly to support the economic driver of London as a world city.”

Richard Bayley from Places for People pointed out that businesses can be footloose as well as commuters; and providing the right mix of family housing or one and two bedroom housing is critical to making sure that the South East economy supports those industries that are flexible in where they might choose to locate themselves.

148. Chris Balch from RICS acknowledged that migration from London is a significant component of demand and added to the pressure on family-sized housing in the South East: “In terms of people’s life cycle and their housing needs, location of families out of London is a significant dimension of that.” The Regional Minister agreed with this and admitted it was a:

challenge for us in terms of planning, because we want people to live in cities and to bring up their families there, to have a mix of socio-economic groups. [...] Getting that right is always a balance. Sometimes the market will force the pace, perhaps in one area where we’d like to see a more desirable balance. It is something that we need to be alert to.

149. Matthew Laxton pointed out that the Local Democracy, Economic Development and Construction Act 2009 contains an obligation on adjoining regions to work with each other and to have regard in their plans for the needs of their neighbours and their regional strategies, and that there were various regional forums to explore issues such as how London planning impacts on the South East. Howard Ewing gave the example of the Regional Housing Regeneration Board which had been asked to comment on the London Plan as it was being made and during implementation.

150. The Minister affirmed that there were close relationships between regional ministers, but recognised that there was scope for more discussion at this level on the impact of housing and economic plans, and that “There hasn’t been a discussion about particular housing plans for our respective regions. Perhaps that is something that we need to do more of.”

151. We welcome working relations between regions and support the engagement and consultation between regional authorities to discuss how Regional Strategies may impact upon each other. We support greater cooperation and coordination between regions to understand the effects of the housing situation in one on another and to quantify the costs and benefits of planning decisions in terms of commuting between regions, overspill and environmental issues.
152. Issues relating to housing do not stop at the regional boundary. If affordable housing is not located near areas of employment, it will add to the considerable pressure on the region’s transport system and further complicates the provision of infrastructure. We recommend that the Regional Minister raise the issue of housing, and the co-ordination of delivery as the economy improves, with his neighbouring Regional Ministers for the South West and London.
Conclusions and recommendations

Economic and social consequences of not meeting housing targets

1. We recommend that annual targets be retained as a key performance target, since they provide a useful benchmark, provided that they are reviewed on a regular basis and recognised as averages that will not necessarily be met every year. In disaggregating the regional target to local authority areas varying local circumstances must necessarily be taken into account, but some regional oversight is necessary still to ensure that local areas address such variability in consistent ways. We acknowledge that opportunities for future house building should continue to be limited in the more environmentally sensitive parts of the region and in coastal areas and that more work be put into identifying these areas at a regional level. (Paragraph 16)

2. We recommend that SEEPB and GOSE take full account of the higher house building targets suggested by the NHPAU projections as a matter of urgency and be prepared to revise their target upwards. (Paragraph 17)

3. Whilst campaign groups go to great lengths to explain to the public the negative impact of home building, too little is done to explain the negative impact of failing to meet targets. We recommend that the Government and its agencies do more to ensure the public has a rounded view of the issues. (Paragraph 19)

Infrastructure

4. We therefore recommend that as a matter of urgency the Government reviews its funding mechanisms for providing development related infrastructure, in view of the concerns it has heard about the ability of s.106 and Community Infrastructure Levy to respond to the current crisis. (Paragraph 36)

Balancing an urban focus with meeting rural needs

5. We recommend that further attention be given to rural housing in reviewing the South East Plan in view of the exacerbated problem of affordability in rural areas. The committee does recommend that greater attention be paid to alternative models for providing housing land in rural areas, including community land trusts and nomination rights. (Paragraph 48)

6. We recommend caution in considering any increase in the current target. Whilst we support the broad principle of prioritising development on brownfield sites, easy options for housing development on brownfield land have already been used-up in some parts of the region. We heard with some concern that the brownfield target may be having perverse impacts, including loss of local employment where existing employers are tempted to sell up their land to housing developers. We recommended that clearer policy guidelines be provided:

- to prevent perverse policy outcomes;
to protect sites that sometimes have alternative value for nature conservation of urban greenspace; and

that have the potential to add to green infrastructure of the urban areas themselves, particularly in those areas where substantial new development has been planned or already put in place. The committee recommends that serious consideration be given to rebalancing the need to protect rural open space with the need to provide, protect, and improve urban greenspaces. (Paragraph 49)

Green Belt

7. There are advantages to the green belt policy and it is undeniable that it has helped to retain the rural character of large areas of the region which otherwise would have become overwhelmed by urban sprawl in the last 50 years. However, it was designed for a different time, and it is now working against the ideal of sustainable communities which hope to encourage people to work, rest and play in the same local area. As a result, there are areas of the region where the green belt is adding stress to the immediate transport network and inadvertently placing pressure for development on valuable areas of greenspace within urban areas. We recommend continuing support for this policy of selective review of green belt in the South East Plan. (Paragraph 59)

Environmental constraints

8. We are aware that the landscape and environmental assets are part of what makes the South East such an attractive place to live and work. We recommend that as part of their preparation of the Single Regional Strategy, the SEEPB fully engage at an early stage with regional agencies involved in environmental protection, such as the Environment Agency and Natural England, and the third sector. (Paragraph 62)

Affordable housing

9. We are concerned that the region is currently not achieving the 35% target set out in the South East Plan. We consider it essential that local authorities, and their partners in housing delivery, continue to aim for the 35% target as a minimum. We welcome the higher sub-regional targets and support those authorities who are working to deliver a higher percentage where possible. (Paragraph 71)

10. The provision of affordable housing has not satisfied need while the region has been meeting the South East Plan target. The number of housing starts (the commencement of house building) has reduced during the recession and a backlog of demand is accumulating. We are concerned that it might take several years for housing delivery in the region to deal with the backlog without either an injection of subsidy to make schemes viable under the current system or through alternative ways of delivering affordable housing. We urge the Government to explore additional methods of providing affordable housing, including the residential property fund and community land trust initiatives suggested to us. (Paragraph 77)
11. Maintaining momentum in the construction of new homes is vital for the provision of affordable homes. While the economy may be moving into recovery, the level of housing starts in the region is extremely concerning, and without the increase in grant rates enabling borderline developments to go ahead, the number of starts will have been much worse. The Homes and Communities Agency has only been able to do this by bringing forward funding from future financial years. It is essential that the Homes and Communities Agency is able to maintain its investment in affordable housing until the housing market has stabilised. The Government has to ensure that the HCA has the funding it needs to be able to continue this work. (Paragraph 85)

Social rent and intermediate sale

12. We welcome the measures, taking effect from April 2010, that mean private landlords will need to apply for planning permission if they want to alter a family property to a shared house with three or more tenants who are not related, and the recently published proposals for councils to license landlords, requiring them to provide safe and quality rented accommodation, and to register letting agents. (Paragraph 94)

13. There is currently increased demand for rented housing, and some local authorities are taking steps to provide more social rented housing to meet this demand. We support their steps to meet housing need, particularly given the current fluctuations in demand. These fluctuations are likely to continue as the economy improves, when the demand for intermediate properties may expand. It is important that local authorities retain the ability to alter the split between social rented and intermediate housing tenures within the affordable proportion of new housing. (Paragraph 95)

14. In addition, it is desirable that there is a good mixed provision of intermediate housing, social rented and private rented in most areas to be able to react to fluctuations in the housing market. It is for the planning authority to determine, within the framework outlined in the South East Plan and the evidence available to them, the relative proportions in each development. (Paragraph 96)

Family homes and flats

15. It is important for the Government, and the HCA, to recognise and publicise best practice in designing housing developments that achieve a balance of flats and houses within the 40 dph target. (Paragraph 103)

16. There are thousands of families in the region in overcrowded conditions, over half of which are in the social rented sector. We support the current Housing Strategy target for 25% social rented housing and 15% intermediate housing to be three or more bed family homes, and urge the Regional Housing Board to consider maintaining this target in their strategy after 2011. (Paragraph 105)

Sustainable homes

17. The Code for Sustainable Homes is an important and admirable and important aim, and one we should not compromise on with the housing standards we have decided
upon. One of the lessons of previous improvements in housing stock has been if you provide sub-standard housing now, it will not retain its value, it will become uninhabitable quicker, it will cost more to maintain in the long term, and eventually it will be have to be replaced at greater cost. The Government needs to continue to encourage the highest standards attainable and provide housing that anyone would be proud to live in for a long time to come. We recommend that Code Level three remains the standard for new build social housing, and that the Government continues the timetable for higher code levels as planned. (Paragraph 109)

18. We recommend that the Government continue to prioritise training for the building sector, with an emphasis on the skills associated with the shift towards building homes that meet the Government’s commitment to achieving zero carbon housing by 2016. (Paragraph 110)

Retro-fitting

19. Retro-fitting of the current housing stock is both urgent and necessary. Carrying out work to make the current housing stock more sustainable maintains jobs, invigorates skills that will be in demand in a future green economy, contributes to lowering fuel bills and improves the standard of living for residents. We support the initiatives and joint working that have already started in the region, but recognise that retro-fitting remains unevenly carried out, and that it involves advance expenditure for benefits that accrue over the long term. We look forward to seeing evidence that the Green Homes initiative is the mechanism that can provide the ‘critical mass’ necessary to make significant progress across the board. (Paragraph 116)

Sustainable communities

20. We fully support the creation of communities that will create a variety of property types, size and tenure. The challenge remains to build sustainable communities that also include attributes such good public transport, facilities and design that is sympathetic to the needs of young and old, easy access to public services, local employers, green space and an engagement with the community that inspires collective pride and respect. (Paragraph 122)

Housing for an ageing population

21. There has been some research into the needs of an ageing population in the region. However, it is a serious concern for all the region. Local authorities must carry out specific research into the housing needs of the ageing population in their region now, and in the future, and build their findings into local housing strategies. (Paragraph 130)

The South East and its neighbours

22. It is important that the region take a more holistic approach to addressing the needs of older people and to planning for an ageing population. Standards for new build are important, but there has to be a greater focus on how to improve existing
housing stock, incentives for making improvements and providing suitable alternatives. (Paragraph 140)

23. Housing for older people takes many forms including sheltered and the provision of extra care depending on the level of care afforded at each site. Local authorities should ensure that new provision in their area matches the needs of the local population. (Paragraph 141)

24. We welcome working relations between regions and support the engagement and consultation between regional authorities to discuss how Regional Strategies may impact upon each other. We support greater cooperation and coordination between regions to understand the effects of the housing situation in one on another and to quantify the costs and benefits of planning decisions in terms of commuting between regions, overspill and environmental issues. (Paragraph 151)

25. Issues relating to housing do not stop at the regional boundary. If affordable housing is not located near areas of employment, it will add to the considerable pressure on the region’s transport system and further complicates the provision of infrastructure. We recommend that the Regional Minister raise the issue of housing, and the coordination of delivery as the economy improves, with his neighbouring Regional Ministers for the South West and London. (Paragraph 152)
Formal Minutes

Tuesday 30 March 2010

Members present:

Dr Stephen Ladyman, in the Chair

David Lepper
Gwyn Prosser

Mr Andrew Smith

Draft Report (Housing in the South East), proposed by the Chair, brought up and read.

Ordered, That the Chair’s draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 152 read and agreed to.

Summary agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Report be printed, in accordance with the provisions of Standing Order No.137 (Select committee (adjournment of the House)).

Written evidence was ordered to be reported to the House for printing with the Report.

[The Committee adjourned.]
Witnesses

Tuesday 23 February 2010

Wendy Lane, Principal Planner, Gravesham Borough Council, Diana MacLean, Housing Strategy and Development Manager, Forest District Council, Stuart Roberts, Head of Spatial Strategy and Research, Environment Department, Hampshire County Council, and Councillor Ed Turner, Deputy Leader and City Executive Board Member for Finance, Housing and Strategic Planning, Oxford City Council. Ev 1

Chris Balch, Royal Institution of Chartered Surveyors, Richard Bayley, Places for People, and Andrew Whitaker, Home Builders Federation. Ev 8


Tuesday 9 March 2010

Pam Alexander, Chief Executive, SEEDA, Councillor Richard Gates, Leader, Waverley Council and Regional Housing and Regeneration Board member, Paul Lovejoy, Executive Director for Strategy, SEEDA, and Martin Tugwell, Director of Regional Investment, South East England Partnership Board. Ev 21

Jonathan Shaw MP, Minister for the South East, Howard Ewing, Deputy Regional Director for Sustainable Communities and Matthew Laxton, Head of Service for Housing and Planning, Government Office for South East. Ev 28
### List of written evidence

1. Government Office South East  
2. Gravesham Borough Council  
3. New Forest District Council  
4. Mid Sussex District Council  
5. The Guildford Society  
6. Laura Moffatt MP  
7. Gleeson Strategic Land Limited  
8. CPRE South East  
9. South East Forum on Ageing (SERFA)  
10. Anne Milton MP  
11. Dorset County Council and the Unitary Authorities of Bournemouth Borough Council and Borough of Poole  
12. The Wildlife Trusts in the South East  
13. Home Builders Federation  
14. National Housing and Planning Advice Unit (NHPAU)  
15. Cllr Ian Tilbury  
16. Wokingham Borough Council  
17. South East Fire Improvement Partnership  
18. Mr Rodney Jackson  
19. South East Forum for Sustainability (SEFS)  
20. Oxfordshire County Council  
21. South Downs Joint Committee  
22. Wealden District Council  
23. South East Housing Coalition  
24. Royal Institution of Chartered Surveyors South  
25. Oxford City Council  
26. Isle of Wight Council  
27. South East England Partnership Board  
28. Mr Oliver Christopherson  
29. Basingstoke and Deane Borough Council  
30. Canterbury City Council  
31. Guildford Borough Council  
32. South West Leaders’ Board  
33. East Guildford Residents Association  
34. Partnership for Urban South Hampshire (PUSH)  
35. Hampshire County Council  
36. Burgess Hill Town Council  
37. Places for People  
38. Homes and Communities Agency (HCA)
## List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

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Oral evidence

Taken before the South East Regional Committee
on Tuesday 23 February 2010

Members present:
Dr Stephen Ladyman (Chairman)
Ms Celia Barlow
David Lepper
Gwyn Prosser
Mr Andrew Smith

Witnesses: Wendy Lane, Principal Planner, Gravesham Borough Council, Diana MacLean, Housing Strategy and Development Manager, New Forest District Council, Stuart Roberts, Head of Spatial Strategy and Research, Environment Department, Hampshire County Council, and Councillor Ed Turner, Deputy Leader and City Executive Board Member for Finance, Housing and Strategic Planning, Oxford City Council, gave evidence.

Q1 Chairman: We will get started, and Councillor Turner can join us when he arrives. Welcome to the South East Regional Committee, and thank you for the evidence you have contributed so far. Would you like to introduce yourselves, and we will then ask you some questions?

Diana MacLean: I am Diana MacLean. I am Housing Strategy and Development Manager at New Forest District Council.

Wendy Lane: I am Wendy Lane. I am development plans manager at Gravesham borough council.

Stuart Roberts: I am Stuart Roberts, head of spatial strategy and research with Hampshire county council.

Q2 Chairman: Okay. Let’s get started. It is fairly obvious that there has been a recent slow-down in built house completions across the south-east, and probably everywhere, but in the written evidence there seems to be some slight disagreement as to why that is. Some of you are putting it down to lack of infrastructure, some to lack of planning, and some to the recession. Would you like to comment on what you think it is. If you want to embellish in respect of your own areas, that’s fine.

Diana MacLean: For us in New Forest, it is not so much lack of infrastructure; it is more in terms of sites coming forward. People bringing forward sites are finding that land values have gone down, so there is not the same incentive to bring them forward for housing. Registered social landlords have had a difficult time in terms of their finances over the past few years, and for them it is also a case of some consolidation. So although we’ve had good results in bringing forward housing—in 2008–09, I think we had 171 completions against a target of 100—that was thanks to increased Homes and Communities Agency grant rates. Certainly the next few years are looking a bit bleaker with sites not coming forward.

Q3 Chairman: Going back to before the recession, was the same problem evident then that people weren’t bringing sites forward, or is it purely due to the value of sites going down recently?

Diana MacLean: Not so much. There is sometimes a tendency in the New Forest for land values to affect sites coming forward. We certainly see social housing values at about £10,000 per plot in the New Forest. Particular to our district, that can be the same for grazing land, so there is not the same incentive for people to bring forward sites for building.

Q4 Chairman: Do either of you want to comment? No. What about infrastructure? Which comes first: the chicken or the egg, the infrastructure of the housing? In your experience, can you drive the infrastructure from the housing development, or does it always have to be the other way round?

Stuart Roberts: Certainly there is a desire from all parties for, in some instances, infrastructure to be provided ahead of development, but all too often it happens after the event, or in some instances not at all, which, apart from the political concern that that generates, obviously contributes towards people’s resistance to new housing in the area. If they see that infrastructure is already fairly stretched, and if more housing is built without more infrastructure, that exacerbates their concerns about new housing being built in their area.

Q5 Chairman: It was suggested to us—I think by the Campaign to Protect Rural England—that targets should not be about numbers but about the type of housing. Do you have any comment on that suggestion?

Stuart Roberts: I think that targets need to be about both. Clearly, there is a debate about providing a sufficient amount of housing, but that housing obviously needs to be of the right type, tenure and size. There is certainly concern within Hampshire that there has been too much development of flats and insufficient building of houses, and that there are too many one and two-bedroom properties being built and insufficient three and four-bedroom properties being built, with various disadvantages arising as a result.
Q6 Mr Smith: Does that imply that the market has got it wrong, or that the planners have got it wrong, or both? Or have they got it right and that view is incorrect?

Stuart Roberts: That’s perhaps the billion dollar question, because I am sure that builders would say that they are simply responding to market pressures in what they build. An alternative view is that buyers have to purchase what builders build and maybe the market doesn’t operate quite as perfectly as builders would say. I would just like to give some statistics in terms of flats versus houses in the Hampshire context, which I hope will be helpful. The situation is particularly pronounced in the two cities of Southampton and Portsmouth. Although those cities are outside Hampshire county council’s area, we collect statistics relating to the whole of Hampshire, including the two cities, so I can provide statistics for them as well. In the last three years, 88% of all the new properties built in both Southampton and Portsmouth have been flats and only 12% have been houses. That is certainly causing a lot of concern for those cities’ authorities. From their assessment of housing needs etc., they perceive that more houses should be built for people with families. There are concerns that an imbalance is emerging in the housing stock, vis-à-vis what people will actually need.

Chairman: Do you want to carry on and ask some questions about the impact of the recession?

Q7 Mr Smith: Yes. How effective has the Homes and Communities Agency been in providing help during the recession?

Diana MacLean: I think that it has done its best with its limited resources and it has certainly brought forward grant. That was one of the reasons we were able to do so many completions in the year before last; it was because grant was available and grant rates were quite high. However, what has happened since then is that, as the HCA has used its resources, grant rates go down. So, where we were perhaps seeing £89,000 of grant rate per unit a year or two ago for a rural housing scheme, we are now seeing grant rates of about £72,000 to £75,000. So you can see the impact on grant rates. Building costs have not necessarily gone down in rural areas, so we would always ask for more grant rate from the HCA. One of the things that I said in my submission to the Committee was that we should perhaps look for rural areas—obviously I am representing rural areas here today—to have higher grant rates than the grant rates given in the cities, because it takes a lot more to deliver a rural house than it does to deliver a house in the city.

Wendy Lane: Obviously I don’t quite agree with that. Gravesham borough council is mixed; we have a significant urban component and a rural hinterland. Our strategic housing market assessment shows that our rural sub-markets basically can have affordable housing delivered at 40% on a site with no social housing grant required at all, because of our land prices, whereas in our inner urban areas the price differentials are such that even at a fairly good density level we need significant levels of grant. That is partly because of the issue about developing on previously developed land sites, which is obviously the key component for the Thames Gateway regeneration. However, there are also issues of flooding and decontamination, as well as the issue of infrastructure, particularly with those large communities that are perhaps at the bottom of a cliff, because there has been cement extraction. You cannot rely on existing infrastructure that may have been put in place as the crow flies—only up a hill—but that is impossible for local people to service. So it’s kind of a combination. As far as our area is concerned, there is a significant difference between developing on those urban, PDL sites and the much more affluent rural sites.

Q8 Mr Smith: Is the Homes and Communities Agency the most effective agency for bringing together the relevant bodies to a development, or are there other regional bodies with which you have contact that are as important?

Wendy Lane: We were very limited in what we said in our representation. We kept it to where we thought we could add particular values on the MAA and the eco assessment. HCA now having the Thames Gateway strategic executive more closely related to it makes life a lot easier for us. Previously, you would have loads of different agencies very much interested in developing the Thames Gateway, and it was a little bit harder to have a strategic approach. Having it under more of an umbrella organisation has made both the aims and how those individual sites need to be pushed forward clearer. We found the HCA very useful and very helpful. In fact, Gravesham borough council is now developing its own social housing for the first time in 16 years.

Q9 Mr Smith: Has it been a positive experience in Hampshire as well?

Stuart Roberts: Yes. It is difficult to say whether it is perfect. I don’t think that anything ever is perfect, but we certainly regard it as an improvement on previous arrangements, particularly in terms of the single conversation spanning a number of authorities, such that one is able to take a bigger-picture look. That is particularly relevant in south Hampshire where there are a number of authorities that, while sizeable in population, are fairly small in terms of geographical area. South Hampshire could really be seen as a single housing market area. It is helpful to look at priorities for spending through the Homes and Communities Agency, looking at a bigger picture and also developing a programme rather than dealing with individual projects on an ad hoc, individual basis.

Mr Smith: Thank you very much. I hope you will excuse me leaping in and out of the Committee. I find myself on two Committees at the same time, but I shall be back.

Q10 Gwyn Prosser: We have heard lots of stories about developers freezing sites, and that has come up again this afternoon. We have also heard that developers are going back on their section 106
agreements and trying to reopen them, renegoine them. Has that been your authority’s experience?

Diana MacLean: We are finding that section 106 agreements are open to challenge by developers and a lot of them feel that the viability assessment needs to be done on each section 106 that comes in. So yes, it is not just a case that we can say, “We will have that much or this much highways contribution.” Viability is an issue and section 106 agreements are being challenged. Sometimes the local authority is getting the money, and sometimes the developer can actively show that there is a viability issue.

Q11 Gwyn Prosser: And can that result in an impact on the quality of the final site?

Diana MacLean: I don’t think it impacts on the quality of the final site. What it does, certainly for my budget in terms of capital budgets—we run a local authority social housing grant budget—is: if we do not get the affordable housing contribution because sites aren’t viable, we find we do not have the money to spend on affordable housing ourselves to support sites.

Q12 Gwyn Prosser: Is that a common experience in Hampshire and Gravesham?

Stuart Roberts: I cannot present you with any evidence on that particular issue. Section 106 agreements are essentially negotiated between the local planning authorities and the district and borough councils, so New Forest’s evidence would be much more pertinent than anything I could say.

Wendy Lane: As far as Gravesham is concerned—

Chairman: Before you answer that, Ms Lane, may I welcome Councillor Ed Turner for the record, so that Hansard knows that he is here?

Ed Turner: My sincere apologies for being late, Mr Chairman. I went in the wrong entrance and met all the tourists in the other queue.

Chairman: We know the problem.

Wendy Lane: Evidence so far has been that a number of sites are being developed much more slowly than was originally intended. Our MAA says that we were expecting 8,000 units in the sub-region over the next five years, but what we are expecting to be delivered has almost halved now. It does not necessarily mean that they have given up on those sites—they are doing them, but very slowly. Also, on those sites where they have completed units, a number of those units suddenly go en masse to an RSL where additional units have been purchased. In relation to section 106, the anecdotal information that we have is that some developers have come back and looked at renegotiating, seeing if they can change some of the triggers. That is a particular issue. When they have significant infrastructure triggers to put forward, when perhaps they haven’t sold the units they were expecting to sell or haven’t got the level of delivery they were expecting, they are keen to renegotiate on those trigger points. As far as the council is concerned, we need communities to have the triggers very much when they were expected, but we do not want to seem to be stopping development, because the fundamental need for housing is still there. So a very difficult line has to be trodden between the two. You don’t want to say, “Stop it completely”, but then again you want to have a balance. We have had problems; an obvious one is Ebbsfleet. That is a big, significant-sized development, and they are probably looking at renegotiating on that at the moment.

Q13 Gwyn Prosser: Ms MacLean, do you think that section 106 is equally effective in achieving planning gain on both large structures—large schemes—and small schemes?

Diana MacLean: I don’t know if I am sufficiently expert in that area to comment. That would probably be one for my planning colleagues.

Stuart Roberts: There is a commonly held view that developments haven’t been consuming their own smoke and haven’t been meeting the total infrastructure requirements, and I think that was why the Government put forward first the planning gain supplement and then the community infrastructure levy. They recognised that there was an issue about unfunded infrastructure. That is particularly the case at subregional level. Section 106 is quite well geared towards dealing with the immediate issues to do with the site and its immediate surroundings, but it is a bit more difficult to generate contributions towards big pieces of infrastructure that you can’t pin directly to a site because they are needed to serve development over a number of sites across a wider area. That is where a tariff system or some other funding needs to be explored; there is a need for new mechanisms. The Partnership for Urban South Hampshire is actively looking at new funding mechanisms because work that we’ve done, in conjunction with our district colleagues, looking at infrastructure requirements associated with the development proposed in Hampshire in the South East plan, indicates that a huge amount of infrastructure is needed, large amounts of which do not seem to have any funding source obviously attached to them at the moment. So there is a definite need for new funding sources, particularly, as I say, for subregional-scale infrastructure.

Q14 Gwyn Prosser: And what about the community infrastructure levy? Have you had experience of that? Is it effective during the recession?

Stuart Roberts: It is too early to say. You are probably aware that a survey was undertaken and was published in Planning magazine recently. A majority of authorities respond either that they weren’t going to implement the community infrastructure levy or weren’t sure, so at the moment there seems to be a lot of uncertainty as to how many authorities will actually take it up. That may change as it gets more embedded into the system and they learn more about it, but it is too early to make a judgment of how effective it will be.

Chairman: Andrew, you wanted to return to your question when Councillor Turner arrived.
Q15 Mr Smith: Quite a lot of hopes are being placed on Single Conversation. What has been the experience so far of its benefits and its limits?

Ed Turner: Oxford city volunteered Oxfordshire to be a Single Conversation pilot area, with some anxiety, because it involved the challenging two-tier situation, and meant getting our story straight with the county council and other district authorities—a bit like herding sheep. The HCA made it quite clear that it would not be doing the herding for us. We had to come forward with a good narrative and a good case for funding. That said, I think that the early evidence is very positive. It has brought together disparate points of view on areas of concern. We had been moving towards agreeing some joint priorities and have had some good feedback, so it is a model that I can recommend. I think district councils are now more at ease with it than perhaps they were at the start of the process. Coming to the point that was aired just now on finding money for infrastructure projects, Single Conversation does offer an opportunity, by potentially allowing some housing money to unlock infrastructure problems, provided that the housing numbers will be delivered later on. In principle, it is right to have that flexibility in funding and to allow local authorities to steer that process jointly with the HCA. Our initial experience is positive.

Q16 David Lepper: Affordability is a big issue in the South-East. The South East England Partnership Board talks about the average price of a home in the South-East going up from £49,000 in 1986 to £285,000 in 2008. As we know, the Government have said that the overall regional target should be that 35% of all new housing be affordable. There are arguments about where that target should be in different areas and whether it should be based on a proportion of new homes or, as in the London boroughs, numerical targets for new build. What does each of you feel is the best way of dealing with the issue of affordability?

Diana MacLean: We just had our core strategy passed in New Forest and about 200 units per year will be allowed permitted development within the district. We have a target of 100 of those to be affordable.

David Lepper: So 50%.

Diana MacLean: We are looking for 50% affordability. On some sites, we are looking for 70% of the houses to be affordable. Where there is a specific need, we have identified it in our core strategy. Affordability is a key concern for us. We have more than 5,000 households on our waiting list for social rented housing in the New Forest. There is no way, even by building 100 a year, that we will ever meet that need, given the specific sensitive area of the New Forest national park. But we are doing our very best in trying to meet some of it, with 50% of our build a year being affordable.

Ed Turner: In the Oxford city local plan and our emerging core strategy, we have given 50%, with a threshold of 10. Within that 50%, 80% is social rented and 20% is shared ownership. I stress that because developers sometimes want to erode the social rented element, where we see the greatest need. In addition, in our affordable housing supplementary planning document, we require a particular mix of housing because, again, there is a tendency to provide social rented flats and market houses. That is again something we are resistant to because it doesn’t meet our need, which is primarily for family homes. We would like to produce many more, but our aim is for about 250 units a year. That perhaps meets an eighth to a tenth of our need if you include the backlog, so it is nowhere near enough. There need to be planning solutions to that. In addition, we are anxious to have a stable climate. We won’t be keen to row back from those affordability requirements for the simple reason that if you are clear up front with developers about what they need to provide, that should feed back into land values. We don’t want a developer to pay too much for the land and then come to us and say, “I can’t afford to provide the affordable element.” The point then goes back to the developer, “You knew this existed all along.” Perhaps there is a feeling that we have been too reliant on section 106, but as far as we see it—along with Government grant, which in time will be challenging—it will be the only way of providing new affordable housing. That is why we have such exacting requirements and why we will stick to them.

Wendy Lane: North Kent is one of the cheapest sub-regions within the South-East region. Despite that, we have a significant-sized waiting list. That is partly because we have pretty low wage levels and the people who have the highest wage levels commute to London. People who work locally and live locally have fairly low wage levels and there are fairly high levels of deprivation in our inner-urban areas. There is a difficult mix between the two because we obviously want to have nice, sustainable, rounded communities. We have some fairly large chunks of affordable housing in the inner-urban areas where we perhaps want to diversify. In those areas, we have just done a significant-sized estate redevelopment. We basically developed Christian Fields, demolished it and redeveloped it at twice the density. We kept the same level of social housing, but increased the mix by adding private and intermediate housing to make a much more balanced community. Our viability study shows that we have different residual values, depending on which submarket we are looking at—as I highlighted earlier. The rural submarket has quite good residual values, even at 50% DPH level and 40% affordable. It is still affordable without social housing grant. In the inner-urban areas, it is much more variable. We are proposing to set differential targets of 30% in the urban area, 35% in the rural area, a different threshold of 15 units in the urban area and just three units in the rural area because 80% to 90% of our sites in the rural area are less than five units.

Q17 David Lepper: So differentiation within the local authorities?

Wendy Lane: But directly related to the evidence from our viability study, saying that is what actually can be delivered.
Stuart Roberts: Let me start by saying that the South East plan’s aspiration for 35% of all new homes to be affordable is not a reflection of the need. It is also tempered by the realities of what can be delivered through the planning system. Hampshire county council undertook a study of affordable housing requirements and supply last year. It concluded that, even if we were to maximise supply through the planning system by pushing as far as we could the thresholds above which affordable housing should be provided on sites and maximising the percentage, it still would not provide enough housing to meet the projections of need that are substantially above the figures in the South East plan. What was needed were other methods to provide affordable housing, including greater freedoms for local authorities to build social housing on their own account and therefore funding for affordable housing. It really is quite a major and pretty intractable issue.

Q18 David Lepper: Councillor Turner, you mentioned the unknown situation where the developer comes forward and says, “Sorry, we just can’t meet that target.” Your argument was that, if the council were upfront about it, the developers ought to know what they were taking on in the first place. Is the action of developers attempting to step back from an agreement that they had originally entered into an experience that other councils represented here have had when trying to meet their affordability targets?

Wendy Lane: In fairness, it depends on when they made the decision to purchase the land. If they made a housing option on the land at the height of the market, they are committed to paying a certain amount. It therefore makes the whole project viability very difficult. Our study shows that the current house prices are very much at the level of the long-term house prices. While they have gone down a lot, they are actually at about the level they should be. It is a matter of setting a combination of the two and where we are expecting long-term house prices to go. In the long term, the desire would be that that was taken into account with the scheme viability. Another issue sometimes is to change the mix. Our viability assessment originally tested a 70:30 split for social-rented intermediate, but changing to a 50:50 mix made a number of schemes more viable without an additional grant having to be paid. It can affect how we change the mix on the site. It is a matter for negotiation, but it is difficult when the decision has already been made about what they have agreed to pay.

Diana MacLean: I agree with that entirely. Developers have paid market prices when the market has been high. Now that the market has definitely come down a bit, it depends where the risk lies. The council would probably consider that we should negotiate with them to see what the mix can be, but if they cannot develop at that point and want to hold on to the site for a couple of years, the council will work with them.

Chairman: We need to move on now.

Q19 Gwyn Prosser: Most of the evidence that we have received points to the need for more larger houses. The market seems to be driving more and more into flats, a matter that we have touched on. Do local authorities have sufficient powers to influence the final mix against the pressure of the market? If not, what change would you like to see in planning law to obtain it?

Diana MacLean: Certainly in terms of social housing and affordable housing, yes, we have that ability to influence what is built, but in terms of market housing, that would be an issue for planners.

Ed Turner: It has been a particular concern in Oxford, which is why we now have not only specifications with affordable housing, but there are also challenging properties for families, particularly families on lower incomes and on benefits in the private rented sector as a whole. The HMO issue is very important, but there are also challenging properties for families, particularly families on lower incomes and on benefits in the private rented sector. The new powers proposed by the Government are great and will be very helpful, so anything the Committee can do to see that the consultation translates into action would be very helpful, but then of course we also need a planning policy basis on which to deal with those planning applications. It requires a planning application, but if you don’t have quick changes to local planning policies, you’ll have no basis on which to refuse applications. We think we will have some with the balance of dwellings document that I referred to, but other authorities may not be in such a good position. Even so, I suspect the authorities will want to bring forward new planning documents and get those seen to quickly. Otherwise, of course, you might even have people getting the consent very quickly in order to beat the system, so time probably is of the essence there. That’s on the planning side of things. On the issue of improving the quality of stock in the sector, a few thoughts come to mind. First,
there is a proposal for general consent so that local authorities can have their own licensing schemes. That, again, will be very helpful. There are a few caveats in relation to the consultation, though—for instance, the suggestion that only top-rated authorities might be able to enjoy those powers and the suggestion that in some cases they should be enjoyed only by authorities that already have small-scale licensing schemes. It is important that we get the full whack and are supported in licensing schemes. Of course, that means authorities can go out, receive a small fee and spend that money checking properties to raise the standard. We found over 70% of inspected properties have significant improvements delivered to them as a result of the mandatory scheme. We need to see that cascaded down to smaller HMOs. That’s another point. In addition, the Government, as I understand it, are consulting on whether to allow licensing of the whole private rented sector, so not just HMOs in high-demand areas. We’ve felt in Oxford it has never made sense just to focus on—sorry, I mean low-demand areas. That has been the practice to date. For example, in the South East of England, problems often exist where there is a great deal of demand, so landlords don’t necessarily need to make such an effort to maintain their properties. If a change is made so that a need to improve the quality of the stock is the issue in determining licensing arrangements, rather than whether there is low demand or not, that would also be very helpful. Then we would have a very strong toolkit, which councils hopefully would make full use of.

**Diana MacLean:** In the coming years it is going to become a big focus for us, because we are going to need to concentrate on what is available in the private rented sector, to meet the demand we have for any type of affordable housing. We are even going to have to concentrate on the market private rented sector because, as I said in my submission and as was alluded to earlier, the cost of an average house in the New Forest is £295,000. That is more than 15 times the average person’s wage in the New Forest. People can’t afford to buy and that has a knock-on effect in attracting workers who may have been owner-occupiers somewhere else but can’t afford to be in the New Forest. So we looked at the private rented sector. On the HMO question, we do not have a lot of them, so we would welcome the registration scheme in principle—it is a good thing. We would certainly welcome the licensing and registration of private landlords in the private rented sector because it would give us an opportunity to work more closely with them, to ensure that houses are kept up to good standard and that we can deal more effectively with antisocial behaviour. It would be a much better thing for us. I agree that we have a lot of owner-occupation. In future, we are going to have to concentrate on what we can do as a local authority for the private rented sector and for intermediate rent, as well.

**Chairman:** We have a few more groups of questions. May we now please have quick questions and quick answers?

**Q24 David Lepper:** Energy efficiency: as far as new build is concerned, there is the code for sustainable homes. It is often argued that there should be much more focus on retrofitting older stock to make it more energy-efficient. May I have quick views on that and formulae for improving our record, if you have them?

**Diana MacLean:** I agree there should be some focus on retrofitting stock in order to make it energy-efficient.

**Stuart Roberts:** It is certainly the big issue, as you rightly point out. Even in 20 years’ time, the stock that already exists and was built some while ago will still constitute the vast bulk of the housing stock. Therefore, retrofitting the existing stock is the big issue. If you just focus on new build, you are missing the bulk of the problem. It is also going to be about changing people’s attitudes. It is one thing to retrofit with economical water-saving devices or to improve energy efficiency. It is another thing for people to go along with that, rather than taking out the water economy measure and putting in a power shower or running the central heating 24 hours a day, so that they can walk around in shorts and shirt-sleeves. There is a need to change people’s attitudes towards energy and the use of resources.

**Q25 David Lepper:** Even where new build is concerned?

**Stuart Roberts:** Even where new build is concerned. It is one thing to provide the physical structure but people also need to change their habits and behaviours. It is a real challenge.
Wendy Lane: We highlighted in the North Kent MAA that retrofitting is a big issue for us. It is one of our asks in relation to focusing first on the local authority estate. Regarding the code for sustainable homes, the latest consultation on the ability to offset—allowing people to do less on site if they undertake retrofitting nearby—is a really positive thing. It means that the benefits of regeneration are spread much more widely, and that is a positive aspect too. In our area, redeveloping industrial sites for housing is going to have a big positive carbon impact, because they are big industrial users with big carbon heat loads. Yes, it is a complex issue. Usage, and how people keep that in the long term, is an issue. It is also about recognising that although it might cost a little more, the value in relation to your earning might be less. It is about getting that message across.

Ed Turner: Briefly, I agree with what has been said. Grants against the equity in a property are definitely a good thing. There is a particular issue in relation to the private rented sector, because landlords do not generally pay utility bills—tenants pay them and do not tend to have the money floating around to invest in someone else’s property. If you have a six-month shorthold tenancy, you are not going to want to do that anyway. There is a suggestion out for consultation that an element could be included in local housing allowance where a landlord could be paid directly if—and only if—they invest. The problem is that we think that will take properties out of the benefit market altogether. A better way might be to consider a site premium on the LHA to encourage and incentivise landlords to invest in the energy-efficiency properties, because benefit recipients in particular are likely to be at risk of fuel poverty and so would benefit the most from that.

Chairman: Celia, would you like to ask some questions about older people?

Q26 Ms Barlow: We have received evidence that older people’s housing needs are not properly understood. A National Audit Office report said that councils do not know enough about a variety of older people’s needs. Would any of you like to comment on that in relation to your own council?

Stuart Roberts: It is a big ticking time-bomb issue that councils have not fully addressed yet. It is partly for that reason that Hampshire county council undertook a study of the needs of the elderly last year. That was only a strategic study, but I hope that it will prompt the individual local planning authorities in Hampshire to look at the issue. There is a vast array of information within that in terms of future need and the growth in the elderly population. There will be a 53% growth in people aged 65 and above over the next 20 years, and growth in the number of households. It is a big issue.

Wendy Lane: Our strategic housing market assessment says that providing for older people can be part of a really good mix for us. For example, if we provide quality accommodation, people will want to move. HAPPI work has been done on flatter developments in town centres, which means they can access all the facilities and do not have to worry about transport. That means that, by downsizing, they can free up family accommodation elsewhere, which bears a high level of under-occupation in our social housing stock. People do not feel that they have a product they can move into, so they are happy to occupy a three-bedroom house if there is only one person. So it is part of a mix, and having a holistic approach to all provision, of which the older person is a key component, is a win-win situation for everyone.

Chairman: Andrew, do you want to finish with your questions?

Q27 Mr Smith: On the green belt, I suggest this question to Oxford city, but the others are free to pitch in. I think I know the answer, but we can share it with everybody. What do you say to the argument that if you get flexibility on reclassification of the green belt, it simply gives the developers an easy option of developing a greenfield site as opposed to developing brownfield sites?

Ed Turner: That would not work in terms of planning. That site would not be allocated unless you were already using up your brownfield site. In Oxford city, for a while we were the leading authority in the entire country in terms of reusing brownfield land. The problem is that there is only so much to go around. We were talking a moment ago about sustainability. What is less sustainable than declining to expand a city outwards and instead building new properties in areas where there are no jobs and where people are then forced to commute by motor car on congested roads into an area where there is a chronic shortage of housing? That does not seem sustainable at all. So no, that is not a strong argument in defence of the green belt, if you ask us.

Wendy Lane: May I come in? We are green belt, too, in Gravesham. We are proposing in the LDF to meet all our development needs to 2026 in the urban area. That is very much because it is a more stable option for us. We have Fast Track, an innovative transport system—

Q28 Mr Smith: So you have the brownfield sites that we were talking about earlier?

Wendy Lane: Yes, significant brownfield sites, and we are building these much more sustainable communities. The green belt is there and we might need to have minor green belt releases in future if it is determined, through local parish need surveys for example, that some of our local parishes have more than we can release through the rural housing exception sites, but the incentivising for rural housing exceptions probably means that we will be fine in those areas, so they will still be kept going and will be enlivened by very small developments. Therefore, our view is that the green belt is a very sensible and useful tool for redeveloping a site that in many ways had been a blight for some of our key urban areas and a really big opportunity. We are very supportive of a tight green belt policy in our area.

Mr Smith: Would the other two witnesses like to comment on the balance between the pros and cons of green belt flexibility?
Chairman: No. That is a good point at which to bring things to a close, if you don’t mind, as we are running a little late now. I thank you all for coming and giving evidence. It has been very helpful. We will now take evidence from housing providers, if they would like to come forward.

Witnesses: Chris Balch, Royal Institute of Chartered Surveyors, Richard Bayley, Places for People, and Andrew Whitaker, Planning Director, Home Builders Federation, gave evidence.

Q29 Chairman: Welcome to you all. I ask you to introduce yourselves for the record.

Chris Balch: I represent the Royal Institution of Chartered Surveyors. I am a town planner and chartered surveyor with a background in advising on development across the South East.

Richard Bayley: I am the research and planning director of Places for People, one of the largest registered social landlords in the country.

Andrew Whitaker: I am the planning director for the Home Builders Federation, the principal trade federation for the house building industry.

Q30 Chairman: The first question our adviser suggested I ask you is how the recession has affected building in the South East, but I think we all know the answer to that. Rather than asking you such a nice and simple question to start with, may I ask you each to comment on whether you see an end to the downturn, whether you are starting to think in terms of picking up building numbers and whether the recession has affected the mix of what you are currently providing? Who would like to start?

Andrew Whitaker: I suppose I ought to go first. I think we are starting to come forward from what was the bottom. That doesn’t mean that we are getting back to anywhere near the levels we reached at the peaks. That is not just in housing output, but in all the other associated things related to development. You talked about infrastructure in the earlier session, and we are very concerned that people are expecting us to get back to 2007 levels of planning gain—I use that word advisedly, because I see it as planning gain. We have gone way beyond planning obligations, meaning what is absolutely necessary to support development. We have now seen planning gain as supporting public sector provision of services and infrastructure, so we are nowhere near the level we were at, and a lot of commentators are suggesting that we will never get back to the level of 2007 planning gain. That is not to say that we can’t or shouldn’t get back to that level of housing provision.

We certainly know that there is an underprovision of housing in the country as a whole, and specifically in the South East, and therefore we must do all we can to increase the level of house building, particularly in this region. The private sector is one of the main delivery agencies of that housing, and therefore I think we should be doing all that we can to support the house building industry to get back to providing the levels of housing we need. I think that we are starting to get there, but there is a long way to go.

Richard Bayley: I echo that in terms of the change in the cycle. I have a couple of thoughts on the next five years that are quite pertinent. First, the mortgage funding availability will be absolutely crucial for the next five years, and that will have a direct impact in terms of the pace of the recovery. The Council of Mortgage Lenders suggests that that will not be as freely available as was the case prior to the recession. In other words, £300 billion of residential mortgage funding would need to be found to enable pre-recession scale lendings to happen. That will be very difficult off the back of the Government support that has to be repaid during that period. So mortgage availability and deposit levels are big issues for the pace of the recovery. The other big issue for the pace of the recovery is people’s capability—almost their affordability—to afford a house, which, set against the backdrop of potential rises in forms of taxes to offset public sector debt, will become more difficult over the next five years. The predictions we make over the next five years see disposable income—that is gross income minus taxes—flattened for the next five years. If we add into that the increases in the retail prices index that will occur in the next five years, people’s capability of funding a mortgage, if it were to be available, will be quite challenging. So a combination of mortgage availability and affordability will be pretty stretched in the next five years and will impact directly on the pace of recovery. That obviously leads into the question about types and mix of housing. We see quite a big change in the intermediate market where different forms of intermediate housing will become more the norm, particularly in the South East and London, simply because of those factors. I am sure that we can get on to that in later questions.

Chris Balch: I think we are moving to a new normal, having had the substantial collapse—that is probably the right word—of house building activity over the last 18 months to two years. We are beginning to see a bottom, but we are probably moving into a new landscape in terms of the way in which the market will operate in future. What has happened over the last couple of years has revealed an overdependence on a model of development delivery and housing delivery built around a speculative house building model; that has exposed lots of weaknesses in that approach. The challenge will be to define new delivery models and a much greater variety of ways of delivering housing than we have had in the previous cycle.

Q31 Chairman: So when we get out of the recession and the economy returns to some sort of buoyancy, are we just where we were but a year ahead of where we expected to be, or is there a pent-up demand in the system that will cause a huge acceleration to start off with, which will then fall backwards?
Richard Bayley: There is definitely a pent-up demand in the system. We do our own housing focus down to local authority level and the raw demand—pent-up demand to use your analogy—is there without a shadow of a doubt. What you will find is that because of the affordability issues, people will need to share and occupancy levels will then need to go up. The ability of the general public to fuel house building production will be more limited. I echo Chris’s comments. It would be wrong to go back and say that this is what happened in previous recessions. We are going to see quite a different kind of market now, so it is wrong to draw historic comparisons per se.

Q32 Chairman: In the evidence we have received, clearly we have had the Government’s target for house building up to 2026, which was 32,700. Others we received evidence from said that was completely wrong. The NHPPAU suggested that it is between 38,000 and 54,000. Other people have said that the Government’s target was too much in the first place. Where are we now with a target for what is needed in the South East or has the recession just torn it all up and we need to think again about what the target should be?

Andrew Whitaker: I don’t think that recession has torn it up. The NHPPAU is an independent body. There is no reason to doubt that independence or the work that it does. One can query it; one can test it; one can do all sorts of things. In fact, the Government came up with the South East plan, which they felt was a reasonable balance between environmental sustainability and the demands and needs for housing in the region. If you took the NHPPAU figures for demand, they would come out much higher than in the South East plan, which we’re looking to deliver. We believe that the South East plan was already under-providing. I think you need to ask what is the driver behind the problems of the housing market in the South East region. It must be that there is not enough housing for all the people who want it. The principal knock-on effect of that is for affordability.

Q33 Chairman: And is the land available, or is it in the wrong places?

Andrew Whitaker: The land is unallocated. It is not coming through the planning system because there is this dependence on bringing forward only brownfield land. PPG3, published in 2000, put all the emphasis on delivering brownfield first, greenfield last. Many local authorities assumed that that meant only brownfield development and no greenfield development. In some places—you’ve heard about Gravesham—that is practically possible because there is a lot of brownfield land. In other places, it is not practically possible. But because that was the focus, we inevitably went down a route of increasing densities without increasing the amount of land brought forward for development. If we are now baulking at the type of development that that policy brought forward—ie, high-density urban small units—and if we don’t like that as an output, we need to do something about the sort of land we bring forward for development.

Q34 Chairman: Just one supplementary to that, which you can perhaps answer at the same time. Are the people who own the land still expecting to get pre-recession prices for it, or have they become realistic and realise that they have to start releasing land at lower prices?

Chris Balch: My view is that there has been a substantial correction in land prices, and they are certainly half of what they were at peak levels. I think there is always a problem when people develop an expectation of what value is. When control over the release of land sits with a planning system and a house-building system—now not much more than a handful of builders control 50% or so of the production—it is an unhealthy set of circumstances. I think there is a real danger of disconnection between the market and planning, and what they are trying to achieve. As that market recovers, you are beginning to see the market preferring much smaller sites, ideally “oven ready”, so that there are no delays from having to provide lots of infrastructure. The numbers that are anticipated to be delivered under the South East plan are focused on large-scale, complex, infrastructure-requiring development sites. There is quite a disconnection between those two things, and how you get to where the market wants to be at the moment and to where planning wants to be in terms of the desired mix and distribution of new development. That’s a big challenge.

Q35 David Lepper: Can I take that point and focus for a moment on the rural situation? I don’t know whether you heard the evidence from the representative of New Forest and Gravesham councils, who had different ideas about the level of grant needed, for instance, to bring forward housing in rural areas. I wonder whether we can hear from each of you about the particular blockages in bringing forward affordable housing in rural parts of the region. Do they differ from those in more urban parts of the region?

Richard Bayley: Inevitably they will, and even more so in future, because the ground rules won’t be there, so there will be different models and different views and bringing together supply land and a product will require more innovation than in the past. Inevitably there will be differences in the dependencies for housing production in rural areas.

Q36 David Lepper: Do you have views about how that problem might be met?

Richard Bayley: Yes, we think that we will have to move away from absolute dependency on grant-led development for social housing and we will need to look at different models, in which the Government act almost as a kind of insurer as opposed to the provider of the capital grant. That may well start to release development in the intermediate and also the social market in different locations, whether it be rural, where there will be different mixes for the
reasons we discussed, or non-rural areas, but the model of the Government acting as a kind of insurer or lender of last resort in a private residential fund would be one way forward.

Chris Balch: In some of the evidence that we submitted, local landowners within small communities, where they can see local housing for local people, are willing to accept a discount in relation to the value of the land. But I think different models, such as community land trusts and so on, can start to overcome the fact that perhaps historically the land price was a big part of the challenge of affordability. If that land can be put into the hands of the community and held in perpetuity for the purposes of affordable housing, that’s the type of model that ought to be pursued and explored.

David Lepper: I am glad you mentioned community land trusts. I am sorry we haven’t got time to explore that further. It’s an important issue.

Andrew Whitaker: We should not be surprised that we face rural housing problems, because we have had many years of planning policy that focuses development on urban areas. As I have explained before, the urban task force—PPG3—suggested that we should build principally in urban areas. That means that we do not build in rural areas. Therefore, as a result of a simple supply and demand equation, people who want to live in rural areas do not have enough homes to choose from. That pushes the price up and leads to the affordability problems. Yet all we do is try to plaster over the cracks by saying, “How do we provide more affordable housing? Let’s have rural exception sites; let’s put larger grants into rural areas. Let’s do all these things without fundamentally addressing the spatial planning policy that led us to that in the first place.” If we want to provide affordable houses for people in rural areas, the best way of doing so at the least cost to the public purse is through cross-subsidy, yet for some reason we don’t allow that to happen in rural areas.

Richard Bayley: That was essentially the model I was referring to earlier. In the private residential trust, I wasn’t just referring to purely affordable; I was referring to different types of tenures.

Q37 Ms Barlow: If we extend that to all building—we’ve talked about the Government’s concentration on brownfield sites and minimum density in primarily urban areas—it leads to the production of many small flats. How would you say the demand for family houses, for which there is a great need—we have had evidence on that—varies throughout the region? How much does the London overspill in the South East affect the demand for family houses? Do you agree that the Government’s policy on the use of brownfield sites encourages the building of small flats, or do you think it is mainly an economic decision by developers?

Richard Bayley: There is a bit of the market and a bit of policy in that. If you look across the South East, you’ve obviously got a mix of households where there is probably a bit of under-occupancy—one or two people living in a four or five-bedroom house. What can you do to help release that capacity, in addition to providing what the market wants in the South East, which is probably that kind of family mid-range housing, outside the real urban areas where you may well find that one or two-bedroom dwellings are reasonably dominant from a market perspective?

Andrew Whitaker: There is no denying that there is a market for high-density urban living. It was probably under-represented before the policy changes in 2000. Whether that has gone too far now is a matter for debate. In some places, it certainly has, but whether that is the case in the South-East of England and London—probably not.

Q38 Ms Barlow: To go back to the first question, do you think that the London overspill creates a particular demand for more family houses in the South East, for example, families who want to move out of London?

Andrew Whitaker: You seem to be condescending about the term “London overspill” in some way. The fact that the London economy is a world economy and attracts a lot of people to work in it, yet London itself cannot support that amount of households, inevitably means that some people who work in London will want to house themselves within a reasonable commuting distance of where they work. That seems perfectly reasonable. Therefore, purely by its physical geography, the South East, and obviously now parts of the East of England, are perfectly placed to meet the needs of the economic driver of this country and, as I said, a world economy. It seems perfectly reasonable that they want to live there. Unfortunately, the South East doesn’t want to face up to the fact that its role in life is partly to support the economic driver of London as a world city.

Q39 Ms Barlow: What I am trying to get at is, particularly with family accommodation, whether there is a tendency for the South East to attract more people wanting to move out of London who want family-sized accommodation rather than single accommodation. In the majority of our constituencies, the vast majority of properties that are being built are one and two-bedroom flats rather than family dwellings.

Chris Balch: If you strip back the population and household forecasts that underpin most of the planning documents that are produced across the South East, you will see that migration from London is a significant component of demand. You are right: in terms of people’s life cycle and their housing needs, location of families out of London is a significant dimension of that. The challenge has been that, as planning policy has sought to drive densities higher, it has been more difficult to provide that type of housing, although that’s now where the market preference is. Family housing is the area of market demand that has probably been underprovided over the past 10 years, because of the way in which planning policy has operated. Also, the market is trying to de-risk developments. One of the challenges of high-density flatted developments is that you can’t build one flat, you have to build 30 or
40 flats, so the risk that the developer carries is much greater than in a detached or terraced form of development. As the market tries to adjust to the new conditions, it is trying to find the places where it can make money at less risk. You are already seeing evidence that the market is now going back to building family houses, subject to the ability to do that within the planning regime that has now been developed.

Richard Bayley: Just a couple of numbers on that—apologies, these are not your constituents. The forecast for Milton Keynes shows strong, raw-demand growth in three and four-bedroom houses. Obviously, forecasts for more urban areas in the South East will show a demand in one and two-bedroom houses, and that is largely because of the way the demand/market will want or need particular housing. As well as the London effect, I would encourage you to think about what is right for the South East economy. As well as having commuters into and out of London, you also have to think about what will attract firms into the South-East economy where, from an economic perspective, there are quite a lot of footloose businesses. That is less so in London where you’ve got the financial businesses, but from an economic perspective, other businesses will decide whether they want to locate themselves in England, and if so, whether they want to be in the South East as opposed to elsewhere. Others have the choice to locate throughout the world. Providing housing the right mix of housing across the South East—in some areas family housing, and in some urban areas one and two-bedroom housing—is going to be critical to making sure that the South East economy supports those industries that can and do make choices about where they locate themselves.

Q40 Ms Barlow: Very briefly, what encouragement is there to build the larger properties, particularly in urban areas in the South East? Is there anything that you would like to see, or is there anything that could be done within the existing framework?

Andrew Whitaker: Yes; the release of more land—the allocation of more land. You cannot restrict the release of land on which you will grant planning permission and then try and impose a planning policy that says, “Oh, but you will build big houses,” and then expect the numbers to go up—because that equation does not work. If you want larger dwellings, and more of them, you will need to release more land for housing.

Chris Balch: Can I just add one opportunity, which I think is a bit of a hobby-horse of mine. I think actually enabling more people to commission their own home—to provide sites for people to commission their own homes—is a way in which you will get more larger houses provided too.

Chairman: I think we need to move on.

Q41 Gwyn Prosser: Mr Whitaker, you’ll have heard the exchange we had with the local authorities and the planners about section 106 and the provision of infrastructure. There will inevitably be a difference between what the developers think is appropriate to provide and what the local authority wants them to provide. Does the industry have a view on this? You could start off with road access, sewerage and utilities, but beyond that some authorities are pressing for what some of us would think quite reasonable infrastructure, like leisure and education facilities etc. What’s your view?

Andrew Whitaker: The problem is not that any of these individual things is inappropriate for some types of development; the problem comes when you put all of these things on the land value. We call it the burden of regulation, but it is the cost of development and various other things that come under section 106. I think we have gone a long way away from most section 106 agreements being solely about mitigation of the impact of a development. I think we have seen it move to an element of value-capture, i.e. sharing in the profit of the development. To a certain extent, there is no problem if you face up to that as what you are doing, and to a certain extent community infrastructure levy does that up front. It says, “Okay, you are going to make a contribution towards the infrastructure of this area, on a general basis, and we’ll tell you how much you’re going to contribute up front.” That is why we have been supporters of a community infrastructure levy. It is a better way forward—it provides greater certainty for the developers about how much contribution towards social infrastructure they will have to make. At the moment we see people—local authorities—trying to plug their budgets, almost, with section 106 contributions, by saying, “We don’t have enough money to provide schools in our area, so we will put that cost on development; and don’t worry—it comes off the land value.” Unfortunately, anything that comes off the land value means that the landowner then has to reassess whether or not they want to sell that land to a developer. At the end of the day it is up to the landowner whether they sell their land. Increasing the burden on developers all the time, whether in terms of the environmental fabric of the building, which costs money, increasing section 106 contributions, the proportion of affordable housing that they have to provide without grant—means that the landowner has to rethink whether or not they want to sell the land for that price.

Chris Balch: May I just add that I think the problem is, as I said earlier, that we’ve become highly dependent upon this model for delivering infrastructure and affordable housing, and we’re unlike most other countries in seeking to use this approach to how we fund infrastructure. If you look at those periods where this country produced large amounts of housing, it was doing it with a model that was led by the public sector providing infrastructure through development corporations, and actually that, to my mind, is a much simpler and more straightforward way of delivering development.

Richard Bayley: Yes, and what I was going to add to that is that we can see an opportunity for some local authorities, particularly in the South East—also London, but particularly in the South East. They’re going to find, like all of us, life tough in the next five
years. If they put their land into some form of private residential development vehicle, about which I was talking earlier, and enable us to help develop that, it is a way of them subsidising it and getting something back out—not just in terms of council tax receipts, but in terms of economic growth. Stats show that housing development can, in a multiplier effect, range from 1.5 to 3.5 in terms of economic benefits. Whether they put their land in for free and find a way of stimulating growth in their area and getting money back as a result of that—we know that some local authorities will consider that from talking to them—or whether they sit down with us and the developers to work out how, in terms of an overall economic and social plan for that area, we and they can work together and take a view on what that means in terms of section 106 or community infrastructure levy, does not really matter. The point is that the more we can work together in our own specialisms, the more productive it is going to be for the economy, particularly in the South East. What we would like to see—I am sure our colleagues will echo this—is more innovative local authorities coming to talk to us about these measures and a range of things, rather than just throwing up section 106 and CIL and saying, “Someone’s done this there, so we have to do this with you here.” It just will not work like that.

**Q43 David Lepper:** Can you just tell us what you see that time line being? Do you have to move from level 3?

**Andrew Whitaker:** We are relatively happy with the 2010 deadline for code level 3. We might have cracked that. We feel fairly confident about the 2013 time line for code level 4. On the higher levels of the code by 2016, how you might define that is still in discussion. Mostly, it is not to do with the fabric of the building, but the use of other technologies—for example, how you decarbonise the national grid, how you have allowable solutions, how you connect up to district heat and power. We are still discussing those kinds of issues, which will take you to zero carbon by 2016, on the 2016 taskforce, which was an HBF initiative with the Government to look at those things. So, yes, we are working very hard to try to achieve those time scales.

**Richard Bayley:** We believe that retrofitting will be a big issue, but that not enough thought and work has been done around it yet. The feed-in tariffs that are currently proposed are not enough. There needs to be more discussion about how initiatives such as feed-in tariffs can help to provide the income flows to retrofit houses. Just recently—unfortunately not in this area, but in a place called Whitechapel, near Preston in Lancashire—we retrofitted five or six bungalows and made about a 74% energy saving. But in order to do that, we need the funding system, and the techniques and initiatives around the feed-in tariffs to be a lot more capable of helping to deliver on a mass scale. For sure, it is a big issue—the next five years will see utility bills rise and, as I described earlier, disposable income squeezed.

**Chris Balch:** There are some big challenges around the detail in this as well—things like double glazing in listed buildings. There are some real challenges around how you can sympathetically retrofit in historic buildings, many of which are reflected in South East housing stock. I echo what Richard said: a lot more thought needs to be given to how you are actually going to do this in practice.

**Q44 David Lepper:** What about patchy records, so far as some local authorities are concerned, and in terms of using what is available to encourage people?

**Chris Balch:** I think that’s right. Some local authorities—certainly we have seen this in RICS—are just not engaged with the agenda, which is a rather worrying state of affairs.

**Q45 Mr Smith:** Do you think new build is doing enough to meet the action and potential needs of older people? What do you think of the argument that if there was more suitable accommodation for older people to move into, that would free up larger properties for others?

**Chris Balch:** To date, older persons’ accommodation has got rather typecast into the retirement complex type of accommodation. My personal view is that I would rather see that type of accommodation being provided within a community, because actually it is the community that will provide the support for
older people. The smaller, accessible. Lifetime Home concept is very strong but, clearly, given the ageing of the population that we face in the South East, more attention needs to be given to that, with more thought on the implications of the ageing population for our housing stock. The RICS is about to launch some detailed research in this area. 

**Richard Bayley:** The work we are doing around older age—we have got an older-age arm of our business—suggests pretty much what Chris says. The more we look at it, the more we know that for older people mixed communities—not mono-tenure communities—are the way to go. So, integrating different ages of people within communities and providing care in the home—we have the domiciliary care business as well—are both important parts of the future for older-aged people. Yes, in terms of your question around being able to release existing accommodation and move into new. As far as the new build is concerned, one thing that we have found—I don’t know what Andrew’s experience of this is—is that initiatives like Lifetime Homes can sometimes be a bit of a blunt instrument. What you need is the flexibility to provide what older people will want in the future, rather than particular design criteria. That is our view.

**Q46 Mr Smith:** I was interested in the research you referred to. Is our evidence good enough as to the range of choices that older people actually want? **Richard Bayley:** The point that I am trying to make—I may not have spelt it out—is that it is going to change. What older people require will change. What they have at the moment is very sterile—in terms of sheltered accommodation, warden control and a few retirement villages—and that is not really how we see or understand the market evolving over the next five to 10 years. A significant part of the South East market is going to be the older-aged market, so we see the products and solutions being put into new developments different from what they were in the past. So, introducing design criteria into new build is probably the wrong thing to do, because it does not allow that flexibility. **Andrew Whitaker:** I think that’s right. I think that it’s a very misunderstood—or “understood”, for want of a better word—sector of the market and traditionally local authorities have glossed over it, to a certain extent. Obviously, there have been specialist providers within the private sector for a long, long time. They come under different pressures from more mainstream house builders. They have much smaller sites in urban areas but they are still exposed to the same section 106 requirements, affordable housing being one of them. And yet here we are, saying, “Well, actually, they provide a positive contribution to affordable housing by freeing up larger units that are inevitably slightly cheaper on the market anyway, because they might need some care or work to bring them up to current specifications.” So I think that we could do a lot more in that regard. As Richard says, the blunt tool of saying, “Okay, we will build everything new to Lifetime Homes,” doesn’t get anywhere near addressing the issue, because not everybody who becomes old wants to go and buy a new build property. **Richard Bayley:** Or indeed needs it. **Andrew Whitaker:** Not really. /Laughter./ Our submission addressed that point. We think that the green belt is a very, very blunt instrument that is a little dated in terms of our thinking about sustainable development and meeting sustainability criteria. There are other things that we could do and I think that we should be doing them. We should not just have blanket policies saying, “Just because of this geographic area, we are not going to allow development here.” when allowing some development in areas close to existing urban areas might actually be the most sustainable choice that we could make. **Richard Bayley:** Infrastructure is important and if green belt is near infrastructure, some relaxation of green belt will be necessary in the South East. I have another thought that is slightly tangential. Whenever planners are looking at new developments and discussing them with housing providers, inclusion of green space may be just as good as relaxing the green belt. I say that because what we have found in our developments when we have done the research around our neighbourhoods is that putting green space into housing areas does have an impact. That is a slightly tangential thought, but that actually could be as good as relaxing the green belt. **Chris Balch:** I think that the green belt’s strength in some ways is the fact that it is a blunt instrument. Personally, I think that the approach that is emerging from the South East plan, where from time to time there is a selective review of whether it is appropriate that an area is released, is the right approach. The danger is that the house building industry will take advantage of releases and any release becomes a precedent. Actually, the strength of the green belt is that it is a very strong policy.
However, it also has to be a policy that is reviewed from time to time, tactically rather than strategically.

Chairman: May I thank you all for your evidence and for coming here today and giving us your time?


Q48 Chairman: We will now move on to question some interest groups. We have the representatives of the interest groups here. Welcome, may I ask you to introduce yourselves for the record?

Pat Strachan: Hello, my name is Pat Strachan. I represent SERFA, the South East Regional Forum on Ageing. We have a range of member organisations, both statutory and independent, and we champion the interests of older people. Edward Dawson: I am Edward Dawson, regional director in the South East of the Campaign to Protect Rural England (CPRE).

Richard Moyse: I am Richard Moyse. I am from Kent Wildlife Trust, but I am standing in for the South East Forum for Sustainability today.

Warren Finney: My name is Warren Finney from the National Housing Federation. I am here on behalf of the South East Housing Coalition, which comprises of the NHF, Shelter and the Chartered Institute of Housing.

Q49 Chairman: You are quite a diverse group of witnesses, so when we ask questions, please don’t think that each of you has to answer all of them. Just leap in on those to which you want to contribute. I would like to start with the CPRE. You say in your written evidence that you wonder whether we have the right mix of accommodation. You suggest that we should focus more on the type of housing than on the numbers. Would you like to expand on that briefly?

Edward Dawson: Yes. First, I would like to say that the inquiry, because it is so wide-ranging, will be particularly helpful. CPRE has been involved in debates on such issues for many years, as I am sure you all know. It’s easy to get into a sterile debate that leads nowhere. At a regional level, I hope that we can contribute to a partnership spirit, trying to find solutions to the problems that the region faces. We certainly address these in that sense. I hope that that is helpful. We have to be concerned about the level of development—numbers as well as types and sizes of housing. I was fortunate enough to listen to the Home Builders Federation just now. I think they felt that the South East Plan—the current development plan—is simply inadequate. But, it was devised on the basis of it being at a reasonable level—that was the approach, although exactly what that meant was not defined. However, it certainly went through a long and detailed consultation process at two different stages, finally reaching the figure of 32,700 houses per year across the region. It’s a slightly higher figure than in the draft plan, but perhaps at a lower level than what the independent examination wanted—it looked at higher figures, and you’ve heard about the NHPAU input to that process. I felt that it was reasonable in the end, together with a so-called “substantial” level of affordable housing. I think it has achieved a level which, to all intents and purposes, is being exceeded. In 2008 we saw house-building levels of 35,400. The average figure of the past five years—it’s probably better to take a five-year average—has exceeded that, and may well continue to, though we are in uncertain times. Those numbers are important to establish and, once established, to adhere to over a period of time.

Q50 Chairman: Do you think we have the mix right? You imply that we haven’t put sufficient focus on family housing, for example.

Edward Dawson: We haven’t had the mix right in the recent past. In many towns—such as Portsmouth, Winchester and Reading, to take some larger towns in the region—there has been a preponderance of smaller, flatted development, rather than family-sized housing. It is well known and understood in the housing sector that we need more family housing. I accept and support that strongly. I would say that we need to create mixed communities that are balanced and sustainable, without attempting to engage in any kind of social engineering, which is perhaps easy to do. We can try to achieve a reasonable balance between the needs of key workers of people coming into the region from abroad or from other parts of the country and of the ageing population, which you have been hearing about. It is important to get a mix and to think in terms of communities and especially sustainable communities, rather than mere numbers. I would end by saying that there has been too much of an emphasis on new build and on numbers, rather than on quality of build and location.

Q51 Chairman: Mr Moyse and Mr Finney, do you have a view as to whether the target number in the South East plan is right, too high or too low?

Warren Finney: I think Edward makes a good point in so far as the overall numbers may be in line with the South East plan, but if we look at the affordable housing split that has developed over the years, we see that it has been considerably under target. We have a real affordability issue in the South East; one in 17 households are on housing waiting lists, and average house prices can be £260,000, £300,000, £400,000 or £500,000. We really need to ensure that the overall housing numbers include an affordability split that enables low-cost and social rented homes to be developed. We also need to focus on larger homes, as Edward said. The credit crunch has highlighted the fact that private developers have been supplying new homes, and the market has been driving provision, which has led to too many flatted developments, with one and two-bed homes, so we
havent seen the right quantity of larger homes. Moving forward, I would like to see a close link to housing need in the South East and not necessarily the market driving what we provide. We should look at the needs of families on housing waiting lists and the type of homes that are appropriate for those living in overcrowded conditions, as well as what the market requires. I don't think we're getting a sensible mix of those at the moment.

Richard Moyse: From my viewpoint, the problem is that the housing numbers have never been tested against the environmental limits of the South East—what the environment of the South East can hold. The South East plan is explicit about its impact on nature conservation and biodiversity. Here, it's telling districts, “We don't know whether this can be delivered within the constraints imposed by the habitats regulations. You've got to sort that out. You've got to look at different housing number allocations and housing distributions.” Part of the problem is that the test of whether the target is right in terms of sustainability has not been completed; it is being done project by project.

Q52 Chairman: Ms Strachan, we'll be asking some detailed questions about older people's housing in a moment, but can you tell us in a brief sentence whether the targets focus sufficiently on older people's accommodation?

Pat Strachan: Inevitably, I'm going to say that we feel that, generally, elder people have been ignored. There's a serious and major demographic shift. In the next 21 years, the anticipated increase in over-65s will be 1 million; the anticipated increase in people over 85 will be 200,000. We are talking about quite a wide range of people—from 50-plus to 100-plus—so we really need to think about a range of housing choices and a much more comprehensive approach to housing. If you think about new housing delivery, you see that although new affordable housing is of course important, and there is a huge need for it in the South East, the reality is that it will add only 1% to the region's housing stock. We need a much more comprehensive approach that looks at the existing housing stock and, given the high number of owner-occupiers, at something that focuses very much on maintaining and adapting existing property.

Q53 Gwyn Prosser: Mr Dawson, you told us that we are already reaching 35,000 house completions a year. Is that right?

Edward Dawson: Yes, indeed.

Q54 Gwyn Prosser: Where does that figure come from? Who produced it?

Edward Dawson: The figure comes from monitoring by the current regional planning body; it was formerly the regional assembly, and it is now the South East England Partnership Board. The figures from its regular monitoring—the process has gone on for many years and is based on local authority returns—show, as I think I said, that there were 35,400 completions in 2008, which goes up to 31 March. That is a 2.4% increase on 2007. The average number of completions over the five years up to 2008 was 32,800. That’s fractionally above the requirements of the South East plan. It’s edging above and has done over a period of five years, possibly more.

Q55 Gwyn Prosser: Perhaps you could send us the references you were studying, if you haven’t already done so.

Edward Dawson: I will happily do that.

Q56 Gwyn Prosser: Mr Finney, you made the point that there are not sufficient affordable houses. Is that because the targets set in the plan are too low, or is it that we just aren't meeting them and have no chance of meeting those targets?

Warren Finney: I think there's a combination of issues here. The targets in the South East plan are around 11,500. The figures for affordable housing are split between low-cost home ownership and social renting. We aren't reaching those targets and haven't done for a considerable amount of time. Part of that is a result of the way that the funding is structured—part of it is certainly how, in the climate we're going through at the moment, section 106 isn't coming forward to prop up the mathematical equation for the finances—and the increased cost in lending and the way that land isn't coming forward to ensure that that affordable housing is built. So there isn't one specific answer as to why that isn't happening. I think it's a combination of several issues, all of which need to be addressed. I also think that actually, there is a real need for increased focus on monitoring, but also, when that monitoring is done, a need to ensure that control mechanisms are put in place through the planning powers to ensure that those targets are met, rather than it just being acknowledged that we failed to hit the target again.

Q57 Gwyn Prosser: Could you give the Committee some recommendations to start reaching the targets and building more affordable housing?

Warren Finney: Certainly. The National Housing Federation, like the South East Housing Coalition, works with the Homes and Communities Agency and local authorities to ensure that local authorities are aware of the targets and we offer to work together to ensure targets are met and the number of homes developed are monitored. I can forward you examples of how we undertake this work. What I would say at the moment is that we have the Single Conversation, and we have local authorities' local investment plans. They offer you a mechanism for determining what that need is. So we have a mechanism already in place that could potentially give us the specifics of what we need. What we then need, as I said, is a robust monitoring system and a control mechanism through the planning process, which is there but isn’t actually used, to enable us to say, “We’ve identified that we’re not hitting target, and therefore we need to look at specific sites for land.” We need to look at specific developments where, potentially, we’re not building as high a percentage of social rented or low-cost homes for ownership as we could do, and look at addressing that balance to ensure sustainable communities and
mixed developments. I think we have the mechanisms in place; what we’re not doing is robustly monitoring them and actually controlling them enough.

**Chairman:** Mr Lepper, you have some questions on old people’s accommodation.

**Q58 David Lepper:** I have, yes. As one of these baby boomers whose needs are going to be rather different from those of previous generations of people of my age group, I am particularly interested in this. You said in your evidence, Ms Strachan, that housing strategies so far for older people have tended to focus too much on sheltered housing, extra care housing and so on. I think the point has also been made that older people are not one homogeneous group; they are very varied. On the other hand, as you get older, you tend to spend longer, perhaps, in your home. Can you just say a bit more about what your organisation sees as the kinds of solution we need to be bringing forward now?

**Pat Strachan:** It’s in a range of areas. In new development, we very much support moving towards lifetime home standards. There have been misunderstandings about how much added cost that can bring to a property. I am not in a position to know the details, but clearly, other organisations like the Joseph Rowntree Foundation and Habitat have been doing a lot of work. It is a big issue whether those standards are going to be watered down. I think there’s a concern, perhaps, that Government, although it initially was very supportive of them, is tending to shift a bit away from them. However, we do feel that they’re very important as a principle and can also save money on future home adaptations when you look at new build homes. Clearly, as has been said already, there needs to be much better engagement directly with older people about what they would like to see in their homes: in events that we’ve run with older people in the South East and London regions, those are things like space standards, storage space and easy access. Two bedrooms often comes up, although it is not necessarily a requirement. However, particularly if you are going on to talk about under-occupation, having things like an allocations policy and social housing stock that allow people to take up slightly different accommodation are very important parts of a package to encourage people who want to move to do so. The other side is about existing homes and how we can enable people to remain in their own homes if they so wish. It is very much about people’s choice and thinking about how we can improve our systems and practices to give people realistic choice. There has been a lot of recent debate about the waiting lists in some areas for aids and adaptations. One authority in the region was quoted to me, although I will not divulge which one, that has a waiting list of two and a half years for adaptations to be undertaken. As part of a policy that enables people to remain in their own homes, tackling these sorts of problems is very important, as are other things such as retrofitting, and ensuring that there is good insulation where possible. There is some very exciting work in parts of the region where equity in the homes people own is released to enable them to repair and improve their homes. There are 15 local authorities working together and they are able to release the funds from houses to enable people to improve their own accommodation. I am talking about a much more comprehensive and wide-ranging approach to maintaining existing homes and meeting a range of housing needs.

**Q59 David Lepper:** Thank you very much. You have given an excellent overview. You have suggested, without naming the particular local authority, that the practice is different across the South East region and that there is good practice. Are there particular things that the Government, the Local Government Association or the Department for Communities and Local Government could be doing to spread that best practice and make us a bit more aware of it?

**Pat Strachan:** That is not a thing to easily answer in the sense that we need a more comprehensive approach. Indeed, that is being recognised. Only today, SEEDA is meeting and discussing a range of think-pieces, including looking specifically at the implications of demographic change and affordable housing. There is growing recognition of some of these issues and of the need to bring key players together regionally and locally, and to change culture and thinking—probably even our own thinking—particularly with respect to what expectations people have in later life and quality of life. We want to have a good, successful, healthy retirement and we are living longer. We must consider how we can work together to make that more possible. How to give people better housing choices needs a lot more thought and debate.

**Q60 David Lepper:** Mr Dawson, is CPRE aware of these problems being more acute for older people in rural communities than in more urban parts of the area?

**Edward Dawson:** I would say that CPRE is very much concerned with and aware of the ageing population. Debate is needed, as you have heard, on how to make provision for the ageing population. It can often be a hidden problem in rural areas, where it is not really apparent, but all sorts of people are living tucked away and are being overlooked and perhaps even ignored, to some extent, in the housing debate. I do think more attention needs to be given to it. It is an increasing problem with the growing ageing population. Another point that I would add is that I have a reservation about the type of new build that emphasises lifetime homes, or semi-lifetime homes. I have been a board director of a large housing association, and I have direct experience of doing this over a number of years, and I think that there are choices to be made. If a house is going to be a lifetime or semi-lifetime home, you have to be able to turn a wheelchair in a downstairs toilet. The hallway has to be of sufficient size, which is good in many senses, but if it is taking room away from a living room where people spend more time or where children may go when they visit, a choice has to be made. I am not sure that we need to think that all houses should be lifetime homes or even...
Chairman: I think Mr Moyse was about to speak.

Richard Moyse: I was just going to add my voice to the others to say that I broadly agree with the line Warren Finney has taken. The projected new build is only one component of a whole new idea for housing that needs to be in place to meet the Government’s targets for zero carbon by 2016. We need a combination of new build, and more importantly, the refurbishment of existing stock. This is where the role of local authorities, along with private developers and social housing providers, is crucial. We need to ensure that new builds are well insulated, energy efficient, and fit for purpose.

Warren Finney: I would make two points. The first is on the rural question, because there is a specific rural issue here. As rural communities become more and more affordable and we see more and more young people unable to stay in those rural communities and move into urban areas to access affordable housing, shops, schools and local communities start to close down, we are seeing more and more elderly people becoming isolated in their rural communities, and that is a real issue for a support network, which brings with it specific problems. I would pick up very quickly on the policy of helping the ageing community stay in their own homes. That is a really fundamental issue, because many people do not necessarily want to move from their own homes, and it is about how we provide support to enable those people to stay in their own homes. There is a particular budget, the Supporting People budget, that offers housing-related support to enable vulnerable groups, such as the elderly community, to stay within their own homes. There is a real fear at the moment because the Supporting People budget has become un-ring-fenced and we are starting to see that money become targeted by other areas within local authorities. There is a specific case happening at this moment on the Isle of Wight where a £5.5 million Supporting People budget looks to be cut by about £2.7 million. That is a massive cut which will have a direct impact on the provision of support for vulnerable people within the community. We have to ensure that before such cuts take place, a full needs assessment is undertaken to see what the impact will be on the elderly community and on other members of the vulnerable community to ensure that whatever provision is being lost it is provided for by other means. The impact of losing this budget and this support is that we will overburden the NHS, PCTs and other social care budgets, and we will not be able to provide the right amount of support to enable the elderly community to stay within their own homes, which, in turn, will have a much more expensive impact if people have to move to some form of institutional care further down the line when they do not really need it.

Pat Strachan: May I just add briefly to that? Home improvement agency services are also included in the Supporting People budgets. They are a very tiny proportion of that overall budget, and there is very great concern that those agencies, which provide key services to private sector homes, will be particularly squeezed, because in many areas they do not have the same profile. There are some very good examples in this region—I can quote one—of outstanding practice. Obviously, delivery varies hugely, but the element of the Supporting People budget that is supporting home improvement agencies is also delivering very valuable services.

Q61 Ms Barlow: We have asked the other witnesses about energy efficiency. I want to focus on sustainable communities. First, what proportion of resources should be put into improving and retrofitting existing stock as opposed to new build, and is the 2016 target for zero carbon achievable?

Warren Finney: Initially I would say that if we are to meet Government targets, we cannot look at an either/or new build or retrofit. We must focus on both because that is the only way in which we can achieve the targets. Sustainability does cost, but it only costs considerably more if you do it in a bit by bit process. We should actually be looking at some form of level playing field approach across the private developers and social housing so that we are all looking to attain, from a new build perspective, the same code level of sustainability. With that you will bring efficiencies of scale. You will bring the advantage of new technologies, because there is a clear focus and an understanding of what level we need to be building and providing homes to. If we are able to build products technologies and reduce the cost of manufacturing because we are all building to the same level, then we can achieve both retrofitting and new build at a reduced cost. Clearly, there is a serious question about how we fund this in the long term. I know that Government are committed to putting money in, but there is a big cost and we need to look at some financial incentives to encourage people, certainly from a retrofitting perspective, to pursue these for their own homes.

Edward Dawson: Broadly, I would support the points made by Warren Finney on both retrofitting and new build. I think we need to do both. In a sense, we are trying to catch up on the inadequacies of the past. Whether we are able to meet Government targets will depend on the increasingly difficult financial climate that we are in. There should be an emphasis on this. Sustainable construction is important, as is trying to achieve a low-carbon economy. All these elements, which are perhaps new to the housing sector but are becoming pretty fundamental, need to be addressed. I shall be interested to see the recommendations that you come up with to try and encourage this. We are certainly supporting it very strongly. My only reservation is whether we can meet those targets, given the current climate.

Pat Strachan: To add to that, obviously the South East has a very high level of owner-occupation, so we would really endorse a comprehensive approach to maintaining and improving existing homes. There are some issues, however, because in some parts of the South East there are homes that are very difficult to retrofit. They might need particular approaches—for example, in the case of some flat roofs, and when there is 9-inch solid brickwork. So in terms of delivery, I think it will vary depending on local circumstances. As I pointed out earlier, there is very much a culture shift about investing in homes and releasing the equity of homes to enable them to be well maintained, improve insulation and deal with excess winter deaths and fuel poverty.

Ms Barlow: You mentioned earlier—
such a tiny proportion of the total housing stock that obviously it is going to be very hard to meet targets without doing very substantial retrofitting. It also offers a different opportunity to the new build to create more green jobs, because obviously the skills are slightly different and the opportunities for employment are slightly different through that.

**Q62 Ms Barlow:** Ms Strachan mentioned sustainable communities earlier; this is a goal that I am sure you all aim towards. However, how much should we take those factors of sustainable community into account in terms of housing delivery? Also, in a recession is it realistic to hold on to the goal of sustainable communities to the extent that we were not, say, two or three years ago?

**Richard Moyse:** I would suggest that it is possibly more important in a recession. Part of the point of sustainability is that you are trying to reduce your environmental costs which will come and bite you in the end. For instance, if you do not take account of flood risk management you end up with big capital costs, or possibly big costs from insurance as we saw with recent flooding. I do not think that the economic climate alters the situation. It poses different challenges. If you are looking to move towards sustainable development in its broadest sense, I don’t think that you can move away from that idea of needing sustainable principles for all future development.

**Q63 Ms Barlow:** I know that you all want to say something on that but can I extend it to what Mr Finney mentioned earlier? Who is going to pay for it? Should a mixture of organisations and bodies pay for it or should it be developers? Can you extend your answer? Mr Moyse, do you want to add to what you just said?

**Richard Moyse:** It is a difficult question to answer because I am obviously coming from a very particular side. From the point of view of the angle that I’m coming from in terms of open space and biodiversity, it is possible in that instance to look at partnership delivery. For some of it, yes, if you’re looking for new open space, new wildlife habitats around communities for public enjoyment and access, and new floodplain open space that hits multiple green infrastructure objectives, of flood risk management as well as open space as an amenity or for nature conservation, there is a big expectation that some of that comes off the back of development. When you are dealing with something that hits multiple objectives—objectives of other organisations, such as NGOs and local authorities—you can look at partnership funding. I realise that that becomes more difficult if you are saying, “Well, we want housing built to a higher standard”; and the costs tend to fall on one agency, but there are opportunities to look at partnership input for some of these issues.

**Warren Finney:** Housing associations are at the forefront of delivering environmentally sustainable communities, but I think it is fair to say that this country is considerably behind our European counterparts. There are lessons to be learnt from Europe about how to address sustainable communities, especially with environmental issues as a key impact. In the South East, we have some fantastic examples of really great practice in creating environmentally sustainable communities through housing associations such as Greenoak Housing Association and Drum Housing Association, part of the Radian Housing Group. What we haven’t done yet, and what we need to do, is look at how we bring the wider partners together to discuss how we can crack this nut as a whole together. There needs to be further work with the energy companies and developers, whether of social or private housing. We need to look at how we bring in Government funding and—to use an analogy that Government are using at the moment around Total Place—how we take that example of bringing in pools of funding, whether from Europe, Government, energy suppliers or developers, to create the answer to that question. I don’t think that we have it, but we have the tools if we want to bring those people together to ensure that we have it. I would urge this Committee to look at how we bring those partners together. That partnership working is not quite there yet, but all the partners are there if we can bring them to the table.

**Pat Strachan:** Just on the broad context, in terms of sustainability, we really are looking at neighbourhoods as well and the support and care for our ageing population to remain independent at home—informal support. It is a much wider issue and we want to work with carers and a range of people to enable effective support to be delivered and ensure that we can meet the growing needs of our older population.

**Edward Dawson:** I don’t think that we should be simply building housing; we should always be thinking in terms of sustainable communities, whether small or larger developments. As you heard from Warren Finney, the housing association movement thinks along those lines very strongly. It is thinking in terms of the wider community, not simply building houses. At the end of the day, we have to think about provision, financing and so on. We must not overlook the fact that housing is a controversial subject in many ways. The planning side and the provision are controversial. We have seen resistance to house building, perhaps because the indifferent development practices of the recent past have created those kinds of sentiments in the public, and we cannot ignore them. I think if there was a move towards greater social mix, without the social engineering, and sustainability that takes account of environmental constraints of all kinds, whether they are flooding or environmental designations, or others, to try to ensure that development fits in with the environment, rather than simply ignoring it and being placed upon it, as it were, a lot of housing could be accommodated—that’s what I would hope to see—in different forms, but certainly always attempting to create sustainability as far as possible, encouraging local employment and services and so on, to make sure that they do work as much as possible, avoiding out-commuting and so on, and creating a sustainable...
community. It’s a fine objective that I think we ought to be pursuing, and haven’t really done so over the past recent decades.

**Q64 Mr Smith:** This is a question primarily for Mr Dawson, but we could hear the views of the others as well. How far are the planning restrictions on green belt or areas of outstanding natural beauty an impediment to meeting housing need?

**Edward Dawson:** I’m tempted to say not at all, but you probably wouldn’t accept that bald comment. I was intrigued to hear Andrew Whitaker speaking—

I know he’s still sitting here, so I must be careful what I say—about the role of green belt particularly. Green belt is very important, because we intend it to be there. It was designed. It’s not a landscape designation. It’s not an AONB, which is there by an accident of geography. We have put a green belt around London, for example—a metropolitan green belt—since the 1940s, to contain that urban sprawl. I think that it’s important. I said to the South East Plan examination in public that in many ways that metropolitan green belt had been the saviour of the region, and I think that that is right, to avoid the Los Angeles type of situation in the South East. The old home counties, as they were called, surrounding London, have always been regarded as being rather special in many senses, having an attractive environment that people appreciate very much and want to retain. So the green belt has played a role in that, in preventing the spread and the sprawl of the Great Wen, as I think it was called by William Cobbett way back in the 1820s. So green belt is important. I think it’s generally understood by the public, although the media tend to misunderstand it and think that all green fields are in fact green belt. That is not the case; it is only a 30 or 40-mile-deep collar. Some people call it a green noose that may prevent towns developing. I don’t think that’s the case at all. It allows for containment, retention of identity, and so on. The case of Oxford, which has its own green belt for the containment of the historic core of Oxford, is very important. So these things shouldn’t be put on and lightly taken away or reviewed. I think they’re robust. If there were reviews of the green belt I think you would find both public support and value in retaining them as a planning tool, as a mechanism.

**Q65 Mr Smith:** You said they shouldn’t be lightly reviewed, but do you accept that there are some cases for review?

**Edward Dawson:** Reviews have been predicated in the old structure plan system in Oxford and Surrey in particular, over the past 20 years or so, so we know that these things have been there, but for various reasons, possibly for political reasons, have been ignored and not taken forward. If there were reviews, we could say on the one side that you possibly allow the floodgates to open; there’s a sensitivity in doing them at all. On the other hand you might take an objective view and say, “Well, there’s no harm in doing this because if they are sound and robust they will withstand any kind of review.”

**Edward Dawson:** That is a complicated question, but I would say that green belt shouldn’t simply be applied alone. It is a useful tool in itself for urban containment, as I’ve outlined. I regard it as an urban policy, not a rural policy, incidentally. It has to be seen alongside other policies, policies for regeneration in town centres, for ensuring that brownfield sites do come forward and are used. It’s a mixture. It would be wrong just to look at that one policy in isolation. If we go back to the original founding father of the green belt—the Abercrombie plan; the 1944 London plan—his view was that the green belt should be applied along with other policies. It is very important to see that that mix is right. It is possible that a green belt designation might well put pressure on another site, which you may think is more sensitive for genuine landscape or biodiversity reasons. I hope that that would not be the case, but the planning system is there to make that judgment. It is there to take all those elements into account, even though the pressure might be there. In the case of Oxford, they have the old Oxford structure plan. It was historically looking to spread its development—retain Oxford and its green belt and then spread development to other towns such as Didcot, Wantage, Wallingford, and perhaps Witney. That has persisted for 20 or even 30 years. It’s one that can have difficulties. Greater commuting may be encouraged by that sort of dispersal approach. The policy has served us well for a long time, but I think in that case it needs to be looked at in terms of the whole of the functioning of areas such as Oxfordshire. Certainly there is great public attachment to the green belt, and it wouldn’t be lightly given up. I think, for the reason that people feel the floodgates can be opened. There is the danger of feeling that once you do something here, in a sense the whole system collapses. Those dangers may be realistic, they may be simply perceptions. I hope the planning system will be robust enough to be able to take all those elements into account, not to build on an SSSI, for example, or on an area of landscape or agricultural importance. It can take those elements into account.
Mr Smith: Thank you. Do others have observations to make?

Richard Moyse: The thing with green belt, in terms of the relationship to the kind of work that the Wildlife trusts do, is that it is about landscape. It is an urban tool. It does not necessarily tie in with the land of greatest wildlife. I would agree, as witnesses said in the previous session, that it is a very useful tool. It would be dangerous to look at it and downplay its usefulness unless there was something equally useful or more useful to put in its place. It is valuable to have those constraints on development, because they do make you look at the efficiency of developing urban places and perhaps restore the balance between the ease of developing greenfield sites compared with the relative difficulty of redeveloping urban sites. That having been said, from a wildlife point of view, and the point of view of people’s access to natural places and the sustainability of cities, it is also undesirable to have too much pressure on development of every piece of open space. That includes brownfield sites. In north Kent, many of these brownfield sites are of significant value for wildlife, and also some of the only open spaces within urban areas.

Q67 Mr Smith: It is certainly the case, given the geography of Oxford and other towns and cities, that for wildlife, amenity and ecology, the lungs in the urban centre and river valleys are critical. My argument is that there is a danger, in some circumstances, that an unchanging approach to the green belt can add to the pressure on those areas to the detriment of the ecology and wildlife.

Richard Moyse: That is true, but I would agree with Mr Dawson that the planning system is there to weigh those things up, and it is quite effective at doing that. I also think it’s useful to have confidence about what land is available for built development and what land is not going to be available in the foreseeable future for built development because of the ease with which you can deliver open space. If there aren’t those constraints, and landowners feel that there is hope value on land, it is actually quite hard to get in and do green infrastructure work, and put in open space simply because of what it does to land prices, even pre any planning permission on that land. Having a system that makes that differentiation, and says, “You can hope, but you’ve got a long time to wait,” makes it easier to plan a liveable community.

Chairman: I will draw matters to a conclusion there, if you don’t mind. I am tempted to suggest that Mr Dawson and Mr Whitaker get boxing gloves and sort the matter out man to man, but perhaps we’ll come up with an alternative solution. Thank you for coming and giving evidence, and I thank the Committee and our support team for helping us today.
Tuesday 9 March 2010

Members present:
Dr Stephen Ladyman (Chair)
Ms Celia Barlow
David Lepper
Gwyn Prosser
Mr Andrew Smith

Witnesses: Pam Alexander, Chief Executive, SEEDA, Councillor Richard Gates, Leader, Waverley Council and Regional Housing and Regeneration Board member, Paul Lovejoy, Executive Director for Strategy, SEEDA, and Martin Tugwell, Director of Regional Investment, South East England Partnership Board, gave evidence.

Chair: Welcome to our first evidence session of the afternoon. I thank you for coming and invite you to introduce yourselves.

Martin Tugwell: My name is Martin Tugwell, Director of Regional Investment with the South East Partnership Board. I work with and support the Regional Housing and Regeneration Board.

Richard Gates: I am Richard Gates, the Leader of Waverley Borough Council, Surrey. I am representing the Chairman of the Regional Housing and Regeneration Board and, through her, the South East England Partnership Board.

Pam Alexander: Pam Alexander, Chief Executive of SEEDA.

Paul Lovejoy: Paul Lovejoy, Executive Director of Strategy at SEEDA.

Q68 Chair: This is the first time that we have spoken to the Partnership Board in the two investigations that we’ve done, so welcome to you all. I am going to start with some questions about housing numbers, as that is clearly one of the key things we’re trying to get to the bottom of in our inquiry. We had some figures for the projected number of homes to be developed each year. The Government Office originally said about 34,000 new dwellings were completed in 2006–07, 35,000 in 2007–08, 32,000 in 2008–09. The target is 32,700. Given that we’ve had completions that have held up quite well, we are most concerned about is that starts will not occur, rather than looking to broader targets and getting delivery up and making sure that those starts are delivered, but I would like to explore with you how you are going to start with some questions about housing numbers, as that is clearly one of the key things we’re trying to get to the bottom of in our inquiry. We had some figures for the projected number of homes to be developed each year. The Government Office originally said about 34,000 new dwellings were completed in 2006–07, 35,000 in 2007–08, 32,000 in 2008–09. The target is 32,700. Given that we’ve had completions that have held up quite well, we are most concerned about is that starts will not occur, rather than looking to broader targets and getting delivery up and making sure that those starts are delivered.

Richard Gates: I don’t think I can add anything to that. We are worried about. Martin, do you want to add anything?

Pam Alexander: Well, Richard may want to comment for the Regional Housing and Regeneration Board. I would say, from the RDA’s perspective, that we feel that we could waste a lot of energy arguing about targets when the key is to make sure that we deliver the maximum number that we can within the realities of today. While we have in the past had differences of view about what would be needed, given the previous estimates we had of economic growth, at the moment our focus is on getting delivery up and making sure that those starts occur, rather than looking to broader targets and worrying about whether they should be even higher than we have any chance of delivering.

Q70 Chair: Could the drop-off be as much as 50% for next year?

Martin Tugwell: I think at this stage it’s too early to get a sense of what the final figure will be. The evidence from the starts on site shows that it is going to be a sizeable reduction.

Q71 Chair: When the NHPAU reviewed its advice for the South East region, it suggested that starts needed to be in a range from 38,000 up to nearly 54,000. Even the 38,000 figure is substantially higher than the target. Do you have any feeling for whether that is correct? What is your view of that range of figures?

Pam Alexander: Paul may want to comment for the Regional Housing and Regeneration Board. As a Housing and Communities Agency to bring forward funding to keep up that momentum. What we are most concerned about is that starts will not have held up, and therefore we will see the danger of a cliff face, particularly if the funding that is available is cut in the future.

Q69 Chair: So your feeling is that for 2009–10 the figures will be good, but perhaps in 2010–11 and onwards there will be a dip.

Pam Alexander: Yes. I’m not sure that we are completely sure that they will be on target for 2009–10, but certainly they haven’t fallen away as much as they might have done. It’s the future that we are worried about. Martin, do you want to add anything?
Chair: May I ask a question specifically of region consists of areas of coastal development, particularly given that a significant part of our issues such as flood risk and flood defence, quality of the environment and the landscape and factors associated with the implications for the housing. Of course, there are also the overriding infrastructure to accommodate growth and the taken into account, not least the capacity of the regions that need to be met in the South East of England, do you feel that the bottom-up method to produce a number of starts would get us anywhere near where we need to be? I want to examine the conflict between a top-down target from Government and your preference for a bottom-up assessment of need.

Paul Lovejoy: Perhaps I can contribute here. The issue of housing numbers was a significant area of debate during the process of preparing the South East Plan. It is quite striking that, at its conclusion, the position adopted by the Government in the adopted South East Plan took a figure that was very close to both the proposals put forward by SEEDA, taking account of the need one might associate with maintaining a 3% per annum growth in output per head, and indeed the figure that had been put forward in the draft South East Plan. All three figures were relatively close together. The Barker work and the subsequent estimates from NHPAU put forward a wide range of possibilities, but I think it’s important to bear in mind that the number that was settled on in the South East Plan, which is round about the figure that has been delivered in the region to date, is broadly in alignment with the view that the Regional Assembly arrived at, the view that SEEDA arrived at and took into the examination in public, and indeed the view that the Government took in finalising the South East Plan.

Q73 Chair: Do you think you would have got to that figure if you didn’t have some sort of estimate? Whether you call it a target or the Barker estimate—whatever you call it, if you didn’t have that figure in your mind in the first place, would the process of putting the regional plan together have got you to where you are now?

Martin Tugwell: If I may, Chairman, I think it is worth bearing in mind that at the time the process for the South East Plan was begun, we did not have Kate Barker’s report and we did not have NHPAU. We had to look at the needs across the region. As our submission to you as a Committee points out, in looking forward as part of the work on the new regional strategy, it is clear that the figures that the NHPAU team have put together will be one of the factors that need to be taken into account, but there are other factors across the region that need to be taken into account, not least the capacity of the infrastructure to accommodate growth and the capacity of the industry to deliver a certain level of housing. Of course, there are also the overriding factors associated with the implications for the quality of the environment and the landscape and for issues such as flood risk and flood defence, particularly given that a significant part of our region consists of areas of coastal development.

Q74 Chair: May I ask a question specifically of Councillor Gates, as the only politician giving evidence on this panel? What was your feeling about the process that led to the regional plan? Were you comfortable with it? Did you think that it was a fight getting there, or was it a process that you would like to see repeated?

Richard Gates: I think if I may say so, sir, that I can see where your analysis is going. If you leave it to people locally, will you achieve the housing levels that experts in other fields feel is appropriate? That is a fair question. The process that went into the South East Plan caused local disquiet—no question about that; perhaps not quite so much in my borough, but in general—particularly the process that led to the increase in the housing numbers. What we know as a local planning authority, because this is more about planning, is that you can have as many targets as you like, but unless the market is producing the conditions that make it attractive for people to do that, then, as we have seen from the figures that have come up, we won’t get the housing starts. We can have the targets, by all means—in some cases, the inspectors can use the targets as a means of overriding local objections, which they do from time to time—but in general for me the targets are a secondary issue as a local planning authority. It is what is available that is being brought forward by the market—leaving aside affordable housing, over which we have a slightly different influence, but certainly as far as commercial housing is concerned.

Pam Alexander: If I may say so, I think that’s what our evidence intended to say—that it’s really important that any targets should be set in the context of what is deliverable and of other policies, such as the capacity of flood risk, the capacity of the environment to take housing and, from our perspective as a regional development agency, the needs of employers, which are not likely to be spatially specific, but will certainly be sub-regionally specific in terms of ensuring that we have housing for the employees who are needed to drive growth.

Q75 Chair: The way things are at the moment, what do you think of what’s being built? We’ll ask you some more detailed questions about the type of accommodation, but are more one and two-bedroomed flats being built than is necessary to meet targets or because the market is driving them? In those areas where we’ve had the biggest increase in housing—places such as Milton Keynes, Basingstoke and what have you—is the market addressing the needs of a diverse community, or is one type of accommodation being predominantly provided?

Pam Alexander: I think we can say from the figures we have got that there has been a predominance of one and two-bedroomed flats and that there’s a great deal more need for large family houses than has been met over the last few years, when a number of circumstances have driven a market that was very ready—particularly for buy-to-lets—to provide buyers for flats. We have seen that evaporate with the changes in the market, which has left some schemes non-viable, because their business plans were based on large numbers of flats that might never have been the real need in the areas. You are
completely right that there will be a change in type in future, but that will be a challenge for the viability of schemes.

**Q76 Mr Smith:** Turning to the green belt, we’ve heard in previous evidence sessions that its impact varies in different parts of the region, not least depending on how much brownfield land is available. Do you think that a selective review of the green belt could help housing delivery in those parts of the region where there is limited brownfield land available?

**Martin Tugwell:** When it comes to looking at the green belt, it is clearly one of the designations that has been taken into account in producing the figures in the South East Plan. It’s entirely appropriate for the South East Plan to look at the strategic balance between need and designation—such as the green belt—in determining the location of development. But when it comes to looking at the detailed implications of the green belt on development in and around a particular urban area, it is entirely appropriately dealt with at a more local level. We have a very high level of achievement of brownfield development already in the region. The most recent monitoring report shows that we’re achieving something in the order of 80% of development on brownfield sites in the region, well in excess of the target in the South East Plan, but that doesn’t mean that we can be complacent about continuing to achieve that target. We need to be careful that we maintain the focus on brownfield development as a way of relieving pressure on greenfield and the green belt.

**Q77 Mr Smith:** Can I press you slightly on that? What about those areas that are running out of brownfield land?

**Martin Tugwell:** Having set the strategic context through the South East Plan, it is entirely appropriate for that to be considered at a more local level. Balances will need to be struck on what is achievable locally in terms of brownfield sites. The evidence from the South East Plan has been that we can achieve considerable targets with brownfield land. We want to see that maintained. The policies set out in the South East Plan provide the framework for that.

**Q78 Mr Smith:** At the last session, we explored the tension that exists in some areas when there is a rigid application of the green belt because it can have the perverse effect of development taking place on land of higher ecological or amenity value or eating into the vital green lungs that come into some of our cities. Will you comment on that particular tension? Do we not have to be careful that there is not a perverse consequence of over-rigid application of the green belt policy in some locations?

**Pam Alexander:** I think that that is the basis for saying that taking a local view is entirely appropriate, so we support strongly the protection of the green belt as a general proposition because we see it as a crucial part of the attractiveness of the region and the importance of maintaining balance. There is an opportunity for looking at the application of green belt policy on a case-by-case basis, and there have been some very high quality examples where permission has been granted.

**Q79 Mr Smith:** Do you have any view on how it is that the South East Planning process—after the examination in public when selected review of the green belt was proposed—fell foul of inadequate environment assessment?

**Martin Tugwell:** I think, if I may, that that is a question that is better suited to your next witnesses as the processes you are referring to were overseen by Government.

**Mr Smith:** Fair enough.

**Q80 Ms Barlow:** In previous evidence, you said that there were fundamental questions about the business model being used to bring in private investors to invest in infrastructure through the existing planning system. How else can we bring in infrastructure through the investors? Are there any cases of foreign plans that might be important here?

**Pam Alexander:** Foreign investors?

**Ms Barlow:** No, in other countries, are there any examples of alternative ways of approaching the matter?

**Pam Alexander:** Oh, I see. The Regional Assembly and now the Regional Partnership Board have been very keen to encourage innovative ways of funding infrastructure, and particularly finding ways of forward-funding it and then paying back from the development that comes in due course, freed up by the infrastructure that enables that development to happen. The first examples were the tariffs proposed in Milton Keynes and Ashford, which are now being explored by other local authorities. Councillor Gates could talk about Surrey’s example, which is a slightly different approach. We have also drawn into the region substantial funding, from the Department for Transport and the Regional Infrastructure Fund, which, again, is about identifying critical infrastructure that needs to be forward-funded in order to free up development sites and can then be paid back from the development that takes place. The first schemes that we’ve financed through that are in Ashford—£15 million of investment in the roads, which will be paid back by the housing and business development land that is then developed. I think that the one that many local authorities are very keen to explore is tax incremental financing, which is a model taken from the United States. It is about enabling the tax generated by a new development to be hypothecated in advance to the infrastructure, which then enables that development to take place. I know that the Treasury are looking at a number of proposals for that, which have been invited by CLG. We have substantial help from the Government Office in trying to take those schemes through and make the proposition interesting to Government view in relation to CIL, which is a lot less complicated, but the problem is that this first needs to be evidence-based
and refers only to the infrastructure specifically required for that particular development. It is a development of the 106 agreement, which, of course, handled that rather well for roads; if you needed a couple of bollards you put it in 106. It does nothing whatsoever to deal with the large-scale infrastructure needs of an area or any infrastructure deficit that already exists. It is, even now, prone to challenge, so we don’t really have it. As for TIF, I think that it is a very difficult concept because, in theory, both Government and local government need the tax revenue to provide the services to service the development. If we have already spent it on something quite different, it becomes quite difficult. If I may put it at its lowest level—to collect the wheelie bins because we would normally have used the council tax to do that, but if it has already gone on infrastructure, how do we make up the deficit on an ongoing revenue basis? I don’t think that the case is fully made, yet.

Pam Alexander: If I could push it slightly further—the case has to be made absolutely in relation to specific circumstances, but, in principle, it is based on the assumption that you generate more tax if you enable the development to go ahead. Therefore, you are able to have tax that wouldn’t otherwise be available. That tax is what you hypothecate to pay for the infrastructure in the first place. I know that the Treasury is looking at a number of schemes based on that assumption—that you generate tax that would not otherwise be available. Clearly, it needs to be looked at in the long term, not just in the short term, as Councillor Gates suggests, in terms of future needs.

Q81 Ms Barlow: To move from the future to the present, the South East still has more start-ups and completions than any other region. How are developments that are going ahead managing concerns about infrastructure? Is there any evidence that the current economic conditions are forcing local authorities into accepting sub-standard schemes or are they being postponed? In other words, how are they going ahead with the infrastructure?

Pam Alexander: Well, many of the infrastructure requirements are not within the gift of local authorities; for example, a number of schemes are held up because of Highways Agency requirements, where it believes that the capacity of the roads is already exceeded or would be exceeded by the future development. Those are exactly the sorts of schemes that we have been trying to free up with tools such as the Regional Infrastructure Fund, the tariff system, or indeed section 106, where that is possible. We have no evidence that local authorities have been unreasonable on section 106 schemes if it has been possible to enable schemes to go forward by renegotiating them. Equally, I don’t think that we have any evidence that they have been renegotiated in such a way as to raise any worries about future infrastructure. I think what has been happening to keep the momentum up—if we look at the profile of the work that is going ahead—is that grant rates have been increased for social housing, which has enabled schemes that otherwise would not have been viable to wash their face and create the basis for going forward. That is obviously something that is not sustainable in the long term, which is precisely why we are worried about falling off a cliff edge.

Richard Gates: I would only say, with limited experience in my area of schemes that are stalled, they are stalled exclusively because of the current market. They are often mixed schemes, so we have a commercial element in addition to the housing element. It is probably more in that area where things have stalled. We think that things are moving, but that may just be developers being over-optimistic—I don’t know. There is no evidence that I can see of a planning authority approving a substandard development. I don’t think that that’s an option open to a local planning authority.

Q82 Ms Barlow: Can I just ask briefly how high is the level of interest that has been shown in the Community Infrastructure Levy in the region?

Pam Alexander: I think it has varied as proposals were discussed over the last couple of years. Initially, there was a great deal of interest. There has been some concern that it has become quite complex, and some worry that it is not necessarily going to produce all the opportunities that had been hoped for. There is also some concern that where section 106 has worked, if it is not available, the infrastructure levy may not necessarily deliver the same benefits. I think it is fair to say that views of it have changed over time.

Martin Tugwell: I think, just to reinforce that point, as the detail of the current scheme has become clearer, so the level of evidence and information required to set out and support a Community Infrastructure Levy has become increasingly complex and complicated. You can see that the response to that complication is that local authorities are working on a more informal basis, which can be more responsive and deal with the pressures now rather than dealing with a system that, if you like, having experienced the complexity of the local development framework and being faced with yet another process, that is ultimately very complex and difficult to implement. One can understand perhaps a reluctance to go forward with that too actively.

Q83 Gwyn Prosser: I want to turn to something that we have touched on earlier in the housing mix. I think most would agree—most of the evidence that we have had points to this—that we need more family houses. How will the higher density 40 dwellings per hectare impact on those ambitions? Will we be able to deliver three and four-bedroom houses at that density? Councillor Gates, do you think local authorities have sufficient flexibility and powers to influence the proportion of two and three-bedroom houses and their tenures?

Richard Gates: If we are looking at social, subsidised and affordable housing, then yes, we certainly have influence. Tenure is a different matter, whether it is social rented or intermediate. Again, in my area, to some extent we are looking to the market at the
moment. Rented is a much more attractive proposition for housing associations because people cannot afford the intermediate bit that they have to bring forward for their mortgage. We have a particular scheme going forward, with 100% social rented for different types of tenants. As far as density is concerned, it depends on how well you did—either on your LDF or on your local plan. Only that gives you the basis for refusing a housing development that meets PPS3 or the South East Plan target of 40 houses per hectare. Although, from a local perspective, we would much preferred to have seen a smaller number of larger houses, the developer—seeing a larger profit in a larger number of smaller houses—has taken our decision to the inspector, who said, “Look, chaps, this is the policy and therefore I allow that appeal.” That has certainly been our experience in a number of areas where development was appropriate, but we did not feel that turning a large house with a large garden into 40 flats was appropriate. Unless we had foreseen the issue some years in our local plan and been allowed to foresee it by the inspector, we don’t have the flexibility. You cannot make up that flexibility. It is wrong for the Government to say that we have that flexibility. You cannot suddenly make up an addition to your local plan, which says, “I shan’t accept 40 or whatever PPS3 might lead to.” It might feed into the LDF; although at the time of the local plan area, the inspectors who looked into it were very reluctant to allow what we call “low-density areas”, of which we have two—I am sure that other local authorities have similar plans—when development through the local plan is permitted only at a low density. As for 40 houses per hectare, that is a genuine problem in a policy sense.

Q84 Gwyn Prosser: I sense the reluctance to talk about constituting targets, but will developers meet the targets that are set down for social, intermediate and rented housing of the size that we are talking about?

Richard Gates: Our planning policy would cover the appropriate percentage of social housing that goes with the development of a certain type of house. Developers have no choice but to deal with that, and we have an influence over that side of the deal. But we do not have an influence over the size of the development that they believe is viable.

Martin Tugwell: If I may put flesh on what Councillor Gates has been saying, when we have worked with the Homes and Communities Agency to identify targets to deliver larger sized homes—typically those with three bedrooms or more—the Homes and Communities Agency can work with registered social landlords and housing associations to deliver them. We had a Regional Housing and Regeneration Board meeting this morning. We saw that, against the target of 25% of social, rented homes being three bedrooms or more, the current estimate is that we will hit 27% this financial year. On intermediate, against a target of 15%, we are just a bit shy of 13%. It shows where the policy framework at the national level allows us to give guidance and shape the types of development coming forward. Being the affordable housing sector, we can make a difference. The point that Councillor Gates is making is that we don’t have the same ability with the market sector, and that is reflected in the outputs that we are getting for the market sector at the moment.

Q85 Gwyn Prosser: Turning to affordable housing, all the anecdotal evidence that we are getting, certainly from Dover and East Kent, shows a huge demand for affordable housing at much higher than 35%. I accept that it is a policy issue, but would you support the idea of raising the 35% of affordable housing in developments?

Richard Gates: This is a matter that is debated because every local authority has that situation. Every local authority would like to provide more and subsidise more affordable housing, but the debate must be about at what point does a higher percentage cause no development? Is it a direct financial imposition on the developer. I am not on the developer’s side; I am merely pointing out the reality. You don’t solve the problem by saying that we will have 75% affordable houses, because there will not be a development that viably can allow the developer to give you that side of it. Indeed, in today’s circumstances, there is some evidence that a lower percentage would get you some, rather than none.

Gwyn Prosser: And that’s exacerbated by the recession, I suppose.

Richard Gates: Yes.

Martin Tugwell: I would just like to amplify that, if I may. It is important to understand the way that the market works. You cannot separate the delivery of affordable housing from the delivering of market housing; the two are inextricably linked. So we have seen, in the course of the recession, the benefit of Government funding coming in through the Homes and Communities Agency to maintain the level of affordable housing. Based on the most recent monitoring information, we are currently hitting around 29% of new houses being affordable houses, which compares with a target of 35% in the South East Plan. So the benefit of that investment from the public sector is clear to see. We can probably do more, but there is an issue about the level of funding that is available, which really reinforces the concern that we expressed earlier and in the submission. That is that we see the danger of heading towards what I might call a cliff, in terms of the level of public sector funding, and the consequences of that on delivery are likely to be quite significant.

Pam Alexander: If I might just say something; it is only in very recent years that we have expected social housing to be delivered through cross-subsidy from the private sector. One of the big advantages of that is that we have got mixed tenure schemes. In the past, when we had mono-tenure, whether it was local authorities, or indeed social landlords through housing associations, and before we required that mixed tenure to be such a major part of section 106 agreements, we were producing single-tenure estates,
and I do not think that any of us want to go back to that situation. So there is another issue, which is to ensure that we have the right mix of tenures within any development.

**Q86 David Lepper:** The age of the housing stock is quite a problem in our region, I think, both in cities like Brighton and Hove and in the rural areas. In terms of sustainability, retrofitting of that older property is obviously very important. However, from the evidence that we have heard so far, it seems that performance on retrofitting varies greatly, from one local authority area to another in our region. Would you agree that that is so? And if you do agree that it is so, is there anything that any public body—whether the Partnership Board or the Local Government Association or a Government Department—can do to improve that level of performance?

**Pam Alexander:** I think that it’s a bit tough to lay the performance charge at the door of local authorities alone, because we have the opportunity, through the procurement mechanisms that we have in relation to the socially owned housing stock—whether that is local authority or housing association stock—to drive down the cost of retrofitting. I am speaking personally now, but I see that as the biggest issue. At the moment, it costs a lot to retrofit, because we are doing it in lots of different ways and everybody is experimenting, and builders can then very reasonably say that the cost does not justify the expense and the market will not bear the cost. If we could get some critical mass behind retrofitting, that would bring the cost of it down. I think that that is what underpins quite a lot of the schemes that we are involved in regionally and nationally. We are looking at ways of producing retrofitting and linking it to the low-carbon objectives that local authorities are setting for their whole communities, to ensure that, as we go forward, we have a real critical mass of development. There are a number of schemes, which are partly driven through private sector renewal programmes, partly driven through the carbon reduction programmes that we have and partly driven through our objective that we should drive environmental technologies, so that we become world-leading in some of those technologies and create jobs and economic growth through them. So I think that there are a very large number of those schemes and we need to de-fragment them, to ensure that we get real critical mass behind them.

**David Lepper:** Mr Tugwell, would you agree with that?

**Martin Tugwell:** I would agree and what we can show is that we have evidence of where the public sector can provide leadership, driving home real benefit and dealing with the existing housing stock through the Regional Housing and Regeneration Board. There is a programme called the private sector renewal fund, which is working with local authorities in partnership and providing them with the funding to invest in improving the private sector stock. Interestingly, and innovatively, that is an investment that is then recycled. So, at the point that the house is sold on, the investment in the improvement is recovered by the public sector and reinvested. The experience that we have had with that work has been very positive. The partnerships have taken some time to get established, but now they are established across the region and are starting to deliver. We’ve also got examples of the partnership between the Leaders Board and SEEDA, such as the DeCReASE programme—Delivering Carbon Reduction Across the South East—where we are working with the Energy Saving Trust and the Carbon Trust to try and make real some of the opportunities. As Pam Alexander has said, that seeks to bring together the various funding pots into a single funding stream that could be targeted in a more effective way. One of the key issues is the skills required to deliver this, and the Partnership Board has welcomed the opportunity provided to take responsibility for producing the regional skills strategy alongside the regional strategy. We see that as being a real opportunity to make a connection between the skills required to deliver sustainable development, and planning for sustainable development.

**Pam Alexander:** If I may, we have funded a sustainable construction academy in the Thames Gateway, which will be a centre of excellence for skills in sustainable construction. That is alongside the Institute for Sustainability, which is going to run some substantial demonstration projects in Queenborough and Rushenden and in Dartford, with hundreds of properties to try and ensure that we demonstrate that this is achievable and can be done at scale. There is a real opportunity to leverage in funds from the European Investment Bank, through our smart cities network, for example, or across the “diamonds for growth”, which will involve a high proportion of the buildings that we are talking about needing to retrofit.

**Q87 Mr Smith:** Turning from the ageing housing stock to the ageing population, how aware and responsive do you think the region as a whole, and local authorities in particular, are to the implications of an ageing population? Are you aware of any systematic work being done on the needs of older people for varying sorts of housing, and how that is best met?

**Pam Alexander:** Well, one of the ways in which we are looking at it strategically is through our think pieces, which we have just been discussing within the Regional Partnership Board and with other stakeholders in preparing for the integrated regional strategy. One of the specific think pieces is about demographic change and the needs of an ageing population. It is being taken very seriously by all local authority members as well as all the other partners who have been discussing this. There is no easy solution, but there are some key issues to be discussed in terms of the types of housing we’re producing, how flexible it is to people’s needs through their lives and what standards to apply for lifetime homes, for example.

**Martin Tugwell:** There is a spatial dimension to be brought in here. While at the moment the highest proportion of our ageing population is located along
the coastal areas, if we look forward over the next 20 or 25 years, the greatest growth in the ageing population is going to be in and around our current growth areas. That is where we will see the biggest change in absolute terms over the next 20 or 30 years. That kind of differentiation is something that we will need to look at through the new regional strategy, and we will need to come to a view with the Partnership Board as to what the best way of dealing with it will be.

**Q88 Mr Smith:** Are you aware of any particularly good examples of the collection of data on need, and indeed the diverse preferences which older people have?

**Martin Tugwell:** Again, through the work on the regional strategy, we are working with forums, such as the Ageing Forum, and with colleagues in the Government Office to ensure that the information that they have access to is fed into the regional strategy. We want to make sure that, where there are existing knowledge bases or information that we can tap into, we will make that part of the evidence base that feeds in.

**Pam Alexander:** There is, of course, the work that’s done where local authorities offer incentives for older people who might want to trade down into smaller, more easily manageable properties. I am not sure that we co-ordinate that; it might be an interesting exercise as part of the work that we’re doing to look at the development of the regional strategy. Looking at it from a completely different point of view, we are also looking at what will change behaviour in the future—for example, telecare and the sorts of new ways in which we may be able to manage living with digital opportunities. Some of those could be very important in enabling people to stay in their homes longer than they may be able to at the moment, with new information technologies, new ways of managing medicines and all of the aspects of life that can be improved using new technologies.

**Q89 Chair:** Very briefly, because we need to move on, in response to the opening question, Ms Alexander seemed to suggest that there was a positive relationship with the HCA. Am I right to pick up on that? Is that how you feel about it? Do the rest of you feel that the HCA has made a positive or a negative contribution?

**Pam Alexander:** Yes, we find that the Homes and Communities Agency has moved rapidly, particularly for a new organisation, to identify how it can support and keep up the momentum of development in the region, particularly on key sites, working with the Government Office and us to identify the key sites with local authorities and keep them going. What worries us is that a lot of this has been financed by bringing forward funding rather than by new funding. It has been very flexible and imaginative in the way in which it has used it, but we worry about what will happen when the funding runs out. Secondly, the Single Conversation, which has been piloted in a number of parts of the region, has enabled us to look much more coherently and comprehensively at how regeneration and housing work together to improve communities. That has been good, too.

**Q90 Chair:** Is there any confusion between the Single Conversation areas and the Partnership Board’s sub-regions?

**Martin Tugwell:** Chairman, I don’t think there is confusion. I think it has been acknowledged and recognised throughout the South East Plan process that there are different geographies for different purposes, depending upon what you are trying to achieve. We have nine sub-regions for planning purposes within the South East Plan, and there are various partnerships that operate at different scales across the region to deliver that. I don’t think that’s inappropriate. It is actually very helpful to make sure that you have the right people around the table to deal with the delivery issues. Sticking with the delivery, the Partnership Board has been keen to ensure that the Homes and Communities Agency is an active and key member of the work on taking forward the regional strategy. That is why the Homes and Communities Agency was one of four national delivery agencies that were invited to sit on the Strategy Board that will oversee the detailed work on the new regional strategy. I have to say that the experience to date has been that HCA has been a positive and active member of that Strategy Board, as it has indeed been of the Regional Housing and Regeneration Board.

**Pam Alexander:** If I could briefly refer to a couple of specifics, we found the Homes and Communities Agency very helpful in taking forward some of the schemes that we would have found very difficult to prioritise and fund, such as the brownfield land assembly trust work that we have done. We are also working with it on a potential joint venture that would put our sites and expertise together with its regeneration funding and housing funding to try to take forward schemes together that we cannot take forward separately. We are very much hoping to get permission to go ahead with that.

**Richard Gates:** I’d just like to make one observation. It is not meant to be a negative one, but the HCA is quite a large landowner. I sometimes feel that, in terms of national policy, on the issue of—let us put it loosely—Government-owned land and what should be done with it, we as a local authority can take the policy decision that our land will be used for 100% affordable housing. We forgo, perhaps, the commercial value of that land, but that is part of the decisions that we take. I am not suggesting that all municipally owned land should have that policy behind it, but it’s a thought.

**Chair:** Mr Lovejoy, have you anything to add?

**Paul Lovejoy:** Only to highlight some specific collaborations that we will take forward with the Homes and Communities Agency and, indeed, the Government Office in the face of the downturn. The first is a session bringing together us as agencies and the leading developers in the region in the autumn of 2008 to make sense of the substantial downturn as it was striking. We will follow that through with work through the National Economic Development...
Council, led by the Regional Minister, and a subsequent event to look beyond the crunch. In all those arenas we have found the Homes and Communities Agency and the Government Office to be very active in helping to ensure that conversations take place with the construction and development industry to make sense of conditions that are without precedent and to start considering the new and different models that will emerge beyond that. That is a good example of Government agencies collaborating and helping to spur that thinking, and of looking ahead and thinking through issues in anticipation of them arising. 

**Chair:** Good. Thank you very much for your evidence, and for the work that you are doing in the region. Keep it coming.

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**Chair:** Welcome. Jonathan, there is no need for you to introduce yourself unless you want to do it formally for the record. Perhaps Mr Laxton and Mr Ewing would do so.

**Matthew Laxton:** I am Matthew Laxton, Head of Service for Housing and Planning at the Government Office for the South East.

**Howard Ewing:** Good afternoon. I am Howard Ewing, the Deputy Regional Director of the Government Office for the South East.

**Jonathan Shaw:** I am Jonathan Shaw; I am Minister for the South East.

**Chair:** Welcome. Can we start with questions about housing numbers in the South East? First, I wish to clear up some confusion in the evidence that we have received. DCLG figures suggest that annual completions in the South East have been below 32,000 a year since 2007–08. In your evidence, it appears that the number of completions has been above 32,300 since 2006–07. Which is it? Do we have fewer than 32,700 being built or more?

**Matthew Laxton:** Matt, will you answer that?

**Matthew Laxton:** We have an agreed figure, which is reconciled from the annual monitoring reports from local authorities. That comes in at 32,300 a year over the last year. There is a slight difference between completions and net additional dwellings, which is what we measure. That could include not just new-built houses but conversions and changes of use. There are about 4,000 changes of use and conversions, which takes us to a 32,300 figure.

**Chair:** What was the reason for the disparity between the figures? Was it difficult to add them all up because different types of property are included in the figures?

**Matthew Laxton:** There is a difference between a completion and a net additional dwelling: completions are an element of that, but there is also the point that it is often quite hard to measure when a house is completed. Is it when the last tile goes on the roof or is it when it is certified and so on? Some of the information comes in at a slower pace, and you have to make it clear that some of the figures are provisional. The one figure that we agree on is the one from the Partnership Board, which is the reconciled figure from annual monitoring reports.

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**Chair:** It is no secret that there has been a series of arguments in recent years about the figure we should be aiming for in the South East. Should it be higher? Should it be lower? We have the current figure that is in the regional plan. We had the figure in the Barker report. NHPAU has estimated that we need to go even higher, perhaps even as high as 58,000 completions a year. Can you give me a sense of whether you feel that we are at the right figure now, and how you thought the regional plan process worked? How would you change it in the future, if we had to revisit that figure?

**Jonathan Shaw:** The starting point is to remember that around 200,000 people are identified as in housing need, on the waiting lists across each and every council in the South East and in some areas the numbers have risen. Those are the people who have been identified using pretty strict criteria. Behind that, in a population of more than 8 million, there are youngsters trying to take their first step on the housing ladder and families reconstituting and changing. Also, we all know only too well of the demographic change that is happening, not just in the South East but across the country. So, the population is changing, and the housing waiting list numbers are just one indicator of the need to provide more homes. We have settled at this figure of around 32,000 per year from 2006, and of course there will be a review process during the period. We don’t know what life will look like when we get to the end of that 20-year period—what the circumstances will be—but we need to ensure that there is a proper process in place and that that 200,000 figure is not increasing but decreasing. This is not just about individuals and families; it is a vital component of the previous inquiry that the Committee undertook, on the economy. It relates to the fact that businesses can’t get affordable places for their workers to live in, to the construction industry, which is a vital part of our economy, and to the number of jobs in related industries that depend on a thriving, vibrant housing market.

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**Chair:** So, if it turns out that as a result of the recession we miss this figure of 32,000-odd for a year or two, do you feel that that will lead to a build up of need that we will need to surge ahead to meet in the years that follow, or will we just go back to the 32,000-odd a year?
Jonathan Shaw: Well, it’s 32,000 a year over that 20-year period. There are bound to be peaks and troughs in the economic cycle, but our determination to see starts and completions is borne out by the proactive approach that the Government have taken. One example that you will be familiar with is Kickstart, which has meant hundreds of millions of pounds being spent supporting the construction industry to get mothballed developments back up and running, together with a number of other measures that we can talk about. Rather than 32,000, I think that from April to December last year we were looking at around 18,000 completions. That is obviously below the figure, but if you compare it with other regions, it is pretty favourable.

Q95 Chair: Is there a predominance of one or two-bedroomed flats in what is being completed at the moment? Where there is such a predominance, is it meeting a real housing need or driving a market in second homes?

Jonathan Shaw: There is obviously a market for flats, and it is for local authorities to determine the detail of what they want to see within their local development plans. But we have seen a plentiful supply of flats in some areas, and the demand is more for family housing. We know that developers that have permission to develop flats are returning to planning authorities and asking for those plans to be revised from flats to housing.

Q96 Chair: Is there any sense that, with so many flats being built in London and property being very expensive, people who want to find family accommodation are being driven out of London into the South East, and that it’s taking up the family accommodation that would otherwise be taken by people who were already living out in the wider region?

Jonathan Shaw: The London and South East economies are, obviously, inextricably linked. I have a large number of commuters leaving from the Medway towns, like many colleagues sitting around the table. There are very considerable demands for housing in London. People move out of London for a variety of reasons. It’s generally, I think, what you’ve referred to. When people want to have a family, they’d rather live in the countryside than in the city. That’s the challenge for us in terms of planning, because we want people to live in cities and to bring up their families there, to have a mix of socio-economic groups. Getting that right is always a balance. Sometimes the market will force the pace, perhaps in one area where we’d like to see a more desirable balance. It is something that we need to be alert to.

Q97 Chair: What about the drive for density? Is there any sense that, with so many one-bedroomed flats being built, people are developing monotype communities?

Jonathan Shaw: I think that one can find examples of best practice in each of our communities. You have higher density. You’ll have a mixture of flats and family housing—all of it is market housing; some of it is rented housing—detached houses and terraced houses. Good design can accommodate all of the above rather than creating communities of one particular type, income or style, whether it’s flats or houses. I think that’s why good, proactive planning, pre-planning advice and the relationships between developers and the planning authorities are essential.

Q98 Chair: In retrospect, I probably should have asked this question of the last witnesses as well. Since you mentioned the inextricable link between London and the South East, when the regional plan is being developed, is there any discussion with the people developing the plan for London about the common interests that we in the South East and London have, particularly in terms of how a planning policy or housing development policy in London is bound to have an impact in the South East?

Jonathan Shaw: I’ll see if I can find some inspiration from my two colleagues here.

Matthew Laxton: Within the Local Democracy, Economic Development and Construction Act 2009, there is an obligation on adjoining regions to work with each other and to have regard in their plans for the needs of their neighbours and their regional strategies. There are also various inter-regional forums which explore how, for example, the London Plan impacts on the South East, the East of England, the South West and so on.

Howard Ewing: If I can add to that, one of your previous witnesses mentioned the Regional Housing Regeneration Board, which met this morning. One of the issues on the agenda of that Board was the London plan. It was the South East taking a view of the proposals in the London Plan. There are mechanisms both while the plans are being made and while the plans are being implemented for the regions to get together on those.

Q99 Chair: Are there any discussions at Government Office level between the various regions?

Howard Ewing: Yes, the Government Offices keep each other very closely in touch. That goes beyond London, for example. We in the South East have a very close relationship with the South West, and also to the north with the East Midlands and the Milton Keynes/South Midlands region.

Q100 Chair: Regional Ministers have existed for less than two years, so you probably haven’t had an opportunity as Regional Ministers to—

Jonathan Shaw: It is more than two years.

Chair: Is it?

Jonathan Shaw: It is getting on for three. It seems like yesterday.

Q101 Chair: In that case, why haven’t you—[Laughter.] I was giving you a way out, but you wouldn’t take it. Have there been any discussions between Regional Ministers about the impact of regional plans on each other?
Jonathan Shaw: We certainly meet on a regular basis and recognise that there is a need for more cooperation and more understanding of the impact of both housing and economic plans. We have certainly discussed housing. There hasn’t been a discussion about particular housing plans for our respective regions. Perhaps that is something that we need to do more of.

Q102 Gwyn Prosser: Everyone accepts the need to have an infrastructure in place in order to support growth. With that in mind, how successful in your view are the 106 agreements? Are they working, and are they applicable to schemes large and small?

Jonathan Shaw: I think they are working. If you take “small”, we could do more to provide information to the existing community about what they’re getting for a new development that’s taking place on their doorstep. That might be routine infrastructure, such as a new roundabout, or additional road widening and so on, which people might not necessarily immediately associate with that. I think it’s about providing information, but there are other examples. In my area, a park has been built as a consequence of a new housing development, so the local community can see a very clear cause and effect and a net community gain arising from the housing development, but we need to do more. The local development framework provides the opportunity for that to happen, and for discussions with local community groups. On reflection, I think that there could be better advertising of what community infrastructure communities have benefited from under section 106. In terms of the biggest, we’re putting huge investment into the South East infrastructure network. To mention a few examples, there is £371 million for the Hindhead tunnel, which is going to be the largest road tunnel in the country. It is a massive investment, with the implicit support and advocacy of all local authorities in the South East. That is not to mention a train that you can get 19 times a day to Dover. I can’t think of anywhere I’d more like to go to 19 times.

Chair: Except Ramsgate.

Jonathan Shaw: You’re bound to say that. That is a not insignificant £3 billion. More to the point, there are schools and hospitals, as well as other public services, in which we have seen investment, so I don’t think that it’s a fair or reasonable criticism that there hasn’t been investment in the South East.

Q103 Gwyn Prosser: Perhaps we could have a separate meeting on the high-speed train to Dover. Putting that aside for one moment, what about areas like Thames Gateway, where they’re being encouraged to build large numbers of flats? How do we secure infrastructure in those circumstances?

Jonathan Shaw: I am sorry to mention the train again, but we have a train station there that is certainly not at capacity. The high-speed link is not anywhere near capacity at the moment. That infrastructure has been put in. Obviously, we’ll see a huge development at Eastern Quarry, and the Dartford-Gravesham area will come on stream. It’s important that we get the balance right between flats, which many people want to live in, particularly at the beginning of their life of living in a property, and family housing. That’s going to be essential for supporting the businesses that are there and that will continue to grow around that area.

Q104 Gwyn Prosser: There’s always going to be tension, isn’t there, between what the local authority wants in terms of infrastructure via section 106, and what the developer is prepared to contribute?

Jonathan Shaw: I think that’s right. A lot of authorities have recognised, in the recession, that the values of property haven’t been and—for the time being—won’t be as much as originally planned, so the ability of that developer to make the contribution that once was promised has to be either delayed or revisited. The finance has to stack up for the developments, otherwise they won’t take place, and we’re back to our 200,000, which I spoke about at the beginning. I have spoken to a number of developers who have sat down with authorities that want to see the development happen because of the housing need, and the benefits derived from the community infrastructure arising from that development, and they’ve said, “Okay, we’ll get on with it and we’ll delay what we want for a few years, recognising the current housing market.” Others have perhaps been able to scale down some of their ambitions on the basis that they want to get going with it. Others have not been willing to do so.

Q105 Gwyn Prosser: And others come to almost an impasse, whereby the developer is saying, “Well, this scheme under your requirements is no longer viable.” The decision is whether to abandon it or build something substandard. Would you accept that authorities should take the latter route?

Jonathan Shaw: No, I don’t think that we should be building in a substandard fashion. There have been some reports in the press about Kickstart, and things have been said that we totally refute. At the beginning of the recession, there were suggestions that we should downgrade environmental standards. That would be such a false economy, because developing high environmental standards for our housing is vital to developing the materials and products for the future. That is not just about building good homes for people that are efficient to live in, in terms of heating. It’s obviously to do with CO2 and climate change: 24% of emissions come from our homes. It’s also about making the products and materials with which we can be at the cutting edge. That’s why we’ve got eco-towns. There’s been an announcement today about a further two, which we can perhaps come on to later.

Q106 Gwyn Prosser: The Committee’s received mixed reviews in respect of the community infrastructure levy. Some are saying it’s too early to judge, and others are saying it’s not really working. What’s your view? How much interest have authorities and developers shown in the levy?
**Jonathan Shaw:** I think that they have shown a lot of interest. Perhaps Mr Ewing can provide some further detail.

**Howard Ewing:** It is too early to say, in the sense that the scheme has not started yet. I think it’s coming in from April. There’s been a lot of consultation with the industry and with local authorities over a number of years, trying to establish how best to get—for want of a better expression—planning gain from developments. The community infrastructure levy is going through Parliament and should be coming in April. We’ve been talking privately to a number of authorities about the possibility of going early on this and about how we might help them, so that they can perhaps get a few exemplars on the table, as it were, for other authorities to follow, and so that they can spread best practice. I think that is some of the evidence you heard previously there was mention of local development frameworks and the complications around those. We’ve learned quite a lot of lessons from LDFs, and we’d hope to apply those lessons to the introduction of the community infrastructure levy.

**Q107 Mr Smith:** You referred earlier, Minister, to the huge unmet demand for affordable housing across our region. Is this something we’ve just got to live with, or do you think we can improve performance?

**Jonathan Shaw:** It’s not something we can just live with. Of course, some of the affordability issue is about supply and demand. That is relevant to most of the communities across the South East, particularly in Oxford and Oxfordshire, so it isn’t something that I am happy to live with. We need to ensure that there is supply, not just of market housing, but of mixed-tenure housing and rented housing, both from housing associations and, more recently, as a result of council house building.

**Q108 Mr Smith:** In terms of what we do now, what is your view on whether the 35% proportion of affordable housing ought to be increased for every part of the region?

**Jonathan Shaw:** Obviously, local authorities are in a position to be able to make judgments about the percentages that they want. Across the board, 35% seems a reasonable balance. It is something that we should, of course, keep under review. Indeed, many authorities will, for particular developments, set a far higher yield. It is important that we get the balance, in terms of ensuring that the overall envelope stacks up for particular developments and private-sector developments.

**Q109 Mr Smith:** To ask the question the other way round, are you aware of whether, to any extent, the requirement to have a proportion of affordable housing is, in the current economic conditions, slowing down the supply and thereby depressing the number of affordable houses you actually get?

**Jonathan Shaw:** I think that we are seeing a higher number of social housing being built, with £1 billion in the last couple of years being spent on social housing, and we are actually seeing a transfer, with market housing developers partnering up with ourselves and housing associations to keep the housing and construction industry going. What is really important is that we retain the infrastructure within the business—the skills. In previous recessions, we saw a drying up of those skills. We want to be in a strong position when the recovery comes. We want to be able to see the tap turn, and we want the flow to be far greater than it is at the moment. It has not stopped. There were 18,000 completions in the period that I referred to earlier, and we are doing important and imaginative things, such as requiring the recipients of Kickstart to have apprenticeships. The money loaned by the Government has strings attached, and that includes apprentices. I think that would have universal approval, in terms of what that public money is trying to do.

**Q110 Mr Smith:** In terms of the availability of family housing, do you think the Government need to do more to increase the supply of family housing? I am harking back to a question that was asked earlier. Do you think the density, and the target of 40 dwellings per hectare, is limiting the region’s ability to provide family housing?

**Jonathan Shaw:** As I said, that is about imaginative design. I have seen high-density housing mixture—a mixture of flats, detached and terraced housing, and social and private market housing—work. I think that is what local authorities need to look to for the best examples. That is part of the job of the Homes and Communities Agency. It isn’t about buildings; it is about people and communities. Some of our finest historic housing has a very dense basis—one thinks of the Royal Crescent in Bath. Other examples will come to the minds of colleagues. It is about good design.

**Q111 Mr Smith:** Do you think local councils have got enough flexibility and powers to influence the housing mix, tenure or—to take your last point—design of housing in their area?

**Jonathan Shaw:** The fact that it’s happening, and that they are doing it well, would lead you to say, “Yes, they can do it.” There is now more drive to look at design—not just at the way that buildings look, but at how they are built and the materials that are used—whether we are talking about new environmental standards, the codes or working with our Homes and Communities Agency and, obviously, CABE, which does important work to promote best practice.

**Howard Ewing:** I was going to illustrate that with an example for the Committee’s benefit. Last week, the Minister visited a housing estate in Gosport in Hampshire called Rowner. That is one of the worst estates, if not in England, then certainly in the South East of England. It was formerly owned by the Ministry of Defence, and it was housing for the Navy. It was then transferred to the private sector, and the private sector landlords weren’t really
interested. There was a mix of social housing and private sector housing. The Minister swung a crane and started to demolish it last Wednesday. That has been after a huge amount of effort from a number of partners. My point in mentioning it is that currently there are 500 units on this estate that are pretty shoddy and pretty dreadful places that none of us would want anyone to live in. They are being replaced by 700 units of mixed family housing of high-quality design. There are one-bedroom flats and two-bedroom flats, but there are also terraced family houses in there. The impact of that on the community is quite extraordinary. There is a strong community spirit, and they can now see that something is happening to improve their conditions, but in a well-designed and high-quality way.

Jonathan Shaw: So there will be more people living in houses tomorrow than there are today. Importantly, you’ll find a fantastic new youth centre and a wonderful Sure Start centre as well. The infrastructure is in place and there are more houses and fewer flats.

Q112 Mr Smith: So you’ve just got to wave that wand everywhere you go?

Jonathan Shaw: Ball and chain.

Q113 Chair: Before we leave the subject of affordable houses, so we don’t have to come back to it later, the HCA has a target of 10,000 affordable houses a year. Your target is 11,300. Why is a Government agency setting itself a target that is lower than your target?

Howard Ewing: The target in the South East Plan is 35% of the 32,000-odd over a period of 20 years. The HCA’s target is for a much shorter period. It is over a three-year period, I think, and that is to do with its financial settlement. There are also affordable houses, as have been seen, in the latest annual monitoring report, which are delivered without grant. So there is a mixture there. I realise that the two numbers are different, but they are not incompatible. One is a spending-related target of the HCA over a short period and the other is a longer target.

Jonathan Shaw: Chairman, this is where two numbers are different, but they are not incompatible. One is a spending-related target of the HCA over a short period and the other is a longer target.

Q114 Chair: But if the NHPAU is correct, the number should be around 15,000, so even the Government’s number is going to have to go up. So if it is currently setting itself even a short-term target that is lower than the Government’s target, it may have to go some in later years even to get close to meeting the need for affordable housing. Is it being less ambitious than it ought to be?

Howard Ewing: I think the HCA is very ambitious and has a great record of delivery. The NHPAU has set out some ranges which it wants regional partners to test in developing regional strategies. From memory, the South East range is something around 38,000. That is very much a range and that is not something that the Government are saying is right.

Q115 Chair: No, I accept that that is not a Government figure yet, but if they turn out to be right that is the need in the South East, then there are many people who would suggest that the real figure will be in that region. Then, the number of affordable houses has got to be a lot higher even than the Government’s assessment, never mind the HCA’s assessment.

Howard Ewing: I think that’s inevitable with the demand for affordable housing and also given the fact that we are going for a proportion of all houses being affordable. So the figure of 35% will increase in numerical terms if the overall number goes up.

Q116 David Lepper: It is great to hear about the new development with the youth centre and the Sure Start centre. Can we think about the ageing population as well? I say that, because a number of witnesses have suggested to us that current policy is not really taking into account the needs of an ageing population—indeed, the changing needs of an ageing population, who might not want quite the same kind of home or environment as their parents or their grandparents wanted. I just wonder whether any body in the South East region is actually gathering evidence and conducting research into the housing needs of the current older population, and of the older population of next year and the next generation.

Jonathan Shaw: Within the new planning regulations and building regulations, we will look to have more lifetime homes, for example. And you are right—we are an ageing population. I referred to that in my opening answer to the Chair. That is something that we must take account of and we must have a more innovative approach to providing the type of housing that people will want, in keeping with our higher expectations and different expectations. People now do not want to see themselves as automatically going into a residential home. That changed some time ago and I also think that fewer people want to go into sheltered accommodation, which is perhaps the stage back from that. However, I think that we have seen the development of housing schemes that provide a degree of support and a degree of social interaction between residents, as well as allowing people to remain independent. That sort of balance seems to provide the type of choice that people want. I have visited new community developments. I am just thinking of a rural community development that I visited in east Hampshire not so long ago. It had a mixture of different types of homes and, as a consequence, different generations. There were people with some disabilities and there were many people without disabilities. There were families too. That is what communities are about; they are not about one particular type of person with a particular type of income. Communities are more balanced than that.

In terms of collating the demographics, yes, of course, we all do that, in order to make an assessment about the projections of the type of numbers that we will need going forward. So, we absolutely take account of that information.

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1 The NHPAU’s housing supply range is from 38,000 to 53,800 dwellings per annum.
Q117 David Lepper: The Royal Institution of Chartered Surveyors suggested in its evidence that the poor design of some homes, particularly those aimed at older people, was discouraging people from shifting from larger family homes, which are perhaps now too big for them, to smaller homes. RICS was saying that those smaller homes are poorly designed. Would you agree with its evidence? Is that a problem that needs to be addressed?

Jonathan Shaw: We want to see good design—good design that will produce product, that will sell, that people will want to buy, and that will offer people a home that is conducive to their lifestyles. Typically, someone who has retired will want it to be energy-efficient—nice and warm, but not too expensive to heat. That would be an important thing. They will want the accommodation to be adaptable as the years go on, so that means looking at simple things such as doorframe sizes or whether bathrooms can be adapted to wet rooms—that type of thing. There has been and is considerable focus on our ageing population in the care services debate. That is to be welcomed, because we know that the more planning and preparation that both the individual and society can do, the more desirable and pleasant the lives that people will be able to live in older age.

Matthew Laxton: Part of it stresses the importance of local planning authorities doing complex Strategic Housing Market Assessments, in terms of the other needs of their communities, because the needs will vary from place to place, depending on demographics and on the needs of the ageing population. That population is a very diverse group of people, so that what they want in one area is not necessarily the same in another. We have the Strategic Housing Market Assessments for a reason, and that is part of it, to find out what our local communities need and what we should be providing going forward.

Q118 David Lepper: And do local authorities have sufficient power, having done that work, to influence the decisions about what is and what isn’t built?

Howard Ewing: It is a very important part. We encourage local authorities to pay particular attention to design in the way that you outlined at the beginning of the question. It is really important. They have a key role to play, both in setting the terms of their local plans but also then in looking at the individual planning applications. They can do that not just in a passive way but by working with developers up front, so that there are no surprises on either side. So, if the developer is developing something that a local authority might not find suits its local needs, the sooner that is known the better.

Jonathan Shaw: Certainly the example that Mr Ewing referred to at Rowner was like that. The developer, Taylor Wimpey, saw itself very much as part of the Partnership Board, working alongside residents, the local authority and the agents employed to bring the whole development forward. The developer made changes and listened, which is a far more stimulating way of working. What arises from that is that the developer can see the opportunities to add value or take on apprenticeships—that type of approach, of being proactive and engaged. The downturn has meant that Government, local government and the HCA have engaged with the industry in a far more proactive way—not least because, obviously, we have been able to provide financial assistance to getting building developments started under the Kickstart programme. I think that that will bear fruit, not just now but in the future, the more that we can work together and harness our energies, for the outcome whereby the community and customers, whether buying or renting, will be satisfied. Delays or the prospect of delays can recede if there are better relationships—that does not mean to say collusion or that due process is not happening.

Chair: Before your question, Celia, is there anything that we can do about the echo? Everything that the Minister says is worth hearing twice, but I can do without hearing it three seconds after I’ve heard it once.

Jonathan Shaw: I have just noticed that my microphone was turned away from me—is that better? It’s not just me then.

Q119 Ms Barlow: John Healey has said that it could be that the UK could take up the more European model of renting instead of owner-occupying. Would you agree that we are obsessed with home ownership, and should we be concentrating more on the private and public rented sectors? We talked a lot about the public rented sector.

Jonathan Shaw: Within British culture, there is a desire for property ownership, and I think that we meet that each and every day in our constituencies. However, I think that the choice of not having somewhere and having somewhere should not rest on whether you buy somewhere or rent somewhere. Renting is perfectly desirable and meets needs and aspirations, and it should be seen more as something that people across the socio-economic spectrum do—not, as it is perhaps sometimes characterised, as just for people who are less well off. It would be highly desirable if rented accommodation were seen as something for people from all walks of life to aspire to in a similar way that they aspire to home ownership. If that is what you’re getting at, I don’t see any problem with it, and I think that if we had more, that would be a good thing because it tends to involve higher turnover. Perhaps that would assist with availability as well. I don’t feel any great desire to refute what my colleague has said, but I recognise the desire that constituents have to own their own home. That is something that we as a Government have promoted: there are 1 million more home owners than there were when we got into office.

Q120 Ms Barlow: To extend that, obviously John Healey has recently done quite a lot for HMOs, which are dear to the heart of several of my colleagues, but do you think we’re doing enough to create a large enough private rented sector for those who would not, could not, or have aspirations to but
cannot yet, own their own home? Obviously, there is
shared ownership, but this is more about owning homes than private renting.
Jonathan Shaw: I don’t think that the private sector
housing market has developed a great deal in recent
years. Of course, the march has been to home
ownership, for reasons that we all know and
understand. I think that rented housing can and
should be an important part of the supply. Could we
see an increase in it, and would that be desirable?
Yes.

Q121 Ms Barlow: What about community land trust
co-operatives? Should they be a strong part of future
housing delivery?
Jonathan Shaw: I think that when you see land that
is a part of a service delivery where people have to
pay for services in communal areas, you will see
examples of good practice and poor practice. I can
think of some in my own constituency. There are also
elements of such circumstances allowing the
employment of local people, retired people, actually
doing some of the gardening and jobs being created
for youngsters. That is not community land, but it is
allied to the community being involved and having
some ownership. Community land banks have
certainly been on the agenda, particularly in rural
areas, to address the housing shortages in those areas. That is particularly felt in the South East. We have
a figure of an additional 10,000—or is it 100,000? I won’t bore you with stats. John Healey
recently announced a figure in terms of increased
resources for housing in low populated communities
where building two, three or four properties a year
can make all the difference to those families who
have lived in those small communities all their lives,
but who cannot afford to buy a property in parts of
the South East because it is just beyond their reach.
If they have to leave their communities, those
communities will be deprived of children going to
the schools and people using the public amenities,
and so on. We are trying to deal with that problem.
I hear some figures coming down the line.
Howard Ewing: The Government recently
announced a challenge fund for rural
masterplanning. Rural housing is a very big issue in
the South East. People don’t always think of the
South East as having such a large rural population,
but it has.
Jonathan Shaw: The figure is 82%.
Howard Ewing: Seven bids were put in from the
South East, and we were grateful that they were
successful. I am talking about Shipway, the Isle of
Wight, a couple in Hampshire-East Hampshire and
Winchester, South Oxfordshire, the Vale of White
Horse and Milton Keynes. That is money to allow
people to plan better for rural areas. All tenures are
important in addressing housing needs. The private
rented sector has not developed in this country in the
way that it has in others. From memory, the pre-
Budget report announced some pilots that HCA was
working on to see how it might help the private
rented sector to develop. Previous witnesses referred
to “Beyond the Credit Crunch” last year—or
perhaps the year before. It was a piece of work that
was done in partnership across the South East with
the RDA, ourselves and others. One of its
conclusions was the greater role that the private
rented sector could play. The trick, of course, is how
we achieve that, but it is certainly something that is
very high on the agenda. Similarly, issues such as
community land trusts, as the Minister said, have
been around for a number of years, but they seem to
be a difficult nut to crack.
Ms Barlow: Thank you. Let us jump to another part.
Chair: Before you go on, I want to encourage you to
be a little bit briefer, as we have three more sets of
questions that we want to get through, and we don’t
want to delay you too long.

Q122 Ms Barlow: This is a completely different issue,
but do you think that the target for all homes to be
zero-carbon rated by 2016 is achievable?
Jonathan Shaw: We’ve got to set the bar high, not
just for our need to meet our Climate Change Act
targets, which are hugely ambitious; with that come
all of the future jobs that the Prime Minister
frequently refers to. We want to be at the forefront
of designing materials and products for those homes
not only to use them here, but to export them as well
the knowledge. That is why we also have Eco-towns,
which will provide an opportunity to build large
communities using the very latest technology. That
will drive innovation and the new green construction
dependent jobs, and industry-related products. We have four
Eco-towns in the South East. I have visited one of
them recently and spoke to people in Bicester. That
is 5,000 homes, so it is a large development.
Ms Barlow: So, yes or no?
Jonathan Shaw: Absolutely.

Q123 Ms Barlow: Also, on existing housing, what
are the targets for reducing emissions on them, and
do you think that there is a greater need for resources
to go into making existing housing stock more
energy efficient?
Jonathan Shaw: We have very old housing stock
across the country, and the challenges for retrofitting
in the UK and the South East is considerable. You
will know of the resources that we are making
available through working with the energy
companies and incentives for industry. We have a
press release fresh off the printer.
Howard Ewing: The “Greener Homes” strategy was
announced recently by the Government on 2 March,
I think. It set out the targets and some of the ways
that they will be met, or rather some of the sources
of meeting the targets. The detail has yet to be
developed and there will be more to come. That
strategy sets out how the targets for existing stock
will be met.
Jonathan Shaw: We have been doing a lot, as you
know Celia, on the Warm Front initiative and 2
million homes have been assisted.

Q124 Mr Smith: I have couple of questions on the
green belt. What do you say to those who say, “We
don’t need selective reviews of the green belt
because, in terms of planning permissions and land
already allocated out there with eight years’ supply,
there is no evidence that the green belt has constrained housing supply, so we don’t need selective reviews.”?

Jonathan Shaw: I am very aware, Andrew, of the particular discussions and debates within your area. Obviously, there is a legal challenge to the development to the west of the city, and you would not expect me to comment on that specifically. We’ve added some 2% to the green belt. Local authorities need to look at their housing demand and land. You know that around 60% of houses now go on to brownfield, but we are committed to protecting the metropolitan green belt. We think that there is sufficient land to be able to do that.

Mr Smith: But you support selective reviews, where they are necessary.

Jonathan Shaw: We have reviews from time to time on many aspects of Government policy.

Q125 Mr Smith: One last question: on the environmental assessments, where the selective reviews were embarked on, whose fault was it that they were inadequate?

Jonathan Shaw: I’ll pass that one over to Mr Ewing.

Howard Ewing: This is a question that has already been passed on by the previous witnesses.

Mr Smith: So you are prepared with an answer.

Howard Ewing: Yes. As the Minister said, there are challenges currently being dealt with by the courts at the moment on this particular issue, so it is difficult for me to talk about the specifics.

Mr Smith: But on this one, the Government have already accepted that the assessment was inadequate.

Howard Ewing: I am going on to answer your question, but by way of illustration—

Chair: Can I just clarify that this is not a matter that is before the courts at the moment?

Howard Ewing: It is.

Mr Smith: No.

Chair: You are talking about the general, not the specific.

Mr Smith: My understanding is that the objection on grounds of inadequacy of the environmental assessment has been accepted by the Government and another environmental assessment has been embarked on.

Howard Ewing: We are currently negotiating with the people who have taken the challenges.

Chair: Can I ask you to answer in general terms, not in the specifics, otherwise—

Howard Ewing: I was attempting to answer in relation to another case, which has been settled through the courts. That was the case of the East of England regional spatial strategy, which pre-dated the South East of England regional spatial strategy. When the sustainability appraisals were being done for the regional spatial strategies, the Government’s view was that the appropriate level for them to be done depended upon the spatial level, so the policy at the time was that they were done in an appropriate way for the regional spatial strategy. During the development of the East of England’s spatial strategy, there was an ECJ case that said that it had to be done at a lower level, which meant that the East of England environmental assessment and sustainability appraisal were challenged in the court.

The court ruled in favour of the challengers, which is why they had to be redone. That was going on throughout the South East of England plan process when that was going through. In a sense, we were learning as we were going because of changing case laws.

Mr Smith: Lessons have been learned for the future.

Howard Ewing: Absolutely. We will make sure that that is done appropriately for the regional strategy coming forward. I understand that the East of England one has been repaired, and now meets the requirements.

Q126 Gwyn Prosser: Minister, in the course of our evidence sessions, we’ve referred to all sorts of bodies that have been involved in housing. We’ve had all sorts of funding streams referred to—we’ve heard a few more of them this afternoon, such as Kickstart and the Government’s housing pledges for council house provision. Individually, we are celebrating each of these funding streams. What is your view? Is there a danger of overlap and confusion? Shouldn’t we have taken a more rational and centralised approach, rather than building up these layers and layers of providers and funding streams?

Jonathan Shaw: The picture has become fuller since the recession, because we’ve attempted to deploy a number of different initiatives to meet some of the problems—whether at the extreme end of the mortgage rescue scheme, where someone’s house can transfer from their own ownership to that of a housing association; putting in place money to assist with Kickstart, to which you have referred; or having a stake in Homebuyer Plus with developers, where there is a stake from the state and the individual. You can characterise it in a way and say that it is a crowded field. However, what we found with those schemes, particularly when we are working with developers—they are experts at selling products; that’s what they do well—is that the products have been sold. Kickstart has been understood by the industry. It is not a grant or loan to the local authority and then on to the industry—it is direct to the developer, but, obviously, we keep the local authority informed. Some of the initiatives will recede. Regarding other things that we have done, the most important one is reducing the time in which people have to wait to have their interest paid on their mortgages. It used to be 30 weeks, and the recession response—part of the fiscal stimulus—was to cut it down to 13 weeks. We put lawyers in the courts to assist people. All that has meant that the Council of Mortgage Lenders’ forecast has been downgraded by about 25,000 home repossessions. You can paint the picture that there is a crowded field, but look at the outcomes, which have the desired effect.

2 The Government’s target is for 60% of new development to be on brownfield sites; currently, around 79% of new development is on brownfield sites in the South East.
Q127 Gwyn Prosser: Lastly, we have had evidence from the local authorities outside the region, which talked about pressure coming on to their budgets and infrastructure from the movement of people who are still working in the South East but living in the South West. Is that a problem for the Minister for the South East, or the Minister for the South West?

Jonathan Shaw: Perhaps, going back to the earlier question that the Chairman put, the role of the Regional Minister is evolving. It has been my pleasure to be in that role for the last three years. There will be greater tie-up between Regional Ministers in the future. Certainly, we’ve worked together in a way we haven’t done before since the recession began. Each and every one of us has an Economic Delivery Council that involves the private sector, the public sector delivery bodies and local authorities. We ensure that there is a good stream of information going down—through to the various communities, businesses and local authorities—and messages going up. Housing has been a critical issue that partners from all different sectors have said that we have to concentrate our efforts on. I think the test as to whether we are doing the right thing is probably the lack of complaining that we have found from those sectors.

Chair: Thank you for your time and your evidence. I suspect this will probably be the last time we see you before the general election, so we all look forward to quizzing you after the general election.
Written evidence

Memorandum from the Government Office South East (SEH 01)

SUMMARY

— The Government’s goal is that everyone should have the opportunity of living in a decent home, which they can afford, in a community where they want to live.

— In May 2009 the Government published the South East Plan which, amongst other things, set out its vision for the sustainable delivery of housing to meet the region’s needs. With demand for housing remaining high, a growing and aging population and worsening affordability, it is essential that we remain as ambitious as possible.

— The Government is committed to meeting the region’s housing needs in a way which will deliver sustainable communities. This will require that development addresses the social, environmental and economic needs of communities.

— The South East Plan requires local authorities to tackle climate change issues, including a target of reducing CO₂ emissions by 25% from 1990 levels by 2015. Other policies throughout the Plan, such as generating energy from waste and eco-towns, are designed to support this aim, such as a renewable energy target for new development to be set locally, using 10% as a starting point.

— The South East Plan also requires the phasing of development to be closely related with the provision of infrastructure. The scale and pace of the provision of new housing depends on sufficient capacity being available in existing infrastructure to meet the development’s needs. Where this cannot be demonstrated, the scale and pace of development will be dependent on additional capacity being released through demand management or better management of existing infrastructure, or through the provision of new infrastructure.

— The Government recognises that current market conditions are challenging but nevertheless there is strong pent-up demand for new homes with the potential number of new households still increasing faster than the number of new dwellings. The Government remains committed to its overall target for the South East of 32,700 new homes per annum until 2026 as the right long-term goal, while recognising the scale of the challenge this entails.

— In response to the economic downturn, the Government has put in place an ambitious package of measures to stabilise market conditions and minimise the impact of the downturn on hardworking families who are adversely affected. This has included efforts to maintain the long-term capacity of the house building sector.

— In this challenging environment, through strong partnership working, the South East has performed well, with provisional figures indicating that around 32,300 homes were completed in 2008–09. This type of growth is essential to meet the long-term social and economic needs of the region.

THE NEED FOR HOUSING IN THE SOUTH EAST

1. Kate Barker’s review of housing supply was published in 2004. It set out clearly the threat to our future social and economic success from weak and unresponsive housing supply and concluded that a more responsive housing supply and a lower trend in house prices would be necessary to deliver greater economic stability and greater affordability.

2. In May 2009 the Government published the South East Plan which set out the long-term spatial planning framework for the region including policies for the scale and distribution of new housing. The Plan built on the draft prepared by the South East England Regional Assembly and set out the region’s need for:

   — a housing requirement of 32,700 dwellings per annum—a total of 654,000 additional dwellings over the 20 year plan period; and

   — sustainable growth to provide the development that is needed while at the same time ensuring the protection of the environment.

The housing figure set out in the Plan represented a 2% increase (700 dwellings per annum) over that recommended by the independent inspectors who carried out an examination in public of the Plan.

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1 The South East Plan, Regional Spatial Strategy for the South East of England, GOSE, May 2009
2 Policy CC2, South East Plan
3 Whitehill-Bordon and NW Bicester were announced among the first pioneer locations for England’s Eco Towns; Shoreham Harbour’s regeneration scheme has been named as a potential second wave eco-town proposal.
4 Policy NRM11, South East Plan
5 Policy CC7, South East Plan
6 Policy H1, South East Plan
7 Local Authority Annual Monitoring Reports, 2009
8 “Delivering Stability: Securing our Future Housing Needs”, Kate Barker 2004
3. The figures set out in the Plan reflect the high demand for housing in the South East. They are also intended to address the twin issues of population growth and affordability. Official projections anticipate an annual regional population growth of about 64,300, with demographic change requiring substantially higher household numbers. In addition, the average house price in the South East in 2008 was just under 268,000, over 12 times the average (median) regional income of £22,000.

4. The region needs both additional market and affordable housing to meet the demand created by the increase in households. Local authorities and their partners should have regard to the overall regional target that 35% of all new housing should be affordable (25% social rented and 10% intermediate affordable housing). However, it is a matter for local authorities and their partners to work together to deliver appropriate levels of affordable housing based on a sound evidential base gathered through their strategic housing market assessments.

5. Similarly, local authorities should identify the full range of housing needs in their areas, having regard to particular groups including older and disabled people, people with mental health problems, and families with children and others, as well as the size of homes required. The vast majority of people want to live in their own homes for as long as possible. In its strategy the South East’s Regional Housing Board sets the aim that 25% of new social rented and 15% of intermediate homes funded through the 2008–11 programme should have three or more bedrooms. For older people, in particular, we need to ensure that there is a wider range of housing types available which are designed to meet their changing needs.

6. The Government is firmly of the view that housing provision must support the needs of the whole community and reflect the types, sizes and tenures that are needed. The Plan requires local authorities to identify through local development documents an appropriate range and mix of housing opportunities through the likely profile of household types requiring market housing and the size and type of affordable housing required.

7. In addition to meeting the social needs of the South East, the Government recognises the role that housing plays in underpinning economic growth. Housing is critical to attracting and retaining the workers with the skills which employers need. As one of only two regions in the country to have a GVA (Gross Value Added) per head higher than the national average, the Government remains committed to increasing housing supply in the South East and ensuring that housing provision is more responsive to demand, in order to provide greater macro-economic stability and to improve affordability.

8. The building blocks in the South East Plan for determining where development is most appropriate are the region’s main nine sub-regions. The Plan recognises the diversity of the South East and responds to the challenges that this poses through an examination of the functional relationships between the key settlements and their surrounding areas, recognising that there are a number of key cities and towns to which most employment, leisure, retail and cultural activity in the region will gravitate; these “hubs” are therefore the logical areas for growth to be focussed to help deliver more sustainable forms of development.

9. Whilst the policies in the South East Plan seek to focus development into and around existing larger settlements, it recognises that extensive parts of the region are largely undeveloped and offer a high landscape value and agricultural resource, but nevertheless have their own housing needs. It therefore contains a range of policies that are designed to support and protect the region’s rural communities which the Government believes will help achieve more sustainable forms of development in rural settlements.

The Challenges the South East Faces in Meeting Housing Need

10. There are many challenges to be faced in seeking to meet the housing needs of the South East, not least the current economic climate. Despite this, the region has still managed to perform well and provide many of the homes that the region needs. The Government recognises and applauds the efforts made by local authorities and their key partners in achieving this. In 2008–09, local authorities' Annual Monitoring Reports indicate that around 32,300 new homes were completed, just short of the South East Plan’s ambition (building on the success of previous years which saw 34,560 new dwellings in 2006–07 and 35,400 in 2007–08).

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9 CLG Housing Statistical Release: Household Projections to 2031, March 2009, estimated that the South East would require 39,100 additional households per annum.
11 Policy H3 in the South East Plan
12 Policy H4 in the South East Plan
13 “Putting People First: A shared vision and commitment to the transformation of Adult Social Care”. 2007, HM Government.
14 Regional Housing Strategy 2008–11, Regional Housing Board, March 2008
16 Policy H4 in the South East Plan
18 These are identified in Policy SP1 as: South Hampshire; Sussex Coast; East Kent and Ashford; Kent Thames Gateway; London Fringe; Western Corridor and Blackwater Valley; Central Oxfordshire; Milton Keynes and Aylesbury Vale; and Gatwick, South East Plan.
19 Figures from Local Authority Annual Monitoring Reports.
11. But the Government recognises that to maintain delivery at these levels in the current climate will be very challenging. The number of new housing starts dropped in 2008 and, although there were signs of increased activity in the second half of 2009, it is likely that the figure will remain below that needed by the region.20 The number of affordable houses being built in the region is falling short of the number sought by the South East Plan and there were, as at 1 April 2009, 205,000 people on Local Authority housing waiting lists (housing registers).

12. Notwithstanding reported falls in prices of homes, affordability in the South East remains a significant problem. Even the cheapest homes in the region cost more than seven times average incomes.21 Mortgage rationing in the short-term has meant that access to housing has significantly worsened, particularly for first time buyers. When the credit markets unlock, the shortage of housing, combined with growing pent up demand and need for housing, could result in further affordability problems. The Government is therefore committed to achieving a step-change in housing supply to address the long-term need for housing. That is why we are pressing ahead with measures to put in place the conditions which will facilitate recovery and enable long-term growth.

13. A crucial element of this growth and recovery work is ensuring that we have an effective and responsive planning system. The South East Plan has established the framework for delivery in the South East and, through the Government Office for the South East (GOSE), the Government is working with local authorities to ensure that they have Local Delivery Frameworks in place that will allow them to meet the needs of their communities and deliver the housing that is required.

14. The Government also believes that, to meet the ever growing demand for housing, it is vitally important that local authorities in the South East have sufficient land available. Therefore, we are reinforcing the requirement set out in Planning Policy Statement 3 (PPS3): Housing to maintain a five year supply. In the short-term, the South East Plan, and, through such schemes as the Housing and Planning Delivery Grant (HPDG), we are strengthening the incentives for local authorities to respond to local housing pressures by returning the benefits of growth to communities. On 1 December 2009 the Government announced its provisional allocations for HPDG 2009–10 which saw local authorities in the South East benefit from grants worth over £25 million.

15. Integral to the delivery of housing and critical to sustainable economic development is the delivery of the necessary infrastructure. Successful communities require sustainable access to schools, health care, jobs, services and leisure and entertainment facilities in ways which promote healthy, active living by all citizens. The focus must be on sustainable and deliverable options which make best use of existing infrastructure and services and provide residents with low cost but high value sustainable options such as walking and cycling, which have health and social benefits, as well as contributing to the reduction of the region’s carbon footprint. It is essential that government—national, regional and local —work closely with infrastructure providers and financial institutions to explore the full range of options for funding the housing and infrastructure needed for sustainable economic growth.

16. To help deliver the necessary infrastructure, enabling clauses for a Community Infrastructure Levy in England and Wales were included in the Planning Bill which received Royal Assent in November 2008. The Levy will form a charge on development which local planning authorities in the South East can choose to set and which is designed to help fund needed infrastructure identified in their plans. It will be paid primarily by owners or developers of land which is developed.

17. The Government has also been exploring the potential for operating Tax Incremental Funding/Financing (TIF) and Accelerated Development Zones (ADZs) over the last few months. A statement in the Pre-Budget Report explained that the Government will continue to examine the framework that would be needed to implement TIF and consider the primary legislation that would be needed if schemes were to be introduced.

18. But the challenges that meeting housing needs pose are not solely financial; a large proportion of the region is of great natural beauty and recognised to be of national and international importance in terms of nature conservation and landscape value. The environment is a major economic asset, estimated to contribute around £8 billion to region’s economy.22 The South East Plan is therefore a key tool to help achieve more sustainable development in the region, protecting the environment and helping to combat climate change.

19. In particular, the Plan sets out the need for local authorities to plan and manage networks of accessible multi-functional green space to include both existing and new green infrastructure. The networks need to be planned and managed to deliver the widest range of linked environmental and social benefits, including conserving and enhancing biodiversity as well as landscape, recreation, social and cultural benefits to underpin individual and community health and well-being. Careful planning is also necessary to safeguard secure water supplies and water companies have taken account of house building and population forecasts in their 25-year Water Resources Management Plans.

20 Housing Starts in Q3 of 2009 (5,180) represent an increase of 57.4% on the level in Q1. Local Authority Annual Monitoring Reports
21 “Home Truths 2009” National Housing Federation, October 2009
22 “The Environmental Economy of South East England”, SEERA 2002
20. The Government has also set out in the South East Plan its expectation that the design and construction of all new development—as well as the redevelopment and refurbishment of existing building stock—should adopt and incorporate sustainable construction standards and techniques. For example, design should seek to increase the use of natural lighting, heat and ventilation. The Plan further requires local planning authorities to promote best practice in sustainable construction and help to achieve the national timetable for reducing carbon emissions.

21. Balancing the social and economic needs of the region with the Government’s environmental ambitions will require some difficult decisions. Through the South East Plan, the Government has encouraged higher housing densities—a target of 40 dwellings per hectare over the Plan period—to ensure that best use is made of available land and to encourage more sustainable patterns of development. Although higher densities make best use of scarce land resources, the Government remains committed to design that addresses health and safety concerns. In particular, it recognises that while Houses in Multiple Occupancy (HMOs) are a key source of housing for significant and often vulnerable groups of people in society, it is determined to increase the quality of existing HMOs in the private rented sector in terms of both physical conditions and management standards. Good quality housing for all is fundamental to improving the physical and mental health and social wellbeing of the population and to the economy as a whole. The Government has therefore announced a series of measures on 27 January to give local authorities powers to manage better the quality and supply of private rented accommodation in their areas and to promote better balanced communities in local neighbourhoods.

— A new regional Strategy will be prepared under the Local Democracy, Economic Development and Construction Act 2009. The Regional Strategy will be an opportunity to further integrate housing, economic and climate change issues in a sustainable way in future.

22. Where necessary, the Government also believes that local planning authorities should consider other options, such as a review ofselective parts of the Green Belt, to facilitate development. Such development should occur only if it is sustainable; authorities are encouraged to seek opportunities to replace any Green Belt lost through selective reviews so that its purpose is not weakened.

**WORKING TOGETHER TO MEET HOUSING NEED**

23. The Government believes that, if the South East is to meet these challenges and provide for both the social and economic needs of the region, it is necessary for government—national, regional and local—to work in partnership with other key stakeholders to foster sustainable development and drive economic growth.

24. In Planning Policy Statement 1: Delivering Sustainable Development, the Government set out the key principles which should be applied to ensure that development plans and planning application decisions contribute to the delivery of sustainable development and the role that regional planning bodies and local planning authorities should play. The South East Plan forms part of the framework for this by setting a vision for the region in which housing can be delivered.

25. The Government’s key delivery agent for much needed additional affordable homes is the Homes and Communities Agency (HCA). Through the HCA the Government is delivering the Kickstart programme, for example, to help restart stalled construction activity across the region, retaining jobs and skills, and boosting the supply of homes over the next year—benefiting first time buyers and social tenants. In the South East 12 schemes (£35 million, 960 homes) in 11 local authorities received funding in the first bidding round. Six of the schemes are in Kent with others in Eastleigh, Epsom and Ewell, Reigate and Banstead, Southampton (2) and Wealden. A further 28 schemes (£83 million, 3,637 homes) in 22 authorities across the region have been short-listed in the second bidding round. These will be looked at in more detail to assess value for money and certainty of delivery.

26. As a further part of the Government’s Housing Pledge, funds have been made available, through the HCA, to local authorities to support them deliver new affordable housing with local authorities being asked to consider the chance to build council homes. The Government is supporting 15 schemes in the South East at a total cost of £8.9 million. This is in addition to funding provided through the National Affordable Housing Programme; between June and November 2009 a total of £290 million was allocated under the Programme in the South East region out of a national total of £2.2 billion.

27. The Government Office for the South East’s (GOSE) role is to act as Whitehall in the region, helping to strengthen national policies, integrate regional strategies and bring partners together to drive delivery at a local level. For example, GOSE has been instrumental in helping to unblock housing development around the Thames Basin Heaths Special Protection Area (TBH SPA), a European designated nature conservation area which impacted on housing delivery in eleven local planning authorities, due to the statutory need for adequate mitigation. By building strong, effective working relationships with key stakeholders including Natural England and the Home Builders Federation, GOSE brought the parties together with local authorities and Communities and Local Government (CLG) to broker a way forward. As a result, all stakeholders came to understand the others’ agenda and avoidance strategies were adopted by the majority of local authorities. Over 9,900 homes have been granted permission in the SPA affected area to date.

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23 Planning Policy Statement 1: Delivering Sustainable Development, Office of the Deputy Prime Minister, 2005
28. Another example of GOSE’s role was in relation to concerns about development in Urban South Hampshire. Flooding is a major issue in Portsmouth, Southampton, Gosport and Havant, each of which have significant development areas at risk of coastal flooding. GOSE brought together partners, including the Environment Agency, the 11 local authorities in the Partnership for Urban South Hampshire (PUSH), and central government. An agreed approach was subsequently reached, the result of which has allowed development to proceed at the same time addressing the flooding concerns.

CONCLUSION

29. The South East of England needs good housing to continue to grow and for its social, environmental and economic well-being. Housing is key to building the better communities that attract both investment and skilled workers and provide a healthy environment for our population live full and rewarding lives. Developing sustainable communities will improve the environment, help reduce our carbon footprint, and provide places for people to thrive. Through the South East Plan the Government is committed to a socially and economically strong, healthy and just South East where everyone benefits from and contributes to a better quality of life.

30. In order to help the Committee consider the issues we have set out a narrative rather than work through the questions in a linear fashion.

28 January 2010

Memorandum from Gravesham Borough Council (SEH 02)

1.1 INTRODUCTION

1.2 Gravesham Borough Council welcomes this opportunity to provide comments to the South East Regional Committee inquiry on Housing in the South East.

1.3 Our response will focus on the North Kent MAA plus the work currently being undertaken by Kent County Council as it develops the Kent Housing Strategy. Brief responses have also been given to some of the explicit questions asked by the South East Regional Committee.

1.4 Gravesham Borough Council was a signatory to the North Kent Multi-Area Agreement (MAA) which was signed in September 2010. The other signatories were the remaining four local authorities with responsibilities in North Kent (Kent County Council, Medway Council (Unitary Authority), Dartford Borough Council and Swale Borough Council), Central Government, SEEDA, the Homes and Communities Agency (HCA), the LSC and Job Centre Plus. The MAA is the road map for Central Government and local partners to deal with some of the critical issues faced by the sub-region. It is recognized that these issues must be tackled so that we can come out of the current recession and achieve our targets for sustainable economic growth. The main themes in the North Kent MAA are:

— developing new investment and funding mechanisms to underpin infrastructure delivery,
— increasing skills and employability to equip the workforce,
— securing sustainable transport and connectivity, and
— fostering sustainable communities in tandem with housing growth.

1.5 The MAA is available from the Thames Gateway Kent Partnership website http://www.tgkp.org/content/MAA%20web.pdf and the following paragraphs extract key information from that document.

1.6 The MAA recognizes that the TGKP partners share a number of challenges and opportunities and that regeneration is not just about places but also about people. We need to tackle the economic, social and environmental legacies left by decades of industrial decline whilst nurturing and growing a mosaic of diverse but cohesive and confident communities which will enjoying a much improved quality of life. Page 8 of the MAA sets out the housing issues and challenges for the sub-region:

— Housing affordability is a major challenge, even though prices in some parts of Thames Gateway North Kent are amongst the lowest in the South East.
— There are nearly 17,000 households on the TGK authorities’ waiting lists, issues about the quality of older private sector housing and the credit crunch slowing down new development.
— Growth targets in the South East Plan require an additional 52,140 homes between 2006 and 2026: the economic downturn has slowed delivery to well below the South East Plan average annual requirement.

1.7 Maintaining the supply of new housing and creating the conditions for a stable, diverse and high quality housing market to support economic growth is a high priority. Outcome objective 6 in the North Kent MAA is “Maintaining momentum in the delivery of new housing, particularly to meet localised priorities across North Kent” and the related initial target is an “Increase of around 1,700 in the number of new homes delivered by 2012 above what would be delivered without the MAA”.

30. In order to help the Committee consider the issues we have set out a narrative rather than work through the questions in a linear fashion.

28 January 2010
1.8 Kent County Council is developing a Kent Housing Strategy. This is being undertaken as an inclusive progress and it has included two significant events—one in early December 2009 was in partnership with the South East Housing Coalition and the Kent Housing Group, whilst the second last week was focused on the Kent SHMA. Some of the key messages given to delegates has been:

- Local authority aspirations the same but environment within which operating/delivering has fundamentally changed
- Working assumption that normality unlikely for 7–10 years … not improve within this decade
- 6 key issues:
  (a) access to finance for 1st time buyers (20% deposit is now standard requirement)
  (b) need to facilitate new forms of tenure (eg desire to develop the private rented sector funded by institutional funds)
  (c) improving empty stock (private rented esp. for housing benefit claimants, energy efficiency)
  (d) maintaining the delivery of affordable housing (currently majority is delivered through S106 agreements)
  (e) effective use of assets to deliver more (every £ of public sector money needs to work hard)
  (f) enhancing/learning new skills to respond to new circumstances

1.9 For more information, we recommend that you contact Brian Horton Strategic Housing Advisor Kent County Council direct. His e-mail address is Brian.Horton@kent.gov.uk.

2.1 RESPONSE TO INQUIRY QUESTIONS

Q3. What types and tenure of new houses should be built?

(a) How many need to be “affordable”?
(b) Is housing provided for older people in the South East fit for purpose?
(c) Should all new homes meet the necessary energy efficiency requirements?

Response to Q3

(a) The number of affordable homes needed may be higher than expected due to increasing numbers of people being unable to access the open market due to the rise in property prices over the last decade. Even though prices have lowered, home-ownership still remains beyond the reach of many people. Also, Right to Buy sales continue to occur and diminish the social stock in the South East.

(b) The majority of sheltered housing schemes in Gravesham consist of either one-bed units or bedsits that do not accommodate wheelchair users and cannot be refurbished to meet Extra Care standards. Consequently a high proportion prove difficult to let. At present there are no Extra Care schemes in the borough, however, two schemes are currently in the pipeline.

(c) Parsons Brinckerhoff (PB) was appointed by the Kent Thameside Regeneration Partnership (KTRP) to undertake a study to scope the work required to deliver a full Sustainable Energy Feasibility Study (SEFS) for Kent Thameside. This scoping report is available from the GBC website http://www.gravesham.gov.uk/media/pdf/g/6/Eco_Assessment_Scoping_Study_Sep_2009web.pdf. The Sustainable Energy Feasibility Study, once completed, will consider the opportunities for low/zero carbon energy generation that can be used to supply new and existing development within the area. The phase 2 and phase 3 study is currently underway. The current scoping study provides the following information of relevance to this inquiry:

(a) The existing residential heat loads are concentrated around the population centres of Dartford and Gravesend. The highest heat load densities arise from industrial and manufacturing activities and are concentrated to the west of Dartford and along the riverfront of Gravesend.

(b) The addition of the future developments onto the existing residential heat load reinforces the existing pattern of high heat load in Dartford and Gravesend. The improved thermal efficiency of new buildings results in only a moderate increase in heat density for new major new developments in areas with no pre-existing heat demand, such as Ebbsfleet (NB. This study has assumed the current Code for Sustainable Homes targets for zero carbon at 2016 and therefore if lower standards were delivered CO2 emissions would be greater than that assumed in this study).

(c) The consultants have calculated the CO2 emissions associated with providing heat and power to the KT area by applying the CO2 emission factors for the fuels used to the energy demands that were calculated. The baseline CO2 emission for 2009 are 503,670 tonnes, and it has been estimated that without mitigation the CO2 emission will increase to 632,692 tonnes by 2025.

(d) The study also considers the potential for reducing the heating demand within Kent Thameside through improving the building fabric of existing housing stock. The study concludes that the demand side reduction measure with the greatest potential impact is the fitting of double glazing, followed by the filling of gaps in flooring, door frames and skirting. At the same time a potential CO2 reduction of 26,000 tonnes could be realised through retrofitting existing residential properties in Kent Thameside with district heating.
The study also concludes that there is potential for retrofitting solar thermal and solar PV to existing housing stock and this could realise a CO₂ reduction of 72,610 tonnes per year. If new buildings were installed with solar thermal/ASHP and PV systems it is possible to realise a CO₂ saving of 45,680 tonnes per year.

Q4. What are the consequences of the increased number of multiple occupancy of houses in the South East?

Response to Q4

2.2 As highlighted on page 29 of the July 2009 Migrant Workers in the South East Regional Economy¹ report, Gravesham is listed as one of the Local Authorities in the South East with the highest level of A8 migrants—2,000 and shown on the chart as having one of the highest percentages of people of working age.

2.3 For the local authority, increased resources are required to monitor and licence HMO’s.

(a) How is this affected by the enforcement of greenbelt area?

(b) What effect does this have on the ageing housing stock in historic areas?

(a) Detrimental to the surrounding area; issues with maintenance and external appearance; loss of large units for families.

Q6. Why are we failing to meet targets for completion of new houses?

Response to Q6

2.4 Section 106 sites are stalling; RSLs finding it difficult to get finance; some RSLs have “caught a cold” with the amount of flatted shared-ownership units they have delivered and have remained unsold due to the “credit crunch”, lack of confidence in the housing market, reduction in lenders happy to lend on New Build Homebuy; landowners holding onto their assets waiting for the market to rise….

Q7. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

Response to Q7

2.5 Para 4.8 of PPS12 states that:

The core strategy should be supported by evidence of what physical, social and green infrastructure is needed to enable the amount of development proposed for the area, taking account of its type and distribution. This evidence should cover who will provide the infrastructure and when it will be provided. The core strategy should draw on and in parallel influence any strategies and investment plans of the local authority and other organizations.

2.6 The Planning Inspectorate’s “Local Development Frameworks: Lessons Learnt Examining Development Plan Documents—June 2007” highlights the need to ensure that infrastructure requirements resulting from the spatial strategy should be identified as should the delivery mechanisms. The Planning Inspectorate also expect the Core Strategy to be flexible eg show what could happen if a fundamental component of infrastructure could not be delivered when phased.

2.7 In response to a recent Kent district draft developer contributions SPD, the following representation was made “the Council should acknowledge that it is a myth that such developer contribution costs can automatically be deducted from land value”. It does need to be recognized that this is an issue whereby developers have long term options esp. those that were negotiated pre-recession. Not viable to pay S106 contributions but development unacceptable without it.

2.8 Infrastructure Planning has been a key component of Gravesham’s LDF and we have just published our infrastructure planning progress report to accompany our forthcoming LDF consultation http://www.gravesham.gov.uk/media/pdf/9/4/Infrastructure_Planning_Progress_Report_Dec_2009web.pdf We are concerned about scheme viability, infrastructure requirements and what can be delivered through S106. Considerations of scheme viability consider current land values. They general do not take into account land value uplifts as a result of HS1 services eg recent report on impact of HS1.

2.9 Current infrastructure planning work by GBC to date highlights that there are significant infrastructure requirements to meet existing deficits plus meet the needs associated with a significant population and household increase. Currently a sizable funding gap and serious concerns about contribution that can be achieved from developers considering the site viability issues raised by development on complex brownfield sites.
MEMORANDUM FROM NEW FOREST DISTRICT COUNCIL (SEH 03)

1. NEW FOREST DISTRICT

1.1 The New Forest as a whole is predominantly rural in character and has a natural environment of very high quality. The New Forest National Park covers a large part of the area and encompasses 57,000 ha of great natural beauty, with varied landscapes and unique wildlife habitats. 46% of the total area is of outstanding national and international value for its nature conservation interest.24

1.2 New Forest District has a total of some 77,000 dwellings (mid-2006), a high proportion of which are owner-occupied. Of the dwelling stock within New Forest District, around 85% is owner-occupied (compared with 71% in England), 4% privately rented (12% in England) and around 11% is either Council or Housing Association properties (18% in England). The proportion of dwellings which are rented from either the Council or Housing Associations is half the UK average. Rates of second home ownership are higher in New Forest District than elsewhere in Hampshire.

1.3 In the 1980s there was growing concern about the harmful impact of development pressures on the New Forest and over the past two decades planning policies have restricted new housing development both within and around the National Park. This marked a significant change from policies in the 1970s and early 1980s which had provided for growth in most towns and villages around the National Park (particularly in Hythe, New Milton, and Totton). Recent planning strategies for the area have continued to recognise that to protect the New Forest National Park it is the important that pressures for growth in and around the National Park are strictly controlled. This has meant that the number of new homes being built within the District, particularly on greenfield sites, has been significantly reduced.

2. ISSUES IN THE PROVISION OF HOUSING WITHIN NEW FOREST DISTRICT COUNCIL AREA

2.1 Affordability

2.1.1 Affordability is a key issue for the housing market within the New Forest. The average house price in 2008 was £291,685 which is 15.3 times the average earnings in the area. This makes owning a property unachievable for many local people and presents difficulties in attracting workers into the area. This situation makes investment in the affordable housing sector essential and New Forest District Council has the provision of affordable housing as a Key Corporate Priority. In 2008–09 the Council, with the help of partners, achieved 171 affordable housing completions against a target of 100. However the recession has had, and will have, a significant impact on our ability to deliver over the next few years without considerable investment and assistance from the Homes and Communities Agency (HCA). As much of the development of affordable housing is required within the rural villages and parishes of the New Forest there is a significant increase in cost to Registered Social Landlords (RSL) in developing small rural sites and the Council would urge the Select Committee to review the rate of Social Housing Grant awarded to rural developments as there is a case that this should be at a higher level than more urban areas in order to deliver much needed rural housing for local people.

2.2 Rurality

2.2.1 As the New Forest is a mainly rural area there are particular challenges in the delivery of housing. As indicated above there are cost implications; higher construction costs and lower density schemes not achieving economies of scale are particular difficulties. There is also a significant resource required in undertaking consultation with local people, Parish Councils, Landowners and planning authorities in order to ensure that any development which takes place is sympathetic to the local area and local needs. This means that rural schemes take longer to deliver than urban ones. One area for consideration would be how the government can incentivise landowners to make sites available in rural areas for affordable housing, especially when land values for affordable housing are low and may be equivalent to the value of grazing land. There have been schemes, not in the Forest, where Landowners have been offered a share of the equity in the housing or nomination rights for housing which has lead to the availability of land and these could be further explored.

24 National designations include Sites of Special Scientific Interest and National Nature Reserves; European and international sites include Special Areas of Conservation (SACs), Special Protection Areas for Birds (SPAs) and Ramsar Sites. All European and international sites are also SSSIs, and in most cases in the New Forest the SACs, SPAs and Ramsar Sites overlap in area.
2.3 **Sustainability**

2.3.1 As the New Forest is an environmentally significant and sensitive area, development of housing is limited, particularly within the area covered by the New Forest National Park. Therefore where new housing is built the Council believes that all new properties should be built to a high level of sustainability. For affordable housing the Council promotes the Code for Sustainable Homes and wherever possible will aim for a Code level higher than that which is mandatory at the time. This also has an impact on the affordability of new development, as costs for Code level 4 and above is significantly higher and this is not reflected in grant rates obtained from the HCA by RSLs.

2.3.2 The development of highly sustainable housing can also address issues of fuel poverty. However there are significant issues of fuel poverty across the District in social and private sector housing linked to the age and maintenance of existing properties. Working with other agencies and local authorities the Council aims to address maintenance issues using grants and other initiatives for private owners. An increase in the funding for home improvement grants to owners would be welcomed as a step towards addressing this.

3. **Recommendations for Action**

1. That the committee investigates barriers to the delivery of rural housing, particularly incentives to landowners to release land and gives consideration of higher grant rates form the Homes and Communities Agency to make the delivery of small rural schemes viable.

2. That the committee investigates the use of grants and other incentives to private owners to address issues of poor repair and maintenance leading to fuel poverty.

3. That the Committee supports Councils to deliver affordable housing either through partnership or directly as new council house building.

4. High standards of sustainability are applied to all new build housing.

14 January 2010

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**Memorandum from Mid Sussex District Council (SEH 04)**

**Executive Summary**

1. Mid Sussex District Council wishes to provide evidence to the Select Committee on the following bullet points referred to in the “call for evidence” on 16 December. These are:
   
   — Why are we failing to meet targets for completion of new houses?
   
   — What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

2. In summary this evidence highlights the problems with achieving infrastructure provision, and the impact that this has on housing delivery. Whilst these problems have been exacerbated by the recession, they were also in evidence before it, and are therefore not likely to be resolved by an economic recovery.

**Introduction to Mid Sussex District Council**

3. Mid Sussex District Council is a small rural authority in the county of West Sussex. It has a population of approximately 130,000 people living in about 54,000 households. 60% of these households are in the three market towns of Burgess Hill, East Grinstead and Haywards Heath. The remainder live in the mainly historic villages and hamlets that scatter the rural landscape. Nearly 60% of the land area is designated Area of Outstanding Natural Beauty, some of which is shortly to become part of the South Downs National Park. There are very few large previously developed sites available for redevelopment.

**Evidence**

4. The South East Plan allocates 17,100 new homes to the District for the period 2006–26. This is a 30% increase in the number of existing households, and is the sixth highest allocation in the South East. The District is located in the Gatwick Diamond, but has not been identified as a “growth point”, and does not therefore attract Government funding for infrastructure.

5. The target for this period equates to 855 new homes per annum. In reality the actual housing delivery in Mid Sussex over the last five years is set out below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Homes</th>
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<tbody>
<tr>
<td>2004–05</td>
<td>458</td>
</tr>
<tr>
<td>2005–06</td>
<td>611</td>
</tr>
<tr>
<td>2006–07</td>
<td>337</td>
</tr>
<tr>
<td>2007–08</td>
<td>502</td>
</tr>
<tr>
<td>2008–09</td>
<td>480</td>
</tr>
</tbody>
</table>
6. It is anticipated that the 2009–10 figure will be lower due to the current economic conditions. However, the last five years’ figures have been quoted above to show that under-delivery has not just been caused by the recession, but that there are underlying problems with delivering the number of homes required by the South East Plan.

7. The underlying reason for the under-delivery of housing is the problems with securing infrastructure. These issues are not new. In September 2004, as part of its submissions to the draft South East Plan, the District Council published a paper called “Funding the Future” which looked at the infrastructure requirements that would be needed to support the levels of growth being proposed for the District. This paper is appended to this evidence. It concluded that such growth could require capital investment of over £1 billion to provide the necessary public infrastructure. This includes:

   — Provision of essential social infrastructure, including schools, health services, open spaces, community and sports facilities.

   — Sufficient utilities infrastructure and capacity, such as additional water supplies, waste management and recycling facilities.

   — Residential and commercial development, especially sufficient affordable housing and resources to revitalise the town centres.

   — Additional transport provision in the form of road and junction improvement, new roads and public transport development.

The paper investigated the potential funding sources for this infrastructure, and concluded that that these funding sources alone would be insufficient to cover the full extent of the growth. Over the last five years these predictions have proved correct.

8. One example of this is the strategic development to the south west of Haywards Heath, allocated in the 2004 Local Plan. This development requires a relief road enabling the A272 to bypass Haywards Heath. Phases 1–3 of this development have been completed (providing about 870 homes) and a further 360 are permitted before the completion of the road. However, the remainder (about 540 homes) is dependent on the delivery of the relief road. In addition, any further strategic development at Haywards Heath is dependent on this relief road being completed. No public funding has been offered for this road, and therefore it has to be entirely funded by developer contributions. It should be noted that there has been no public funding of new road infrastructure in Mid Sussex for the last 10 years.

9. Initially delivery of this road was delayed by the transfer of some of the land from the health authority to the developer becoming caught up in the takeover of public land by English Partnerships (now the Homes and Communities Agency). The developer is now saying that the impact of the recession means that the road can no longer be afforded under the permitted scheme, and that the requirement for 30% affordable housing should be waived to meet the cost of the road.

10. A similar situation has occurred in the north of Mid Sussex, where the South East Plan identified a strategic development of at least 2,500 homes with appropriate infrastructure at East Grinstead (carrying over a previous allocation in the 2004 West Sussex Structure Plan). Transport studies have indicated that such a level of development can only be accommodated if it is accompanied by a relief road to the south west of the town, linking the A22 with the A264. The developer consortium has informed us that such a road cannot be afforded by the 2,500 home scheme. In addition, a study carried out to meet the requirements of the Habitat’s Directive has found that such a large development would put unacceptable stress on nearby Ashdown Forest (a European protected site).

11. The above examples are sites that were allocated under the old planning system of Local and Structure Plans, and were expected to contribute towards meeting the South East Plan figures. However, Mid Sussex District Council is also developing its Local Development Framework under the new planning system, which has an increased emphasis on the deliverability of sites. This principle is supported, however, the reality is that it is incredibly difficult to demonstrate such deliverability through the LDF process.

12. The Council was recently on the point of considering its Core Strategy for submission to Government, which included a significant development of 4,300 new homes at Burgess Hill. It was informed in November by the waste water authority, Southern Water plc, that there was insufficient capacity at a number of the sewerage treatment works serving the District, including the works at Burgess Hill. On being asked why this was the case when the company had been aware for some time of the South East Plan requirements, and the probable location of the development within Mid Sussex, it responded that it could not make investment decisions on this basis until the Core Strategy had been adopted.

13. However, as a result the District Council has now been advised by the Government Office for the South East and the Planning Inspectorate that it should not submit its Core Strategy for examination because the lack of certainty over sewerage capacity means that it cannot demonstrate even a five year supply of housing land, let alone the deliverability of the full 17,100 homes. This situation is clearly nonsensical.
RECOMMENDATIONS

14. That the House of Commons Select Committee on Housing in the South East advise that:
   — the South East Plan housing figures are not deliverable;
   — the provision of major infrastructure to support any housing growth needs to be funded by Government and not left to be secured solely through developer contributions; and
   — the existing funding process for water utilities in particular should be reviewed to avoid the situation where investment cannot be agreed until planning documents are adopted, but planning documents cannot be adopted until investment is agreed.

APPENDICES


25 January 2010

Memorandum from The Guildford Society (SEH 05)

SUMMARY

Where should houses be built?

We consider that housing allocations should be based on holistic assessments of need and sustainability rather than on somewhat arbitrary categorisations such as the “hub” concept.

BACKGROUND

1. The Guildford Society has as its principal aim “To promote interest in the past, present and future of Guildford”. It has been in existence since 1935. It played a full part in the consultations on both the 2004 Surrey Structure Plan and the 2009 South East Plan, and spoke at the Examinations in Public (EIP) of each.

2. Many of our representations concerned housing and where these houses should be built. There seemed to be a general agreement amongst Local authorities and stakeholder groups such as amenity societies that the allocations of the Surrey Structure Plan were achievable without significant damage to the quality of life of the local population. However, in the case of Guildford, the South East Plan (SEP) increased the allocation by 30%, from 322 to 422 dwellings pa and gave rise to widespread and vehement local objection. There are 74 local authority areas in the South East Region, but of the 6,900 responses to the final consultation on the Plan over 4,800 responses came from Guildford: pro rata about 95 responses might have been expected. The question must be asked why did Guildfordians object so strongly? Why did they evidently think that the arguments put forward in the Plan were wrong?

THE FAILURE

3. Our view is that the fundamental error in the Plan was to oversimplify. This oversimplification led to misleading simplistic categorisations. The two most damaging simplifications were:

   (a) that towns were pigeonholed on the basis of particular characteristics irrespective of other highly relevant factors; and

   (b) that the number of categories was too small, resulting in crude judgements which ignored the complexity of the actual geography.

4. The authors of the Plan clearly had some difficulty in categorisation as exemplified by the large number of separate attempts. Thus in the Plan we have “hubs”, “growth points”, “growth areas”, “centres for significant change”, “diamonds for investment and growth”, “strategic development areas” and “primary” and “secondary” Regional Centres.

5. However the prime categorisation in the Plan is based on “hubs”. Initially these were “transport hubs”. A study of the Key Diagram in the Plan, especially the “spokes”, shows that more importance seems to have been given to railways than to roads in the transport hub designation, perhaps because railways are 100% public transport. This is a typical over-simplification: roads provide the great majority of transport, including transport of goods, services and people and much public transport. A more complete analysis would have produced a somewhat different scheme of categorisation.

6. The word “transport” was then dropped and “transport hubs” became “hubs”, which were then pinpointed as centres for development, largely irrespective of all other factors. This was a gross over-simplification and went considerably against the evidence (For example, Crewe is a major railway hub but is not seen as a major centre for Regional development.).
A Holistic Approach

7. It is clear that the hub concept, based largely on transport considerations especially railways, can give rise to a non-optimum pattern of housing allocations. We recommend that a more holistic approach should be taken to the allocation of housing to areas.

8. The starting point for allocations of new housing to areas is commonly an assessment of the ability of areas to provide new housing without damage to the quality of life and local environment and without the need to enlarge settlements beyond their present boundaries. This, broadly, was the methodology of, for example, the Surrey Structure Plan.

9. If the above process does not provide the housing required, then enlargement has to be considered. The simplistic way of doing this is to concentrate on hubs. Decisions on enlargements in particular require a holistic approach.

Important Constraints

10. The result of application of the hub concept is that environmental constraints to enlargement due to local topography, flood risk, designations (Green Belt, AONB etc.), and wild life protection (SPA’s etc) are ignored or considered to be of secondary importance. Recognition of these constraints is highly likely to produce a different spatial plan to that derived from a simple application of the hub concept.

11. Simple allocation of the hub concept in the SEP was particularly damaging to Guildford, where it has created severe tension between the desire not to enlarge, ie not to broach environmental constraints, and the fear that failure to enlarge will lead to cramming of the town, loss of historic character and diminution of quality of life. Guildford seems to be an extreme example of the inappropriate application of the hub concept.

12. An examination of geography reveals a deeper weakness of the hub concept. Our discussion will be limited to Surrey or the “London Fringe” Sub-region, but no doubt similar arguments apply elsewhere. The geography of the Sub-region is one of many settlement centres with a continuous range of size. Each centre has its own set of constraints to enlargement.

13. Along the northern boundary of the Sub-region, facing London, there is a string of outer suburban towns: Staines, Ashford, Chertsey, Weybridge, Walton, Sunbury, Esher, Epsom and Ewell, Banstead, and Caterham. Along the Sub-region’s southern edge there is a string of more historic towns: Guildford, Dorking, Reigate and Sevenoaks. In between these two strings there is green belt, but this belt is crossed by strings of settlements, for historic reasons mostly along the routes of the railway lines into London. For example Byfleet and Woking, Cobham, Leatherhead Fetcham and Bookham, and Redhill. Thus the sub-region contains a matrix of towns with none dominating and a network of transport routes, both rail and road, linking them.

14. Journey patterns within and in and out of the Sub-region are highly complex, as the evidence to the SEP EIP shows. Very many people, by the nature of their employment, do not live in the town where they work. It is therefore very difficult to make a public transport system work across the whole sub-region: no affordable system could cover the whole pattern of journey routes. People use their cars and there is considerable congestion on the roads with little prospect of this diminishing. These factors of pressure on the towns and limitations on transport infrastructure form part of the rational of the Sub-region, and underlie the policies of “smart” growth.

“Smart” Growth

15. Part of this smartness should be to make best use of existing infrastructure, especially transport infrastructure. This infrastructure is not concentrated on a few towns (hubs), but has many foci. Examination of the above lists of towns shows that many of them lie on road and railway junctions. As one might expect, they contain many local centres of employment and commerce. In order to be sustainable, housing allocations should respect these realities.

16. Even at the lower level of villages, where environmental constraints will be stronger, the above factors apply in modified form. Growth within present boundaries should be permitted where it improves sustainability, eg enables provision of basic facilities such as a primary school and a convenience store.

The Way Forward

17. We therefore believe that decisions on where houses should be built should be based on a holistic assessment which takes account of local need, the capacity to accept new housing within existing boundaries, and the existing local infrastructure and environmental constraints. We believe this would produce the optimum sustainable allocation.

18. The methodology for this form of analysis is effectively the form of planning used to construct the more robust of the previous Structure Plans, and we suggest that this methodology should be revisited.

21 January 2010
Memorandum from Laura Moffatt MP (SEH 06)

AFFORDABLE HOUSING—A LUXURY WE CAN AFFORD

I often get constituents who come to me and complain about the lack of affordable housing. Of course when it comes to housing it is not only about quantity but quality.

I am talking about homes that are suitable to maintaining the health and well-being of those living in them. Poor housing is not just a problem for the people living in those homes as it can also lead to a wide variety of other social and economic problems for the area involved.

In short, quality affordable housing is a key element of the success of any community. That is why I was particularly excited about the recent Government proposals which promise to set aside an allocation of new houses to be family homes. As we know both regionally and nationally the need for affordable homes that are suitable for young families with children is something which needs to be given very high importance.

Of course the South East is not the only place where this is an issue. I would say a number of MPs from all over the country would answer this question with the same answer. That is why I was so pleased when I saw the Government promising to double the amount of money it makes available to local authorities for council homes.

Of vital importance is that the Labour Government believes that local authorities should continue to set aside a certain allocation of new builds to be affordable housing. I personally would love to know how the Tories plan to invest in affordable housing while slashing public expenditure.

The recent Government proposals to double the cash provided for the building of new homes are extremely welcome. If all goes according to plan this will lead 8,000 people gaining access to quality council homes. While this Government has a record to be proud of in this area we must not rest on our laurels. The problems that we are facing are fast paced in keeping with the constant changing face of our society. That is why it must not be a one size fits all policy but rather one that can adapt to the needs of each community.

I know that increased investment is exactly what we need. I certainly don’t think we should just focus on building high-level housing that the majority of people cannot afford. That would just fuel the problem instead of solving it. I therefore submit to the committee that the continue scrutinising the current measures and to do what they can to ensure that local authorities in the South East do everything they can to out these measures in to place in full.

22 January 2010

Memorandum from Gleeson Strategic Land Limited (SEH 07)

I write further to the recent invite for written evidence regarding the South East Regional Committee looking into Housing in the South East.

Thank you for the opportunity to make comments, which we have set out below. We have also as requested prepared a summary to the comments made.

SUMMARY

— the NHPAU recommended in June 2008 a level of supply up to 49,700 (Average annual net additions to 2026);
— this compares with the existing requirement of 32,700 within the adopted South East Plan;
— sustainability and the economy need to be at the heart of future development levels and locations; and
— the economic and social implications of not providing enough of the right housing in the right locations are enormous.

How many houses should be built

1. Pick any local authority within the South East and there is likely to be a substantial market and social housing need. A simple review of any local authorities latest Annual Monitoring Report 2008–09 will confirm this.

2. Tunbridge Wells District for example, is identified by the South East Plan to provide 6,000 units in the period up to 2026, which equates to 300 per annum, however, the West Kent SHMA produced in 2008 identifies within paragraph 1.15.16 that “the affordable need is 728 units per annum in Tunbridge Wells”. Thus even if Tunbridge Wells were to build all of their housing requirement as affordable, there would still be a affordable housing shortfall.

3. We have a situation therefore, where local authorities are moving forward with housing delivery rates, which are already accepted to be insufficient. This situation is already dealt with by the adopted South East Plan which states within paragraph 7.6 that “the scale of demand and need for housing in the region, together with the importance of the South East to the national economy and its interrelationship with London necessitate..."
that the RSS sets out a housing provision that makes a sufficient response to these strategic needs. This Plan has gone some way towards this goal but at 32,700 dwellings per year, the level that is set here is still significantly below the forecast growth of households and even more so by the more recent 2006-based population projections. The current short term market conditions are not expected to help alleviate the worsening housing affordability in the longer term and the supply range recommended for the South East in the independent advice from the National Housing and Planning Advice Unit (NHPAU) is significantly higher than the level of housing provision set in the Policy H1”.

4. Furthermore, paragraph 7.8 confirms that “policy H1 sets out the total amount of housing that is expected to be delivered in the region over the years 2006–26. It includes an annual average figure for each local authority area. These figures should not be regarded as annual targets and are intended to be used in monitoring progress towards achievement of plan objectives, and to inform management of housing supply. The fact that an annual provision or local trajectory number has been met should not in itself be a reason for rejecting a planning application”. Local authorities therefore have the ability to propose higher housing figures than those proposed within the adopted RSS, however, our experience is that most will simply attempt to meet the figures set out and plan for no more.

5. It is therefore accepted that the level of housing to presently be provided within the South East Plan will never be sufficient to bridge the affordability gap, and therefore a step change is needed.

6. With this in mind the National Housing and Planning Advice Unit published a report in June 2008, entitled “meeting the housing requirements of an aspiring and growing nation: taking the medium and long-term view”.

7. Whilst the NHPAU are keen to point out that their advice to Government is not a supply target and simply sets out the housing supply range that they believe should be tested by the regional partners, we believe that it provides a starting point from which future housing discussions should start.

8. Indeed table 12 of the NHPAU report sets out their “Recommended Regional Supply Ranges 2008–26”, with paragraph 113 confirming that “in the South East a level of supply up to 49,700 (Average annual net additions to 2026) would be required to stabilise affordability, and as a result the region would have addressed the backlog in constrained demand, and allowed for growth in second homes and vacancies”.

9. This compares with the existing requirement of 32,700 within the adopted South East Plan.

10. In identifying the need for additional housing, it is important to note that the need extends to both market and affordable housing and that on the basis that affordable housing can only really be delivered in any sustainable level as an element of larger market housing development the need for new development should be market driven.

Where should the housing be built

11. The concept of sustainability should be at the heart of where future development is located. As a company Gleeson Strategic Land holds interests across the region and believe that development should be located in areas, which allow the development to incorporate economic, social and environmental issues in the planning and design stages with the aim of providing a building that is affordable, accessible and environmentally sound. Development should be focussed upon settlements, which are sustainable, accessible and unconstrained by high level environmental designations.

12. Moreover, the economic arguments also need to be borne in mind in bringing forward new development. Significant levels of new building therefore need to take place in housing hotspots, where economic drivers exist, for example the Gatwick Diamond; Urban South Hampshire; the Sussex Coast etc; whilst also identifying that some settlements which lie outside of the existing growth areas require development to grow and meet the needs of the local economy. This includes for example Andover, where Test Valley Borough Council published a report looking at a review of economic activity through an “update of A Long Term Economic Development Strategy for Test Valley 2006–07”. It confirmed that one of the action plan points for Andover is to “ensure labour supply is not inhibited through lack of housing at Andover”.

13. There also needs to be flexibility to meet changing circumstances with regards to the economy etc, should for example new technologies create the need for additional dwellings there needs to be flexibility to allow this to happen and quickly. PPS12 requires that Core Strategies must be deliverable. Deliverability includes a requirement for flexibility such that they can deal with changing circumstances and can:

“…show how they will handle contingencies” para 4.46

In progressing the Core Strategy it is essential that the Council gives proper consideration to contingency planning. This will involve consideration of what will happen if sufficient housing is not delivered by the Council’s favoured strategy/allocations. This process is likely to necessitate either the allocation of land over and above the requirements of the South East Plan (to allow for delivery problems at some allocated sites) and/or the allocation of reserve sites, to be released if housing delivery at allocated sites fails, or comes forward at a slower rate than expected.
With regards to the consequences of a shortage of housing

14. Everyone is aware of the problems of not providing sufficient housing to meet the needs of all sections of society. The economic and social consequences are enormous.

15. Shelter on their website have identified that “over 1.7 million households are currently waiting for social housing” (Housing Strategy Statistical Appendix Data 2008, Communities and Local Government, 2009. Annual Digest of CORE Data 2007–08).

16. The social implications are significant with regards to the impact upon health, well-being and future employment prospects.

17. Economically, the case for providing more housing is obvious as well. The SEEDA website identifies that as an organisation it has one aim—“to support the economic development of this world-class region. We work at a local, regional, national and international level to attract inward investment, to help businesses reach their full potential and to win practical support from a range of partners. We bring funding into the region to help the economic growth of the South East”.

18. To do this requires certainty for employers and employees alike that they will be able to meet their staff requirements and that consequently staff will able to find somewhere to live.

19. Jim Brathwaite CBE, Chairman of SEEDA and Chair of the new Partnership Board, said in May 2009 “publication of the final South East Plan is a great milestone after years of hard work—but our focus now must be on delivering what it says. We need the homes set out in the Plan so that key workers can afford to live in the South East.”

20. SEEDA in an advice note on “responding to consultations on planning applications” in November 2009 that “on applications falling within the Agency’s Regionally Significant Planning Application Criteria” they will “identify the relationship of the application to the RES…… The RES in terms of physical development requires there to be sufficient and affordable housing and employment space of the right quality, type and size to meet the needs of the region and support its competitiveness”.

21. Consequently, not providing sufficient housing in the right locations will create an economic environment, which is uncompetitive and damaging.

The present economic climate has had an undoubted impact upon development, however, what is required is certainty and a commitment to development.

27 January 2010

Memorandum from the Campaign to Protect Rural England (CPRE) South East (SEH 08)

INTRODUCTION

1. This submission is made by the Campaign to Protect Rural England in the South East region (CPRE South East). CPRE is a membership organisation, with a long record of involvement in housing and planning issues. It is organised into county based branches and district groups. This memorandum was prepared after discussions with branches and groups. It contains the contributions of branch experiences, and therefore is representative of CPRE opinion around the region. CPRE is pleased to submit written comments to the committee, and we have followed the questions asked, though we note little mention of the environment.

BACKGROUND AND SUMMARY

2. Housing remains one of the most controversial and vital areas of public policy in the region, and should be regarded as requiring continuous attention and review. In general, we believe a consistent, smooth delivery of housing in South East—supported by local communities—would have secured more and higher quality provision than the rollercoaster that has so often been seen, driven primarily by commercial motives.

3. Better consideration is needed as to the balancing of housing numbers with environmental limits in the region. Due to development over the last fifty years, the capability to absorb more without undue damage to the fabric of the environment may be severely limited. The South East Plan tried to get this important message across, but despite much discussion of sustainability, it is doubtful that this was widely accepted.

4. Affordable housing is of continuing importance, but has not gained the priority status it deserves. Successive governments have relied on the private market to deliver schemes. The result is the region is well behind in provision, yet it is clear what is required. Recent initiatives from HCA are more encouraging, but may be temporary, given public spending issues, and in any case, do not produce significant numbers. Affordable housing numbers should be separated from market housing numbers and stated as a specific target figure. A target should then be stated for delivery of non-market affordable housing through housing associations, with as much grant from the Homes and Communities Agency as available.
5. Overall, we would suggest future housing policy should:
   — Focus on how to build the right kind of housing (rather than how much); good quality communities—better design, layout, green space and community facilities.
   — Identify housing need through local authorities, and apply that data.
   — Set “smart” objectives; that take account of demographic changes, including migration trends, and recognise changing economic conditions—availability of mortgages; state of the construction sector; and availability of public finance.
   — Recognise the continuous rolling plans for regeneration that produce a stream of brownfield opportunities, but not turn every town centre industrial site into housing; safeguard sites needed for public transport infrastructure.
   — Recognise the reality of windfall sites: allow windfall estimates to be included; ie respect local knowledge.
   — Pay attention to local needs and wishes, and willingness for development to proceed—as expressed through parish plans and local authority SHLAA studies.

How many new houses would be needed to support the economy and social needs of the South East?

6. A changing and uncertain economic situation and new data makes establishing a reliable regional figure for house building almost impossible in the short term. The current South East Plan figure of 32,700 per year has a changed economic context, but was carefully drawn up and tested at public examination. It was also widely consulted upon. The economic assumptions that underpinned the Plan have faltered. The most recent estimates show a GVA per head growth of around 1.8% in 2007, falling to just 0.3% in 2008. From 2010 onwards, growth is forecast to resume, though at relatively low rates of between 1% and 2% per year. This growth is well below the 3% target over the period 2006–16 in the Plan.

7. Any attempt to establish a new short term housing figure would be fruitless, and should be avoided. There have been a number of attempts by government agencies and others to promote housing numbers to unrealistic levels in the South East Plan. This did not succeed, and many false expectations have been dashed because of the recession. It may better to work through the whole system in a more realistic way with attainable goals.

8. Housing demand in the South East is almost limitless and any attempt to “satisfy demand” could mean unacceptable damage to the environment and the countryside. The scale and distribution should be recommended at regional level, based on sound demographics, and tested locally. A regional summary of CPRE’s analysis of household projections is attached.

9. Housing targets, as contained in spatial strategies, should be replaced with a range of possible figures, subject to further assessment. Testing housing numbers should not end at regional level, but also done at a local level. Development of new housing must not exceed environmental limits in the region, as identified in the Sustainability Appraisal of the South East Plan. Additionally, the growth of population by in-migration should seek to add value, not simply numbers. Zero net migration is relevant guidance for establishing housing numbers, and this method was used at the South East Plan Examination in Public.

10. Planned social housing should remain at about 35% of the overall total figure, but attempts to increase this should be supported. Any revision of this figure should be upwards, considering the future economy and affordability issues. There are strong arguments for affordable housing numbers to be separated from market housing, and stated as specific figures, and funded separately so it is not totally reliant on market housing. There are also wide differences in local needs identified in the housing work each planning authority is required to undertake. Regional hubs, such as Brighton and Hove, Oxford and Reading may argue for 50% of everything built to be affordable.

11. Housing need rather than demand should be a cornerstone of planning. Pent up demand is a material factor, and this needs to be considered in the longer term. Improving affordability and access to housing should also be primary objectives. Long term employment forecasts are not a reliable guide for decision making, as has been seen recently. Economically buoyant areas have an influence over a wide hinterland, and there is a need to protect the rurality of areas which might be within commuting distance.

Where should these houses be built to satisfy housing needs in the most sustainable way?

12. Allocating pre-determined top-down housing numbers will always cause problems of acceptability, and require careful balancing with local factors. Housing land supply is a key factor in determining where houses are provided. Land supply has increased every year since 2001 and is now 35% higher. There are wide variations in housing land supply distribution, from constrained areas like Surrey having only five years and the Isle of Wight 15 years. In 2008, there was enough land in the region for 235,000 dwellings, which is 8.5 years supply. Some authorities may experience difficulties by falling below the 5-year supply threshold, due to delays in LDFs and the housing market seizing up.
13. Maintaining existing settlement patterns should be a high priority. Access to services and infrastructure is also an important consideration. The urban focus of the current South East Plan attempts to address these issues. In the South East Plan sub-regions too often became a focus of housing growth, rather than consolidation and regeneration.

14. There is a role for some development in rural settlements, whether market towns or villages to ensure vitality and improve sustainability, but this should be on brownfield land wherever possible. The region may have to rely more heavily on existing settlements and infrastructure as the more sustainable solutions, if funding is limited. There are also large areas of sub-standard housing in cities and larger towns which need to be regenerated with higher quality housing, and with higher environmental efficiency. The problem will be that the downturn and budget deficit may reduce funding to unworkable levels in the South East, especially in relation to financing of infrastructure.

15. The capacity for new housing development will now be affected by the South Downs National Park. National designations will affect housing and major development in national parks, AONBs, and SPAs across considerable areas, such as in Hampshire, Surrey and Sussex. This needs to be tested, along with the impact on the designations of major development in adjoining areas. We have noted how responding to the planning issues raised by housing pressure can be very stressful for those involved. Sub-regions, such as the London Fringe and Western Corridor can experience much anxiety within the community, especially when there appear to be so few obvious solutions.

What types and tenure of new houses should be built?

16. The right housing in the right places should become more than just a strap line. Market housing is, of course, a legitimate aspiration for those who can afford it. A mixed provision of a range of intermediate housing as well as social rented is desirable in most areas. The need for family size homes has been down played over 10 years. This was highlighted in CPRE’s Family Housing report of April 2008. In the South East, according to the NHBC, over 70% of homes recently completed in the public sector were one or two bedroom flats.

17. Private sector renewable partnerships should be maintained beyond 2011. Local planning should set out a range of types and sizes to meet needs. We are in an era of improved data to scope local needs, but planning authorities are not given sufficient power to use it. This needs to be addressed, as we have been far too dependent on the market. A better use of existing housing stock is also an important part of the solution. There has perhaps been too much emphasis on where new housing should go.

How many need to be “affordable”?

18. Expectations of social housing delivery have not kept pace with requirements. The emphasis should shift from intermediate to social rented housing. The take up of key worker schemes has always been disappointing. Schemes to assist or support first time buyers have provided some help and should become more accessible. Too many confusing and poorly focused schemes have attracted publicity, yet failed to increase basic supply. The debate on improving affordable housing has extended over more than 20 years. There has been little evident political will to create the necessary step change and governments have been too slow to take action. Social rented has been identified as key to greater affordability.

19. Increasing supply does not increase affordability and this concept is defunct. The Barker Review demonstrated that affordability can only be influenced through increasing supply by such an enormous amount that it triggers a collapse in the housing market. This could result in major discontinuities, such as a return to mass negative equity.

20. Affordable and intermediate housing should be planned on the basis of attainable indicative figures. For the past three years, the proportion of affordable housing built has been only about 20% of the total. According to a National Housing Federation study 66% in the region agree there is a shortage of affordable housing in their area, and 67% would support affordable homes being built there. The South East needs to provide increased affordable home ownership if wider economic aspirations are to be achieved. Economic growth is unsustainable without this. Affordability issues also impact on sustainability and the need for better resource use. In a rich region, it should be possible to plan for and provide adequate housing to support economic aspirations.

Is housing provided for older people in the South East fit for purpose?

21. Housing for older people may vary from very basic accommodation to luxury retirement complexes, and this variability is not always recognised. The numbers of life time and semi-life time homes should be expanded. Building to this standard may mean reduced living room size (due to wheelchair access and larger entrance halls) and this should be avoided, with better design solutions found. Sheltered accommodation for the elderly needs a growing proportion of local authority housing budgets.

22. At a time when local authorities are assuming a greater responsibility for housing, the needs of a growing elderly but active population should be better factored in to housing needs assessments. There is a need to quantify and more clearly understand the needs of the elderly.
23. Sustainable construction overall is vital, including energy efficiency, water recycling and heating systems. Improving standards should be expected more widely. New regulation imposes a higher cost to meet increased environmental performance, and the net value of such changes should be investigated. More effort is needed to quantify the need for investment in energy efficiency and the government’s role in retrofitting.

24. Multiple occupancy is taken to mean shared living, and can have both positive and negative effects. Multiple occupancy should not be confused with overcrowding. There are a number of positive aspects to an increased amount of multiple occupancy housing. Many people may choose multiple occupancy simply because of the economic and social benefits of sharing bills and chores, increased family connectivity as well as reduced environmental impacts, heating, lighting and travel.

25. According to a Shelter survey, 28% of people who have separated from their partner are continuing to share a home with them, causing much distress and inconvenience. Young people are often unable to form new households, and are forced into involuntary sharing with parents for long periods. Many have had to return to their parent’s homes, some with young children thus exacerbating an already difficult and stressful situation. The social effects of overcrowding have been well documented by the voluntary and statutory sectors over many years, and should not be ignored.

26. Not all land outside urban areas is green belt, and the difference between green field, (land in agricultural or similar use) which is not designated in any way on Proposals Maps of Local Plans, and green belt, is often overlooked or confused. Green Belts are a planning instrument to help manage the coherence of large or distinctive cities. Green wedges or “strategic gaps” are often a substitute for green belt and provide similar functions. The strategic gaps policy was taken out if the final version of the South East Plan and these instruments remain only as local policy. The presence of green belt has not resulted in a shortage of housing, or an overall increase in regional house prices.

27. It is essential that the Metropolitan and Oxford Green Belts are retained and their integrity protected. In many ways, Green Belt has been the saviour of the region, because it has prevented the outward spread of the capital. It is integral to the future of the region. Green Belts are in fact integral to all relevant strategic and local plans. Future housing provision should be planned for and achieved taking them fully into account.

28. Sustainable and balanced communities are important to ensure the longer term viability of the region; affordability and a good social mix are essential to this. There is a mix of housing types in the delivery of market housing, but there has been an excess of flats and houses that are too small and pokey for families. Social and especially green, infrastructure planning is still in its infancy in many growth areas, and it is difficult to see if it is delivering any useful improvements. Perceptions that the public realm and wider environments are “crowded” exist, and open space now has to meet a more diverse range of requirements.

29. Rates of housing completions are declining. This is due to a capital shortage in the recession. Lower confidence is restricting the housing market. The gap between earnings and house prices still prevents new buyers of all ages entering the market. There is also a widespread loss of confidence in the market and apprehension for the stability of employment.

30. It is also relevant to mention that some targets are contentious and even unrealistic. There can be little doubt that the LDF system is slowing delivery of suitable sites. We consider that affordable housing provision should be separate if we are serious about making progress in the region, and not be subject to fluctuations in the private market.

31. The main focus for region activity on housing should be the Regional Housing Board. This has been recast as the Regional Housing and Regeneration Board. The RHRB and GOSE can work with all partners in the monitoring and delivery on policy on housing. These bodies cannot replace market delivery, so there is a need for better engagement between government and the industry, as well as housing associations.

32. The key challenge for the RHRB is to achieve a step change in affordability and environmental performance (both new build and retrofitting). These can go hand-in-hand when it comes to the affordability of running costs (too often the emphasis in the past has been on extra capital). More environmentally efficient also means cheaper to run.
33. With the market collapsed, the Homes and Communities Agency has a vital role in ensuring adequate funding for affordable housing sector. The HCA is also trying to be enterprising in working with planning authorities and builders to kick-start schemes. Criticisms of the quality of HCA schemes have emerged in 2008. GOSE had no role in implementation until recently, and this has been sporadic. GOSE should also seek to co-ordinate across regional boundaries, especially outer London boroughs, where long term regeneration is lagging. It is important not only to concentrate on housing delivery because the metrics are straight forward, but to also take a holistic view of the wider context.

*Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?*

34. Governance and partnership relations work well in providing a context for the delivery of housing; tensions that exist have not ensured a smooth path for housing delivery or for the consideration of sustainable outcomes. GOSE has a potential role in developing improved relationships across the region, and ensuring the government aims are understood and better supported. The legitimate resistance to large scale housing development in the South East needs to be accepted and understood, and policies adapted accordingly.

35. Planning authorities may be squeezed between spending cuts and a private sector constrained by commercial forces. The result may be sub-standard schemes which councils are forced to accept or risk appeals. It may be better to delay building until it is possible also to provide the community infrastructure that is essential for good quality living places.

27 January 2010

**REGIONAL HOUSEHOLD PROJECTIONS**

**The South East**

The number of households in the South East is projected to reach 4.4 million by 2031. This is an increase of 28% from 2006 when there was an estimated 3.5 million households in the region. At 39,000 additional households per year, the South East has the highest projected absolute increase in the number of households of all the regions.†

![Figure 1: Projected Changes in Household Types for the South East](image-url)
In the South East here is a significant projected increase of one person households and small increases of the others types of households, except for married households. Whereas in 2006, 30% of all households in the region were estimated to be one person households, by 2031 this is projected to rise to 39% of all households (figure 1). This is reflected in figure 2 which shows that around 70% of projected new households in the region are expected to comprise one person households. While the projections show a fall in the number of married households in the region (–5 per cent) the number of co-habiting households is projected to rise by 25%.

Looking at projected growth within the region highlights that there is considerable variation. Figure 3 and table 1 give estimates for projected household growth for counties and unitary authorities. In absolute terms, Kent has the highest projected rate of growth from 2006 to 2031 with the addition of over 190,000 households. In terms of proportionate increase Milton Keynes has the highest rate of projected household growth with the number of households projected to increase by 43%.
One of the greatest problems in analysing the regional household projections is the lack of stability. The subdivision of the national projections into the regions introduces considerable additional uncertainty. International migration to the regions has a much wider band of uncertainty than international migration as a whole and the variability of inter-regional movement exacerbates this problem. The error bars in figure 4, for example, show the width of the 95% confidence interval for the net migration for 2006. It is clear that, for some regions, there can be no confidence that there was any population increase as a result of international migration at all. In the South East net international migration could have accounted for less than 10,000, or up to over 40,000, more people moving into the region.

Figure 4
INTERNATIONAL PASSENGER SURVEY NET MIGRATION TO THE ENGLISH REGIONS\(^\text{v}\)
Please note: This information sheet should be read in conjunction with Housing the Future: An analysis of the Government’s household projections and their use in planning for new housing (CPRE, 2009), copies of which are available from www.cpre.org.uk. Housing the Future explains the nature of the Government’s household projections. It considers their limitations and suggests how they should be used by the planning system to determine housing requirements and guide the level and location of new development.

Although this sheet gives a regional overview of the household projections it is important to remember that the projections are neither estimates of future housing nor estimates of future demand, although they contribute to such estimates. They are not statements of the inevitable nor are they Government policy. They simply indicate the consequences for household numbers of a continuation of recently experienced trends.

REFERENCES


ii Communities and Local Government (Live tables) Table 404: Household estimates and projections by household type and region, England, 1997–2031.

iii Ibid.


v Ibid.

vi National Statistics Online, series MN33, Table 1.2, International Migration from IPS.

Memorandum from South East Regional Forum on Ageing (SEH 09)

This submission concerns the SE Regional Committee’s interest in Housing in the South East and in particular the following questions:

— Is housing provided for older people fit for purpose?

— Are the new homes being built creating sustainable communities?

— What are the social and economic consequences of shortage in the housing supply?

— Are the governance and partnership relationships working effectively to deliver housing in the South East?

SUMMARY OF KEY POINTS

— We are concerned that in general new home building is not addressing, and shows no sign of addressing in the near future, the housing needs and aspirations of an ageing population.

— In accordance with the Government’s national policy for housing in an ageing society, “Lifetime Homes, Lifetime Neighbourhoods”, all homes should be built and all neighbourhoods designed to create inclusive places to live for all ages. This includes the application of inclusive design standards, eg. Lifetime homes and lifetime neighbourhoods principles.

— In the creation of new homes, the positive impact of suitably designed housing of a decent standard to health and social care should be a core consideration. Housing is also a key aspect of tackling health inequalities. There needs to be better co-ordination and integration of services that promote well being and independence at home.

— In planning any new housing, consideration needs to be given to the condition and suitability of the existing housing stock (across all tenures) for an ageing population.

ABOUT SERFA

The South East Regional Forum on Ageing (SERFA) was formed in response to the demographic changes taking place in the region. The Forum brings together organisations, agencies and individuals to champion the interests of older people and to ensure that their needs are met.

The South East Regional Forum on Ageing has a number of objectives:

1. to raise awareness of the issues around ageing and older people

2. to review and inform strategies and policies that will impact on the lives of older people

3. to promote the engagement of older people, partner organisations and policy makers

4. to act as an advocates for older people in the South East, now and in the future

5. to challenge ageism and promote social inclusion and independence
1. **Basis of Response**

1.1 Following a major conference in March 2009, SERFA developed a detailed action plan including specific action on housing. Namely, taking forward work on the “Housing implications of an ageing society”.

1.2 Organisations supporting the work of SERFA include academic Institutions, Age Concern UK, Alzheimer’s Society, Audit Commission, Care and Repair England, Community Service Volunteers, County Sports Partnerships, Department of Health, Department of Work and Pensions, Equality and Human Rights Commission, Government Office for the South East, Help the Aged, Job Centre Plus, Learning and Skills Council, Local Authorities, NHS South East Coast, NHS South Central, Older People’s Forums, Older People’s Advisory Groups, Pension Service, Regional Action and Involvement South East, South East England Development Agency and Sport England.

1.3 This submission has been approved by Julia Pride, the Chair of SERFA. Endorsement from SERFA members has not, as yet, been formally confirmed.

2. **Building New Homes in the South East that Address Demographic Change**

2.1 The commitment to building new homes in order to meet housing shortages is welcomed.

2.2 However, we do have concerns that in general new house building is not addressing, and shows no sign of addressing, in the near future, the housing needs and aspirations of an ageing population. If anything, we have seen a fall in space and design standards over the past 20 years that has left even more of the housing stock unadaptable to a person’s needs should they become less mobile.

2.3 As the Government’s own strategy for housing in an ageing society, *Lifetime Homes, Lifetime Neighbourhoods*, points out (P11) “Older people will make up 48% of all new growth in households to 2024”. When the figures are examined in more detail, if the exceptional situation of London is removed, this growth level is closer to 60%.

2.4 This major social change is not being addressed adequately in mainstream housing policy, remaining either an afterthought or not considered at all in design, location or the planning of a significant proportion of new housing.

2.5 The impact of population ageing, and the serious implications of this social change for future housing supply and demand, is not being seriously addressed in plans for new housing in the South East.

2.6 The housing needs and aspirations of an ageing population will become an ever more critical market driving force than it is already and hence needs to be assessed and planned for in every aspect of housing and planning policy. The recommendations of the HAPPI report (Housing our Ageing Population Panel of Innovation) need to be given careful consideration within the region and influence the approach to future housing in the region.

2.7 Already:

- 30% of all households are headed by a person of 60 or over – and this is set to increase significantly.
- 90% of older people live in general housing stock.
- 75% of all older households are owner occupied. This is even higher amongst the newly retired, amongst which group there is 84% owner occupation in rural areas.

2.8 One of the major social changes of the last 20 years has been growth of owner occupation amongst lower income groups; half of all poor households are now owner occupied. Disadvantage straddles tenure, with many low equity/low income older home owners living in worse housing conditions than many social rented tenants.

2.9 As those households retire on low pensions, issues about affordable home maintenance and finding affordable alternative housing as they get older will come to the fore.

2.10 The availability of well designed, suitable housing that would enable older people to “trade down” from a larger family house is of critical importance in any planning for new homes.

2.11 Higher quality and inspiring design of homes for older people should be a key element of the local and regional strategies designed to address under-occupation.

2.12 At housing debates and related events in London and the South East, older people regularly comment on current specialist housing for older people and cite the following as major disincentives for moving home (1) poor space standards; (2) the inadequacy of one bedroom homes; (3) lack of storage space; (4) risks of injury; and accidents (5) inflexibility of properties and unadaptability resulting from lack of space.

2.13 All too often local housing strategies for older people in the SE (and elsewhere) focus on the future role, suitability, need and viability of sheltered housing and extra care housing. For many localities this has been the key driver of housing policy and investment for older people, when typically only 5% of the older population live in this sort of specialist housing. This does not address the full range of housing related needs of older people.
2.14 Older people have reported a strong sense of unfairness about the support and services they can access if they are not in supporting housing.

2.15 However, where new supported housing is being planned and built, there is a need to assess and respond more imaginatively to the housing and housing related service needs of older people with mental and physical disabilities, particularly for growing numbers of older people with dementia and learning disabilities.

2.16 Only through acknowledgement of this major, growing force in housing markets, will housing and planning policies be effective in delivering a sustainable housing supply and an inclusive environment for the wider community.

3. **Lifetime Homes, Lifetime Neighbourhoods**

3.1 The creation of “future-proofed” housing and neighbourhoods can play a significant part in enabling the aspiration of the majority of older people to live independently, and to play a positive, contributory role in their communities.

3.2 There needs to be effective engagement with older people in order to shape lifetime neighbourhoods and identify housing priorities. Key physical features cited by older people include good public transport and safe, well maintained, well lit and wider walkways with dropped curbs. A wide range of facilities were cited for an ideal lifetime neighbourhood. Those particularly highlighted include (1) toilets (2) local shops (3) Post Office (4) health related services.

3.3 Another essential feature is developing healthy communities offering opportunities for exercise and tackling environments that contribute to health problems such as obesity.

3.4 Failure to plan for age inclusive buildings and wider environment will also have a significant impact on demand for health and social care services. This is particularly relevant given the current fundamental review of adult social care policy.

3.5 For all of the reasons stated above, we believe that it is absolutely essential to make Lifetime Homes Standards mandatory in all new build, across all tenures as a minimum first step.

3.6 Unless Government creates a level playing field and sets minimum standards for the whole building industry nationally, standards will not rise.

4. **Social and Economic Consequences of Shortage in Housing Supply for All Ages**

4.1 There is an increase risk of family fragmentation and loss of support networks.

4.2 This militates against sustaining and promoting mixed communities as home ownership becomes increasingly unaffordable for many newly emerging households.

4.3 If there is a lack of housing choice for older people there is less scope to make the best use of existing stock.

4.4 The risk of adverse impacts on physical and mental health and well-being and economic consequences as a result.

5. **The Role of Housing in Tackling Health Inequalities**

5.1 Tackling health inequalities has been a government policy priority for a number of years. Many of the common chronic health conditions linked to early death and inequality, particularly for older people, have a causal link to housing. These include heart disease, strokes, mental health, respiratory conditions, arthritis and rheumatism.

5.2 Older people spend more time at home than any other age group (at 80+ this can be 90%). Consequently the suitability and quality of housing significantly impacts on their health, well-being and our ability to maintain independence in later life.

5.3 The majority of related health and social care policies stress enabling older and disabled people to live independently in their own homes for longer and to deliver care and health services at/or closer to home.

5.4 “Injuries due to falls in older people have been estimated to cost £1 billion a year … and the majority take place in the home” HAPPI report 2009

5.5 Tackling excess winter deaths and the health risks associated with fuel poverty

5.6 The availability of suitably designed and decent quality housing for older population is thus closely connected with addressing health inequality, enabling independent living and the prevention of more costly demands on health and social care.
6. Taking a Holistic Approach to Housing in the South East

A much more holistic and co-ordinated approach to the development of new housing in the South East is required. This includes for example:

— Making best use of existing homes, including maintaining existing homes, particularly improving the condition of the private sector stock for vulnerable groups
— Consideration of the growing role of private rented housing and measures to ensure private rented sector homes are of a decent quality and standards.
— Addressing the increasing need for home adaptations, the interconnection of this demand with the design of any new stock and addressing the shortcomings of the current arrangements.
— Support self help by encouraging people to plan ahead for housing in later life and ensure that housing is being built that offers positive choice.
— Develop housing related support services. Access to a range of services is important to help maintain independence. Older people have reported this should include for example: (1) home maintenance, repair and handy person schemes (2) information about housing options as circumstances change (3) home help and care at home (4) financial advice and assistance (5) gardening.
— Improve energy efficiency standards for new homes so that there is a reduction in fuel poverty and a reduction the health impact on older people of increasingly hot summers and cold winters.
— Recognising the contribution of Assistive devices: technological developments and greater use of assistive devices can support independent living and should continue to be further developed.
— We strongly support pro-active measures to promote and require greater co-ordination and integration between health, social care and housing in the design and planning of any new housing and developing a more holistic approach.

27 January 2010

Memorandum from Anne Milton MP (SEH 10)

The Regional Select Committee may find it useful to review the debate in Westminster Hall on 22 October 2008 about the South East Plan, when colleagues commented at length on the housing requirements imposed by the regional spatial strategy.

Others will no doubt respond in more detail to the specific questions posed by the Committee, in terms of numbers. However, many hours of work went into the preparation of the South East Plan, and it was debated at length by those appointed by local authorities and organisations to reach the total proposed—only to see it torn apart by the Secretary of State who appeared arbitrarily to impose far higher numbers in a seemingly random way. My Guildford constituency in particular was singled out to take hugely increased housing numbers—despite its geographical constraints (It is dissected by a floodplain and is surrounded by green belt, protected downland, rural villages, the Surrey hills and the Thames basin heaths. It has constricted roads, forming a pinch-point in the network. Flood risk is a significant concern because there is an undefended zone 3 floodplain running through the town centre. There is also an extensive natural floodplain to the north-east of Guildford, which takes the flood waters, thus saving the town. That is already densely developed. The proposed housing numbers will increase the flooding risks by increasing the pressure for development along the river channel on land with a risk level that planning policy statement 25 advises is a flood corridor. The South East Plan also proposes new houses in the natural floodplain between Guildford and Woking, which is a crucial strategic gap, necessitating a review of the crucial Green Belt.)

A report commissioned by the Government from Roger Tym and Partners stated that there would be:

“a negative effect in all sub-regions on the objective to reduce the risk of flooding…A number of trunk roads are likely to be unable to cope with the predicted traffic demand…There is some overloading on most routes into London and all sub-regions adjoining London would therefore likely be under stress under the higher growth forecasts…Increasing the provision of housing under all our scenarios will result in a regional deficit in water supply, with many areas in severe deficit of water resources”.

As we know, the Secretary of State chose to ignore this advice.

A second and crucial aspect of housing provision is “i before e”—infrastructure before expansion. No matter how many homes are needed or constructed, there is absolutely no point in building them if the appropriate infrastructure is not in place. A town with infrastructure deficit, like Guildford, groans already under the pressure. Sustainability is a word much used in development and planning terms, and is crucial when debating housing need and construction.

Local authorities and organisations are far better placed to assess housing need and possibilities. There is a need to listen to what they have to say—and I hope that they will be taking the opportunity to respond to the Committee.
I would urge the Committee to look at the many studies which have already been carried out and the figures that local authorities already produce, using local knowledge.

I note also that many of the questions you pose refer to “houses” rather than “homes”. While this is an optimistic outlook, the practicalities of the South East may make this an aspiration rather than a practicality.  

26 January 2010

Memorandum on behalf of Dorset County Council and the Unitary Authorities of Bournemouth Borough Council and Borough of Poole (SEH 11)

EXECUTIVE SUMMARY

Bournemouth, Dorset and Poole, under their roles as Section 4(4) Authorities, submitted First Detailed Proposals to the South West Regional Planning Body during preparation of the emerging Regional Spatial Strategy for the South West. The same authorities are also signatories to the Bournemouth, Dorset and Poole Multi Area Agreement. The three authorities thus are well-established partners in sub-regional matters of relevance to this Inquiry and are in agreement that it would assist the Select Committee to submit a joint response. It is relevant to note also that Bournemouth, Dorset and Poole are party to, and have endorsed, the submission to the Select Committee by South West Councils on behalf of the South West Region. The following comments echo this submission but focus on matters of particular relevance to Dorset, and in particular the South East Dorset conurbation.

Whilst we do not object in principle to the aspirations for economic growth in the South East, the scale of growth that is proposed raises some crucial issues for Dorset. The principal matters of concern to which we wish to draw the Select Committee’s attention are:

1. the high levels of economic growth planned for the PUSH area are not sufficiently self-contained in terms of the housing supply needed within the South East Region to meet the jobs and population growth associated with such economic expansion;

2. the impact of 1 upon demand for housing in South East Dorset is likely to result in both additional pressure being placed upon an already constrained housing supply and a potential decanting of the workforce away from South East Dorset, making our sub region less economically buoyant. The unique environmental assets of South East Dorset mean that there is no scope to meet additional housing demand over and above the levels identified in the Habitats Regulations Assessment carried out as part of the South West RSS;

3. there will be social impacts of 1 and 2 most notably in relation to inflationary pressures upon house prices in South East Dorset in an area which already experiences some of the highest disparities between incomes and house prices in the country;

4. the likely outcome of under-providing housing in an area of planned economic growth is that more of the housing demand will have to be met in adjoining regions such as South East Dorset, which will lead to greater commuting between South East Dorset and the PUSH area. This could adversely affect the economic competitiveness of South East Dorset and will lead to greater carbon emissions; and

5. should concerns about the adequacy of infrastructure in the South East lead to delays in housing provision, the mismatch of jobs and housing will be exacerbated in the event of an economic recovery. This will have social implications for South East Dorset in delivering affordable housing and creating sustainable, self-contained communities. This in turn will lead to increased out-commuting with an associated impact upon the existing transport network.

1. BACKGROUND

1.1 The draft RSS for the South East (published in 2005) proposed an annual target of 28,900 additional dwellings. At the Examination in Public which followed publication of the Draft RSS for the South East, the South West Regional Planning Body, together a number of local authorities from the areas bordering the South East, made strong representations to the EiP Panel (in 2006) expressing concern that the level of housing proposed was inadequate to cope with the demand which would be exacerbated by the levels of economic growth envisaged, notably in South Hampshire (the PUSH area). The EiP preceded the publication of the first set of revised CLG household projections (in 2007).

1.2 The Panel Report, published in May 2008, recommended that 32,000 dwellings per annum should be planned. Since then CLG has published revised household projections which indicate higher household formation rates than those assumed in draft RSS.

1.3 The Government’s final approved Regional Spatial Strategy for the South East was published in May 2009. This sets a regional housing target of 32,700 dwellings per annum, but does not make reference to “minimum” housing numbers. It also calls for infrastructure delivery programmes to be agreed before major new developments begin.
1.4 It is important to note that, whilst the Plan has included a higher housing figure than that in the draft plan or Panel Report, subsequent recommendations by the National Housing and Planning Advisory Unit (NHAPAU) have argued for significantly higher household formation rates based upon ONS projections. This, combined with the implications of the CLG Housing Affordability Model, have resulted in NHAPAU suggesting that 38,000 dwellings per annum would be needed to meet the revised projected household formation rates, and this would increase to 53,800 if based upon the affordability model.

2. IMPLICATIONS FOR BOURNEMOUTH, DORSET AND POOLE

2.1 The submission to the Select Committee from South West Councils will draw your attention to the fact that the concerns raised in 2006 still remain valid. In spite of a rise in the housing target for the RSS to a little over the minimum level requested by the South West RPB in its EiP submission, and the likely short term reduction of housing market demand due to the economic recession, the main factor driving growth in the South East remains the economy. Any continuation of historic levels of housing under-provision in the South East will have serious implications for the South West.

2.2 The authorities of Bournemouth, Dorset and Poole represent a sub-region which immediately adjoins South Hampshire. South East Dorset has both an economy and a housing market which share a close relationship with Hampshire, reflected in commuting figures between the two sub regions. Within this context, we have addressed our comments to those Select Committee questions of greatest relevance to this sub-region.

Q: How many new houses would be needed to support the economy and social needs of the South East?

2.3 Bournemouth, Dorset and Poole are concerned that the economic growth ambitions for South Hampshire do not damage the economic prospects for South East Dorset, do not place additional housing pressures on that part of the County, and are guided in such a way that the location, scale and pace of additional development in South Hampshire achieves self-containment. Our previous representations to the South East Regional Plan noted that the proposed growth in GVA to 3.5% for the period 2021–26 for South Hampshire represented an increase over the then trend rate of 2.75% per annum (Economic Drivers and Growth Phase 3 Final Report, DTZ Pieda for PUSH) and the 3% growth in GVA sought for the region as a whole. Such growth assumptions now appear optimistic given the current economic situation and the deficit in public finances, which could have serious repercussions for the delivery of critical infrastructure. However, even if such levels of growth are not realised in full, there is a risk that if assumptions about increased productivity do not materialise, pressures on the housing market will still occur (see para. 2.16), particularly when higher household formation rates are taken into account.

2.4 The achievement of this growth rests on assumptions about correlations between economic growth and employment growth, particularly in the short to medium term, and increased labour productivity, mainly in the long term. Enhancing the skills base of the sub region will clearly help efforts to raise productivity. In this respect, policies contained within the strategy set a context for more specific delivery through other key partners and strategy development.

2.5 However, the economic forecasting model used for South Hampshire raises some uncertainties and potential risks. Any long-term economic forecast increases in uncertainty over time. To rest a sub-regional strategy on a given level of long-term growth, translated into labour demand through to housing provision is therefore risky.

2.6 One illustration of this uncertainty relates to the assumptions made about productivity gains. The strategy assumes that GVA per employee will increase from 1.7% in 2002–06 to 2.7% in 2021–26 (Figure 2.1, Economic Drivers and Growth Phase 3 Final Report, DTZ Pieda for PUSH)—averaging 2.3% for the period 2002–26. Appendix 1 of the report shows how variations in the growth rate and productivity assumptions are reflected in the projected quantum of employment. The variations are substantial. For instance, for growth over the whole period of 3%, variations in productivity growth of between 2.0% and 2.5% result in employment projections of between 88,500 and—18,300 from 2006–26 (see scenarios 3.1.2a to 3.1.2c, Figure A1.1, Appendix 1, Economic Drivers and Growth Phase 3 Final Report, DTZ Pieda for PUSH).

2.7 If the productivity gains did not materialise and no additional provision is made for housing, then either the economic growth aspirations will not be realised or they would rely on additional imported labour. The latter scenario could place increased pressure on South East Dorset for housing development and/or reduce the labour supply available to that area to meet its own growth potential. South East Dorset is already constrained by environmental designations, which limit its own development options, and the labour market analysis for the sub-regional strategy for that area suggests that there may be a shortfall in labour supply after 2016. This would be exacerbated if South Hampshire were to look to South East Dorset to supply additional labour.

2.8 In this case, there would also be an increase in commuting between the two areas. This would be undesirable, given that much of this commuting is likely to be by car and cross the New Forest National Park. At present, both commuter routes are relatively self-contained—87% of the workforce of South East Dorset lives in the area. Nevertheless, commuting between the two areas has increased significantly over the last few decades. Between 1981 and 1991, net commuting from South East Dorset almost doubled.
1991 and 2001, net commuting from South East Dorset to South Hampshire had risen from 1,880 to 3,429 daily. These figures mask the much larger gross flows that underlie them. In 2001, 5,888 commuters travelled daily from South East Dorset to South Hampshire, and 2,459 travelled in the opposite direction. About 90% of movements were by car.

2.9 Given these uncertainties and concerns, it is critical that the alignment between economic growth, employment levels and housing development is carefully monitored, and mechanisms put in place for the release of additional housing should the assumptions not be realised. This will rely upon there being sufficient supply of housing in the South East, and in particular in South Hampshire, to match the planned levels of economic growth.

Q: Where should these houses be built to satisfy housing needs in the most sustainable way?

2.10 The proposed level of housing in the South East Region as a whole has significant implications for Dorset. The County has a long-standing relationship of accommodating migration from the South East. This was linked to large scale planned decentralisation during the 1960s and 1970s, and, more recently, outflows from the South East based on lifestyle choice. Table B2 of the draft Regional Spatial Strategy for the South West shows the South West Region accommodates 55% of the South East net out-migration. Of the South West total, Dorset receives a 20% share of this immigration—significantly higher than its 14% share of the total South West population (2001 Census). Most significantly, zero net migration population projections for Dorset show that nearly all additional housing requirements in Dorset arise from the demands of in-migrants.

2.11 The accommodation of high numbers of in-migrants is a problem for Dorset. The County is now experiencing considerable capacity difficulties, in particular in the South East Dorset conurbation, centred on Bournemouth and Poole. This is due to a combination of nature conservation considerations (many areas have international protection), landscape designations, areas prone to flood and other constraints. Extensive areas of heathland, protected by the Habitats Regulations, prevent further development from taking place in many parts of the sub-region. As a consequence there are now difficulties in meeting the scale of growth required by draft RSS for the South West. As part of the process of drawing up the South East Dorset Strategy, the 4/4 authorities undertook a comprehensive review of the Green Belt around the conurbation. Because of the constraints, only a limited number of urban extensions were identified, and are included in the draft RSS for the South West.

2.12 In fact some uncertainty exists over the ability to deliver urban extensions in South East Dorset proposed in the Secretary of State’s proposed modifications to the South West RSS. In some cases this is due to the need for significant infrastructure and in others it is as a consequence of the potential impact upon internationally protected habitats.

2.13 It significant that South East Dorset has in place a joint heathlands interim policy framework designed specifically to mitigate the cumulative impact of residential development upon the Dorset Heathlands in and adjacent to the South East Dorset conurbation. The evidence base for this was the Habitats Regulations Assessment (HRA) carried out as part of the testing of the Regional Spatial Strategy for the South West. The heathlands interim framework was put in place with the agreement of all affected local authorities (within 5km of heathlands, which affects the entire conurbation), Natural England, Government Office for the South West and South West Councils. Without such a mechanism residential development in South East Dorset would adversely affect the integrity of Natura 2000 sites, as evidenced by the HRA. The partner authorities are committed to preparing a joint development plan document which will replace the interim framework in due course. Such an approach highlights the significance of the environmental constraints in South East Dorset even in terms of existing pressures, let alone development planned up to 2026. It is apparent, therefore, that any additional demand for housing in South East Dorset over and above that assessed as part of the HRA is unlikely to be capable of being accommodated, which highlights the necessity for the South East region to meet its needs.

2.14 The South East Region has understandable concerns about its own ability to continue to absorb population and housing growth, with the potentially undesirable consequences of increasing congestion and pressure on important environmental assets. The Region has also expressed worries about the lack of investment in infrastructure to support even the level of development growth proposed in the draft Plan. These concerns are common to at least the eastern part of the South West, and Dorset in particular. A national spatial strategy should consider how the Government’s sustainable development objectives find spatial expression across England. It should seriously question whether continuing high levels of population and housing growth across the south of England are sustainable.

2.15 The absence of a national strategy results in inter-regional issues continuing to be resolved by default. The South East Plan does not make sufficient provision for the Region to “consume its own smoke”, but assumes that surrounding regions, such as the South West, are able to continue to absorb substantial amounts of out-migration from the South East. Dorset no longer has the capacity to accommodate past levels of in-migration from the South East. In the absence of any national strategy, it is vitally important that the South East Region is able to acknowledge and address this issue.
2.16 In South Hampshire, the proposed housing requirement of 80,000 dwellings is derived by matching labour supply to labour demand, and making good the existing housing backlog in South Hampshire (Economic Forecasts and Jobs-Housing Alignment, PUSH). The strategic authorities of Dorset are concerned that the calculation of dwelling requirements underestimates the real demand in the area. The reasons for this concern include:

- the estimate of job growth may be significantly higher if productivity assumptions are not realised;
- high variant economic activity rates were used, and the statement by PUSH “Economic forecasts and the jobs-housing alignment in South Hampshire” acknowledges that in the light of the Turner Report and subsequent Government proposals they may be optimistic. Lower rates would require higher levels of population (and hence housing);
- local population growth was based on a zero net migration model. Zero net migration can be modelled in different ways, with significantly different results;
- net migration was used as a balancing factor to achieve a desired level of population (and thus labour supply) growth. This implies that the migration allowance has been principally for economic migrants. But there are other types of migrants, such as retirement, and it is unclear how this element has been treated. Reference should have been made to historic rates of migration. It seems likely that the total demand for housing has been underestimated;
- the age structure of migrants is taken from the 1991 Census. 2001 Census data is available, and should be used. The effect on the resulting population (and hence housing) levels is not known;
- 1996 household representative rates were used, but are now out-of-date. They are likely to underestimate the amount of housing required to accommodate a given level of population;
- it is not clear what assumptions were made for commuting.

2.17 It is strongly recommended that the dwelling requirements for South Hampshire be recalculated taking account of these concerns, and the effect of variant assumptions assessed. Otherwise it is more than possible that the area will be putting undue and undesirable pressure on surrounding areas, including Dorset. Aside from the capacity issues outlined earlier, a second concern relates to house prices. Dorset has one of the highest house price to income ratios in the country. Within South East Dorset, ratios range from 10.3 to 12.8, compared with the national ratio of 8.5. If economic growth in South Hampshire is not matched by sufficient housing provision, this could place additional demand for housing in Dorset, and increase pressure on house prices. There is likely to be additional pressures in any case if significant economic growth takes place in the PUSH area, should average wages remain higher here than in the neighbouring sub-region.

Q: What types and tenure of new houses should be built? How many need to be ‘affordable’?

2.18 This is largely a matter for the South East, based upon evidence regarding housing needs. As a general comment, however, Bournemouth, Dorset and Poole would wish to see a level of housing provision in the South East and, in particular South Hampshire, which meets the planned levels of economic growth. This will also require an appropriate mix of dwellings in terms of size, affordability and tenure such that the area is able to offer both sufficient numbers and a suitable mix of housing and, in turn, to avoid additional pressures being placed upon housing supply in the South West region.

2.19 The provision in the South East of more market and affordable houses for people on medium and lower incomes, better related to main centres of employment and with a sufficiently attractive living environment would contribute towards increased sustainability in both regions. Dorset experiences some of the most severe gaps between incomes and house prices in the country and so it is critical that the South East, and specifically (in our case) South Hampshire, makes every attempt to secure affordable housing. We would consider that the SE RSS’s requirement for 35% of housing to be affordable to be adequate (in the context of viability implications), although we do have concerns that the necessary funding for this, both through Government subsidy and private sector contributions via Section 106 and CIL, will be extremely difficult to achieve as the economy emerges from recession and the effects of the financial crisis.

2.20 In conclusion we would urge that the South East should continue to make a serious attempt to accommodate the housing demand originating in the region in a way that better reflects its economic potential. Failure to do so will have inevitable impacts on Dorset.

Q: What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

2.21 It is becoming increasingly apparent that the recession, or more specifically the state of public finances, is going to have a significant adverse impact upon the ability of the public sector to deliver infrastructure directly. This may place a proportionately greater burden upon development to meet its infrastructure needs. Given the fragile state of economic recovery and the constrained ability to finance development, it is likely that viability margins will shrink, having a direct impact upon the level of any infrastructure levy (CIL or Section 106) which might reasonably be charged.
2.22 RSS for the South East requires development to be “conditional” on the provision of infrastructure. The RSS Implementation Plan (as revised) only commits to improvements to the M27 Junctions 3–4. All other investment is still only “under” or “proposed” for investigation. Whilst we accept the need for development to be consequent on supporting infrastructure, we would be concerned if this investment is not forthcoming and that as a consequence housing levels will not be sustained. This would again increase pressure on South East Dorset. There need to be better guarantees than currently provided that mechanisms are in place to bring forward and fund investment in infrastructure.

2.23 Considerable cross border commuting takes place between the Bournemouth/Poole conurbation and South Hampshire. Indeed, between 1981 and 1991 net commuting from South East Dorset almost doubled. At 2001 a net flow of 3,429 commuters travelled from South East Dorset to South Hampshire. This masks a larger gross flow of 5,888 commuters from South East Dorset to South Hampshire, and 2,459 in the opposite direction.

2.24 If the strategy for South Hampshire is successful in promoting levels of housing and economic activity it will require considerable investment in supporting infrastructure particularly transport along the M3/M27/A31 corridor. The South West RSS identifies this corridor as being part of the inter-regional route from the South West to London and the Midlands.

2.25 The South East Plan recognises that congestion is a major issue on several sections of the strategic transport network and that by 2026 the natural and committed growth will exacerbate congestion, especially on the M3 and M27. Some links are expected to have 70% over-capacity (all day average). This is the main route to London for the Poole/Bournemouth conurbation. We are also concerned about reported congestion issues on the A34, which together with the A31/A338 and M27 forms the main north-south link from the South East Dorset conurbation.

2.26 Stress maps produced by the Highways Agency for the South West Region are set out below. Figure 5.1 shows observed stress on the trunk road network. The A31 to the north of the Poole/Bournemouth conurbation is shown in red from the Hampshire border as a link that has currently exceeded capacity. Figure 5.2 shows forecast network stress to 2026. This shows a westward extension of the link exceeding capacity around the Poole/Bournemouth. These stress maps relate to all day traffic flows and therefore dilute the effects of peak-hour congestion.
2.27 The above graph shows average annual daily flows for all vehicles using the main road links between the South East Dorset conurbation and south Hampshire (up to 2005). There are only four crossing points of the River Avon, the C137 Avon Causeway is the fourth route and this together with the New Forest National Park creates a major barrier to road transport, both for commercial and commuting traffic.

2.28 Traffic on the A35 and A337 has remained fairly constant over the last 10 years reflecting the limited capacity of the highway network within Christchurch town centre. Indeed, highway capacity in Christchurch town centre has recently been reduced in order to achieve environmental benefits.

2.29 Whilst specific proposals are identified in the Implementation Plan the transport investment priorities as set out in the Implementation Plan (with exception of improvements to junctions 3–4 of the M27 to access Southampton Airport) do not accord this transport corridor any priority for investment and there are no guarantees that funding will be available to implement the schemes and proposals identified.
2.30 We are therefore concerned that lack of investment will lead to increasing congestion making travel between the regions more difficult, with associated environmental impacts and added pressure upon limited funding resources. Given that a critical means of access from London, the Midlands and the North to Dorset/South East Dorset is via the A31/M3/M27/A34 corridors, this could adversely affect the economic prospects of Dorset. It could also increase pressure upon other routes serving the South West. In addition, the lack of investment in infrastructure will hold up the planned level of housing and economic growth within South Hampshire and this in turn will have an impact on Dorset through deflecting both migratory and commuting pressures into the South East Dorset conurbation.

Q: What are the social and economic consequences of a shortage in housing supply in the South East?

2.31 The NHPAU has warned of the social and economic consequences of not maintaining an increased housing supply. Key concerns can be summarised thus:

— delay in the formation of households;
— an increase in over-crowding;
— an increase in the demand for housing support from the state;
— further concentration of wealth in asset rich households (and with a bias towards older owner occupiers);
— erosion in the proportion of those aged 18–34 in owner occupation leading to intergenerational disparities.

2.32 In South East Dorset environmental constraints are such that a shortage in housing supply in the South East region will have direct impacts upon the neighbouring sub-region’s ability to create sustainable communities in which residents enjoy access to jobs and homes. This will further exacerbate the disparity between incomes and house prices and lead to greater polarisation of society. This has economic implications in that it will become harder for South East Dorset to retain graduates and businesses may struggle to recruit employees due to the cost of housing.

2.33 Any mismatch between jobs and homes will increase the need to travel. This reduces the ability to plan self-contained communities and increases carbon emissions, pollution, and the environmental/social impacts of traffic generation. Congestion levels will also have an impact upon economic competitiveness.

27 January 2010

Memorandum from The Wildlife Trusts in the South East (SEH 12)

Summary

1. Current housing plans breach environmental limits and therefore the principles of sustainable development. This will cause conflict, and therefore delay in housing delivery.

2. The mechanism used in the South East Plan to ensure compliance with the Habitat Regulations puts an insupportable load onto individual local planning authorities and developers. Local planning authorities are currently not well equipped to deal with the complex issues surrounding implementation of the Habitats Regulations, which are, in any case, best addressed at regional or sub-regional scales.

3. As a result of the above, conflicts between housing development and environmental protection, many of which may be soluble, are resulting in delays to housing delivery, as well as potentially leading to damage of the region’s most important wildlife habitats.

4. A number of actions are suggested to resolve these conflicts.

How many new houses would be needed to support the economy and social needs of the South East?

5. In PPS1, the government states that “Sustainable development is the core principle underpinning planning” and that planning should facilitate and promote sustainable patterns of urban and rural development by, inter alia, “protecting and enhancing the natural and historic environment”. Therefore, it is essential that the Committee gives consideration not just to the economy and social needs of the South East, but to its natural environment.

6. In particular, the Committee should consider how many houses could be built in the South East without breaching environmental limits. This is an issue which the Wildlife Trusts believe should have been addressed in the preparation of the South East Plan, and is a formal recommendation in the Plan’s Sustainability Assessment. The Committee’s inquiry would therefore be a suitable and timely place to start this consideration.
7. It is important to note that the Sustainability Assessment for the South East Plan concluded that the plan, as adopted, would have a negative impact on biodiversity.\(^\text{27}\) The only conclusion that can therefore be drawn is that current government housing proposals cannot be delivered within the environmental capacity of the South East Region. The current failure to properly address sustainable development in the round will undoubtedly prove a barrier to future housing delivery.

Where should these houses be built to satisfy housing needs in the most sustainable way?

Why are we failing to meet targets for completion of new houses?

8. Among the key tools for delivery of sustainable development are the Habitats Regulations Conservation (Natural Habitats, &c.) Regulations 1994\(^\text{28}\) (normally referred to as the Habitats Regulations) which incorporate into UK law the European Habitats Directive. Under this legislation, a network of sites of international importance for biodiversity has been designated: Special Protection Areas (SPAs), originally established under the European Birds Directive, and Special Areas of Conservation (SACs) for other habitats and species of European significance. Collectively, SPAs and SACs are referred to as Natura 2000 sites.

9. Under the Habitats Regulations, any project or proposal likely to have a negative impact upon a Natura 2000 site must be appropriately assessed, and can only proceed if it can be shown that the impact would not be significant, or, if the impact would be significant, if there are imperative reasons of over-riding public interest and no alternatives to the project or proposal. In the case of certain priority habitats, only environmental concerns or public health and safety are permissible as reasons of over-riding public interest.

10. The assessment of the earlier iterations of the South East Plan was not able to not conclude that the level and distribution of housing proposed would not have a significant impact upon the region’s network of Natura 2000 sites.\(^\text{29}\) In order to make the Plan legally compliant, the ideal approach would have been to review and revise regional housing allocations in the light of the environmental limitations set by the regions Natura 2000 sites, or to establish strategic-level mechanisms for mitigating or avoiding any impacts. However, instead, Policy NRM5 of the Plan was revised to pass to the local planning authorities the responsibility for assessing and addressing this issue. The wording of the relevant part of the adopted policy reads:

**POLICY NRM5: CONSERVATION AND IMPROVEMENT OF BIODIVERSITY**

Local planning authorities and other bodies shall avoid a net loss of biodiversity, and actively pursue opportunities to achieve a net gain across the region.

(i) They must give the highest level of protection to sites of international nature conservation importance (European sites (6)). Plans or projects implementing policies in this RSS are subject to the Habitats Directive. Where a likely significant effect of a plan or project on European sites cannot be excluded, an appropriate assessment in line with the Habitats Directive and associated regulations will be required.

(ii) If after completing an appropriate assessment of a plan or project local planning authorities and other bodies are unable to conclude that there will be no adverse effect on the integrity of any European sites, the plan or project will not be approved, irrespective of conformity with other policies in the RSS, unless otherwise in compliance with 6(4) of the Habitats Directive.

(iii) For example when deciding on the distribution of housing allocations, local planning authorities should consider a range of alternative distributions within their area and should distribute an allocation in such a way that it avoids adversely affecting the integrity of European sites. In the event that a local planning authority concludes that it cannot distribute an allocation accordingly, or otherwise avoid or adequately mitigate any adverse effect, it should make provision up to the level closest to its original allocation for which it can be concluded that it can be distributed without adversely affecting the integrity of any European sites.

11. This presents local planning authorities with an almost impossible job:

11.1. District planning departments are, in general, under-resourced and over-stretched. Planning officers, even the most competent, are unlikely to be familiar with the application of the Habitats Regulations, and are, more often than not, unfamiliar with planning guidance or policy relating to nature conservation. The statutory duty to have regard to the conservation of biodiversity is not sufficiently strong that most planning departments feel able to commit to employing a professional ecologist, and very few have the necessary skills to understand potential impacts on Natura 2000 sites.

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\(^{27}\) Paragraph 16.2.5 of the Regional Spatial Strategy for the South East: Sustainability Appraisal and Habitats Regulations Assessment (GOSE 2009) for a description of the process which led to the development of Policy NRM5 in the final iteration of the Plan.

\(^{28}\) See Regional Spatial Strategy for the South East: Sustainability Appraisal and Habitats Regulations Assessment Statement (GOSE 2009) for a description of the process which led to the development of Policy NRM5 in the final iteration of the Plan.
11. In order to avoid cumulative impacts, section 48 of the Habitats Regulations requires potential impacts of proposals or projects to be considered in combination with other proposals or projects likely to be made upon the same site. This is entirely reasonable, in order to avoid environmental quality being eroded by a succession of individually small impacts. However, it is difficult to consider and address at local level. For example, where a site may be impacted by increased visitor numbers (as in, for example, heathland or estuaries where disturbance to birds is a significant issue), then a local planning authority would need to consider not just its own housing allocation, but all those within reasonable traveling distance of the Natura 2000 site: evidence shows this may mean a radius of up to fifteen miles or more. Because of its scale and complexity, this sort of task is best addressed at a strategic level; at lower levels of planning it becomes increasingly difficult, so that at the scale of an individual application, the task is disproportionately large though still required if serious environmental damage is to be avoided.

12. As a result, local planning policies and individual planning proposals are open to challenge during the planning process because of non-compliance with the Habitats Regulations, leading to significant resource expenditure by developers, local planning authorities, and statutory and non-statutory environmental bodies, and resulting in delays to housing delivery. For example, consideration of the appropriate assessment of the regionally significant housing development at Queenborough and Rushenden on Sheppey began at least as early as 2007, and the matter has still not been resolved. Although the proposal has been approved in principle by Swale Borough Council, the mitigation of impacts upon Natura 2000 sites has still not been satisfactorily addressed, and development will not be able to commence until this work is completed.

13. It is important to remember that such delays are not a matter of unnecessary environmental red tape. The Habitats Directive deals only with those sites of importance at a European scale. Effectively, they represent the back marker: a substantial amount of damage to and destruction of locally and nationally important biodiversity can occur before the Habitats Directive even needs to be considered; once development starts coming up against this legislation, it is clear that it has reached and probably breached an important biodiversity can occur before the Habitats Directive even needs to be considered; once development starts coming up against this legislation, it is clear that it has reached and probably breached any meaningful environmental limits. To regard Natura 2000 sites as an unreasonable or unnecessary barrier is effectively to regard all biodiversity in this way.

14. Examples of situations where there has been conflict between the delivery of housing and the need to meet international obligations for nature conservation include the following:

14.1 The Thames Basin Heaths SPA is a suite of sites of international importance for breeding birds, and popular with dog-walkers and visitors. The are proposals for a major expansion of housing around the SPA, and clear evidence that this would be likely to significantly increase disturbance to the birds for which the site is designated. A long process of research, discussion and negotiation, including special sessions of the South East Plan Examination in Public, has established a mechanism which should mitigate this potentially damaging impact.

14.2 In South Hampshire, the aspirations of the Partnership for Urban South Hampshire (PUSH), which include the building of some 80,000 more homes, are challenging the integrity of Natura 2000 sites around the Solent Coast, The South Downs, The New Forest, The Itchen Valley and Emer Bog. It is intended that appropriate mitigation for the likely impacts of disturbance on Natura 2000 sites would be delivered by the PUSH Green Infrastructure Strategy, which seeks to provide a wide range of initiatives. Whilst in principle this has merit, the Wildlife Trusts experience so far is that many proposals could actually damage the sites they are designed to protect, and would therefore require assessing in their own right; that there is no significant new space to draw people away from sensitive areas; that the principle of cross-boundary working is not clearly established, and, significantly, that there is as yet no effective and enforceable delivery mechanism which would be essential if the initiative is to succeed.

14.3 The Medway, Swale and Thames Estuaries in North Kent are of international importance for breeding and wintering birds, with each estuary designated as a SPA. Access to the coast is already popular and increasingly encouraged by local and national government. However, there is already evidence that in places, this access causes significant disturbance particularly to wintering bird populations; there is some evidence that boat activity may add to this disturbance. A series of major new housing developments are planned within easy reach of the estuaries, with a likelihood of increased levels of disturbance; proposals for increased coastal access may significantly increase disturbance in areas with currently very low levels of public access.

14.4 Increased nutrient deposition, particularly of nitrogen, is recognized as a key driver of biodiversity loss in the countryside. The government’s own assessment of the South East Plan noted that increased traffic on major roads might result in potentially damaging levels of nitrogen deposition on Natura 2000 sites close to these roads. In Kent, this includes a number of chalk grassland sites by reducing the amount of nitrogen entering the atmosphere.
near Dover where significant proportions lie within a few hundred metres of major roads, and where substantial traffic increases are likely to result from new housing and economic development. Because chalk grassland is a priority habitat under the Habitats Directive, damage to these sites is only permissible for environmental reasons or for reasons of public health and safety.

15. In spite of the above, it is our view that many of the difficulties could be resolved. The example of the Thames Basin Heaths, with its proposals for increased local open space provision and increased wardening of vulnerable sites, while not yet of proven efficacy, does provide a useful model. On Thanet, where the popular coastline is also a SPA for its wintering birds, a stakeholder-driven process, led by Natural England, resulted in the development of a series of user guidelines and a system of voluntary wardening of beaches.

16. Other issues, such as the impacts of nitrogen deposition on vulnerable habitats, may be more difficult to resolve, and further research and experimentation is likely to be necessary.

17. It is our view that the following action will be necessary in order to (i) ensure future housing delivery does not breach environmental limits, and (ii) maintain and enhance the capacity of the environment to accommodate the impact of new housing delivery:

17.1 Any review of housing provision in the South East must include a robust and effective assessment of environmental limits at the earliest possible stage, and involve a wide range of stakeholder organizations in this process. As a start to this process, there needs to be a regional-level review of potential conflicts between housing development and the conservation of Natura 2000 sites. There may also be value in testing housing locations against a filter process which looks at where the areas of greatest existing demand for housing (in particular to meet social justice obligations) meet those locations likely to have the least environmental impacts, and then assesses these locations against other sustainability criteria.

17.2 Existing processes to address strategically the potential impacts of new housing on Natura 2000 sites, such as Natural England’s work on disturbance impacts in the Medway and Swale Estuaries, and the Thames Basin Heaths programme, should be supported and strengthened, and the resources available to these processes increased in order to speed effective delivery.

17.3 Regional government should take the lead in the establishment of mechanisms to consider and address in-combination impacts of development upon Natura 2000 sites, or should support the establishment of multi-district partnerships to carry out this work.

17.4 Resources should be made available to provide information and training to local planning authorities, in order to improve their understanding of and capacity to address issues arising from the Habitats Regulations.

17.5 Regional government should provide more support to local planning authorities for the delivery of green infrastructure, particularly where this would help mitigate impacts on Natura 2000 sites. This should include consideration of mechanisms to increase revenue funding available for the implementation of long-term schemes such as wardening of vulnerable sites, which is currently a significant barrier (perhaps more so than capital funding) to resolving potential conflicts.

17.6 Care must be taken, and appropriate monitoring programmes established, in order to ensure that delivery of mitigation and impact-avoidance measures are robust and demonstrably effective in meeting the challenges.

27 January 2010

Memorandum from The Home Builders Federation (SEH 13)

Summary

The Home Builders Federation (HBF) is the principal trade federation for the house building industry in England and Wales. Our 300 members range from multinational, major homebuilders to small, local builders. We also have an increasing number of members involved in the provision of affordable and social housing including some Registered Social Landlords. Overall our members account for approximately 80% of all new dwellings built per annum, including the majority of new social housing provision through S106 agreements.

The HBF is perplexed at the undertaking of the inquiry given the very recent adoption of the South East Plan; the spatial strategy for the region. The adoption process of this plan debated at length most, if not all, of the issues raised by the committee and we would prefer to see an inquiry onto how well, or indeed whether, the approved strategy is intended to be delivered over the next 20 years.

The problems of housing within the region all stem from the same reason—the long term undersupply of deliverable and developable land for housing being identified through the development plan process.
— The solution to the problem is better integration of the private sector in local policy formulation and delivery plans in order to ensure they are realistic, deliverable and, most importantly, economically viable.

How many new houses would be needed to support the economy and social needs of the South East?

1. This issue was clearly debated at the public examination of the South East Plan and HBF believes that the Select Committee would be better advised to bring pressure on all of the local planning authorities in the region to ensure that the figures agreed to in the final plan are delivered through the local development plan process rather than continually seeking to debate the issues set out in the Plan time and time again.

2. Having said that however, the HBF believes that the figure in the South East Plan should be higher than that finally decided upon by the Secretary of State in order to ensure that it properly reflects the demographic needs of the region as set out by the government’s own National Housing and Planning Advisory Unit (NHPAU).

3. The latest work of the NHPAU (More Homes for More People, July 2009) suggests that the annual number of additional dwellings required in the South East Region between 2008 and 2031 is within the range 38,000–53,800; a total of between 874,000 and 1.24 million additional dwellings over this 23 year period.

4. Obviously the range set out by NHPAU accounts for various modelling scenarios such as potential changes in migration, household formation rates and other drivers of household numbers over time.

5. There is no reason to suspect that the NHPAU projections are unrealistic, especially since the board members of the Unit are both independent and are some of the best and most respected demographers in the country.

Where should these houses be built to satisfy housing needs in the most sustainable way?

6. Once again, the spatial strategy for development within the region is clearly set out in the South East Plan and its implementation should be the primary consideration of the Select Committee.

7. There must always be a balance between the market assessment of spatial distribution and other economic, social and environmental considerations. However, just as it is not desirable for the process to be entirely market driven (otherwise there would be no need for a planning system) it is similarly not desirable for other policy objectives to completely ignore the market drivers of spatial distribution. After all, the market is merely a reflection of where people want to live and imposing market restriction through the planning system too severely results in problems of lack of affordability as market demand exceeds market supply.

8. The planning system should be used to prioritise competing policy aspirations. The HBF contends that one of the key priorities should be provision of housing and that any system that fails to plan for an adequate amount of housing is a failure. It is, therefore, not an adequate response to suggest that the region is “full” or that additional dwellings cannot be provided in a sustainable way, particularly if constraints are imposed merely through other spatial policy choices such as green belt.

What types and tenure of new houses should be built?

— How many need to be “affordable”?
— Is housing provided for older people in the South East fit for purpose?
— Should all new homes meet the necessary energy efficiency requirements?

9. Unfortunately assessments of the need for affordable housing are not consistent across the region meaning that it is not possible to obtain a regional quantum of the need for affordable housing. However, this is not a problem as there is little meaning to the consideration of the quantum of affordable housing across a whole region, particularly one as diverse as the south east. Affordable housing need is a local concept based on local circumstances of both the local housing market and the access to funds of individual households. For example, it is irrelevant to a household with a requirement to live in Guildford to be able to afford a dwelling in Dover.

10. The HBF believes that tenure should not be a planning consideration. There are many different models of housing tenure emerging at the present time which, although they allow households to meet their needs in an affordable way they are, perversely, not regarded as “affordable housing”. Most of these models are the response of the private sector seeking to meet the needs of potential customers eg: products such as low cost market housing and private sector shared equity schemes.

11. The HBF suggests that the term “affordable housing” is now insufficient to describe what would, more effectively be defined as “subsidised housing”.

12. Just as elsewhere within the housing market dwellings for older people in the region are provided by both the public and the private sector. It is considered that modern building regulations (particularly Part M regarding access) adequately ensure that all new dwellings are both suitable and flexible enough for older people. Specialist products that provide for various levels of extra care for older people are similarly adequately provided by both the public and private sectors.
13. Energy efficiency of a new dwelling is, similarly, adequately met through the most recent amendments to various parts of the building regulations. All new dwellings are built to meet the requirements of the regulations. The Code for Sustainable Homes is a useful tool to signpost the direction of future changes to the building regulations, allowing developers and supply chain partners to be able to invest in new technologies and building methods for the future in order to meet higher levels of the code. It is neither helpful, nor practicable, for individual local authorities (or the region as a whole) to seek to impose unrealistic or unachievable requirements on new dwellings ahead of the changes to the building regulations.

14. Green belt policy is one of the few policy areas that has remained relatively unchanged since the original planning Acts of the 1940’s and 50’s. There are many that think that this shows that it is inherent “correct” or “successful”. However there are very few (if any) other current policy approaches to planning (or any other field) where policies over 50 years old are still considered appropriate or responsive to today’s requirements. This is, therefore, considered by HBF to be similarly true of green belt policy, particularly when assessed as part of the wider sustainable development approach towards development.

15. Perhaps the most obvious conflict between green belt policy and sustainable development is not the issue of multiple occupancy of houses, as suggested by the Select Committee, but the impact on travel and transport. The imposition of a blanket “green belt” around a settlement means that the pressure for further development of that settlement is forced to leapfrog the green belt meaning that residents who wish or need to use the higher order facilities of the main settlement must travel across the green belt to those services.

16. A more intelligent approach towards meeting sustainable development requirements and reducing the need to travel would be to re-examine the approach of green belt policy to introduce a more close grained assessment of land use and protection of potential urban sprawl rather than the coarse approach of the current “blanket” approach of the existing policy. Green “wedges” or development of transport nodes would more easily reflect the up to date approach towards achieving sustainable development.

17. As regards multiple occupancy of dwellings, this is an inevitable outcome of an overall shortage of dwellings for people who wish to live independent lives. Of course, there are some households who choose to share and who should be able to find appropriate accommodation, either in the new build sector or in the second hand market. However, if this figure is unnaturally inflated through the lack of an adequate increase in the housing stock then it is this that should be of greater concern than the effects of multiple occupancy itself.

Are the new houses being created “sustainable communities”, covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

18. Unfortunately this type of question is too often focussed solely on the new build element of housing and communities. However, almost all new housing sits within an existing community and the scale of new development as a proportion of existing provision is, in most cases, a tiny part of the residential stock within the housing market. It is, however, frequently expected that it should be the new development itself that meets the requirements for the issues raised by the question; affordability, mix of dwellings, mix of tenure, provision of infrastructure etc. All too often new dwellings are treated as a problem that must be mitigated rather than as a solution to the housing requirements of the UK population.

19. Thus, even in areas that already have a high level of affordable housing, developers will still be required to provide more stock of a similar tenure whereas a higher proportion of market housing in such areas would be more appropriate to providing for “mixed and balanced communities” (the most common definition of “sustainable communities”).

20. Similarly many local planning authorities will seek contributions to the provision of infrastructure that is not directly related to the development itself but to the general requirements of the residents of a development. For example, the need to provide for school places is a product of people having children. The rate at which children are born has little (if anything) to do with the provision of housing and thus our need for school places is dependent on birth rates not housing provision rates. Similarly, many people live perfectly happy lives without access to other facilities considered to be “essential” to new development and without which planning permission should not be granted, yet local authorities do little, if anything, to seek to rectify these current infrastructure deficiencies for their existing residents.

21. Thus we would contend that new build housing is actually bearing more than its fair share of the burden of creating sustainable communities and making infrastructure provision of benefit to the wider community.
Why are we failing to meet targets for completion of new houses?

22. Over the last 20 years the reason for failing to meet housing targets is the fact that the planning system inevitably does not allocate enough land for housing development. The increased focus on brownfield land redevelopment following the publication of PPG3 in 2001 led to a fall in Greenfield land allocation and release while no real increase in brownfield land actually came forward for development. The obsession with minimising greenfield land release meant that unrealistic assumptions were made by many local authorities over the development trajectory of sites and their delivery rates meaning that annual targets were not achieved.

23. More recently many sites have been rendered unviable by falling development values not being matched by lower expectations of planning authorities of the amount of land value being able to be captured through Section 106 agreements, particularly the level of affordable housing provision.

24. Increased land allocations, in places where people want to live, with realistic development trajectories and affordable S106 contributions will result in more housing being provided in order to meet the housing targets.

What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

25. As stated above the economics of development have changed due to the fall of gross development value and an ever increasing requirement for funding of public services under Section 106 contributions being sought by public authorities. This leads to a disproportionate fall in land value which renders sites uneconomically viable to develop.

26. The solution is to be both realistic about the number of sites that must come forward through the planning system and for local authorities to find other ways of funding social infrastructure, particularly those elements that are not essential to the delivery of the development per se (such as affordable housing).

27. Many local authorities (and other public services) will have to reassess what level of infrastructure provision is actually “necessary” (rather than merely desirable) to support the required levels of new dwellings.

What are the social and economic consequences of a shortage in housing supply in the South East?

28. Everyone deserves the right to shelter. Indeed, successive governments of all political parties have gone further than this basic right and have pledged to provide decent homes for people in places that they want to live.

29. It is nonsense to suggest that housing is not subject to the same supply/demand forces of other economic goods. However, supply is constrained in some areas to a level below market demand due to the planning system. We do not advocate the abolition of the planning system, rather we would point out that such restrictions have a marked effect on issues such as affordability. It is hardly surprising that, where restrictions on housing supply are most ardently imposed (such as in rural or green belt areas) the economic consequences of a lack of supply coupled with a high demand lead to higher prices and a lack of affordability. The fact that we are now facing affordability problems in almost all parts of the country shows a woeful failure of the planning system to bring forward enough land for housing over a considerable period of time.

30. Whether this overall shortfall is in the market housing sector or the affordable housing sector is irrelevant. If you have 120 households seeking housing yet you only provide 100 dwellings (of whatever tenure) the remaining 20 households will remain under housing stress—inevitably it will be those with access to the greatest resources who pay more to house themselves. Alternatively the state will house those in greatest need. Unfortunately neither of these solutions houses 120 households.

31. There has been a long standing mismatch between the expectations of economic growth and the supply of dwellings for the people who undertake the jobs required to support that growth. Areas of high economic growth (such as London and the South East) have, perhaps perversely, been the areas most likely to seek to constrain residential growth to support the economy. In a global economy the lack of available dwellings in which to house a necessary workforce will affect the spatial pattern of the economy. Similarly, in a global economy it is naive to believe that we can (or should) seek to match jobs and dwellings in magnitude in very small geographic areas or locations. London, for example, has a world class economy yet will never be able to house the number of workers needed to support that economy. We therefore need to provide dwellings in locations easily accessible to London ie: the Home Counties rather than pretend that such dwellings could be provided “up north”. If we are realistic about our desires to reduce the need to travel this would also lead us to conclude that green belt policy should be reviewed to avoid the “leap frog” effect of such non responsive policies.
What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

32. The Homes and Communities Agency (HCA) is a delivery vehicle for government to deliver public sector land and public sector housing within the overall land and housing market. It should not be seeking to compete with the private sector over either of these objectives.

33. Government offices are, essentially, the representatives of national government at a local level and they should be seeking to ensure that government aims and objectives (such as the right for everyone to have a decent home) are being delivered at the local level.

34. Both agencies perform a vital role of ensuring that national aspirations and policy objectives are delivered through the complex system of local government, thus ensuring a consistent and rational approach to planning for housing across the country.

Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

35. HBF would limit its consideration of this question to the relationship between the public agencies and the private sector.

36. At central government level this relationship is very strong and the housebuilding industry is well represented, well respected and considered as a vital partner in policy formulation and delivery through direct involvement with various sounding boards, working groups and discussion forums.

37. Unfortunately this involvement of the private sector is not carried down to the level of local government where few authorities see the private sector as their main delivery partner or seek or reflect the private sector views on emerging local policies or programmes. Despite many “consultation” processes being undertaken on various emerging policy documents few changes are ever made to these policies by the local authorities themselves in response to input from the private sector meaning that the sector is forced to take a more adversarial position at development plan inquiries or the planning application appeals process. Similarly we are experiencing a lack of partnership working on new policy approaches to housing provision such as strategic housing market and supply assessments where it has been difficult for the private sector to influence many of the preconceived ideas and assumptions of the drivers of housing markets and development trajectories for housing land.

38. Obviously the above criticism is a generality of the situation and we also accept that there are some developers who have little desire to be involved in pro-active engagement with their local authority. However, we do believe that the comment is fair and represents the views of many within the private sector. It is backed up by the woeful lack of progress made by local authorities in the production of their development plans (which is most acute in the south east region), most of which have been stalled due to the lack of engagement of private sector representatives in the evidence base exercises such as SHMA and SHLAA.

39. We are pleased, therefore, that better engagement between the sectors was at the heart of the recommendations of the recent Killian Pretty review and that central government is now seeking to provide clearer guidance for the implementation of these recommendations at the local level. Change is necessary in the approach of local politicians as much as, if not more so than, professional officers in embracing the move towards the private sector becoming a more integrated partner with local authorities and local communities. After all, it is the private sector that will be expected to deliver the vast majority of local authority aims and objectives of providing decent homes for all.

27 January 2010

Memorandum from the National Housing & Planning Unit (SEH 14)

SUMMARY

— The region needs a significant increase in housing supply in order to support continued economic growth and social needs.

— Current planned levels of housing will not meet future housing requirements and affordability will worsen.

— The region is already showing signs of housing stress—overcrowding, concealed households, and lengthening housing waiting lists.

— By planning for the communities that we will need we have the opportunity to shape our towns and cities, and create attractive places to live.

1. The NHPAU is an independent advisory body set up by the Department for Communities and Local Government to advise on, amongst other things, the level of housing supply that should be considered when regional plans are prepared. It has a small multi-disciplinary technical team that reports to a board of five
independent experts, each of whom is a nationally known expert on issues relevant to housing supply. The Chair is Dr Peter Williams, an independent consultant on housing supply and mortgage markets and Visiting Professor at the Centre for Housing Policy at the University of York.

2. The NHPAU welcomes the opportunity to submit evidence to the Committee, and to continue to support the South East by providing independent, evidence-based advice current pressures on the implications of different options. As part of this the Unit is now able to provide a consultancy service to evaluate different housing supply options using the CLG-Reading affordability model.

3. The NHPAU would also welcome the opportunity to assist the Committee further if called to provide verbal evidence.

How many new houses would be needed to support the economy and social needs of the South East?

4. Across England the rate at which the population is growing is rising. More specifically the number of households in the South East is expected to grow a quarter as fast again in the next 25 years as it grew in the last 25 years. This is due to a number of factors; people living longer and more people living alone or in smaller households. We also have higher birth rates than in previous periods, and continued net immigration.

5. The South East is a relatively affluent region, where incomes have grown strongly. It is not just the growth in households that affect the demand for housing. As people get richer, they tend to want bigger and better homes, or consume more housing in the form of second homes.

6. Alongside London, the South East is a key driver of the UK economy. Economic growth has many benefits but it also fuels the demand for housing. Additional jobs and better paid workers, with more people attracted to or retained within the region, all have consequences for housing requirements.

7. The preferred option does not address the region’s housing needs. More recent evidence is available eg two sets of official household projections. And there is no justification to exclude an allowance for existing housing need and all future housing needs. Especially when we know that the need for housing is increasing in the South East:

— one in 14 children live in overcrowded conditions;
— one in 19 households with children under 16 years are overcrowded;
— the number of overcrowded households has increased by nearly a fifth to 67,000 households since 2002–03, 2.0% of all households;
— the number of households on local authorities housing waiting lists increased by 59% since 2002 to 205,000 households in 2009;
— there are 238,000 concealed households (a family living within a wider household) an increase of nearly 10,000 since 2002–03; and
— more than one in 19 households include extra families or individuals

8. In July 2009, the NHPAU published its revised advice on how many houses are needed in each of the English regions to stabilise affordability at the relatively poor levels of 2007. Our advice was based on two approaches which critically assess both the best available demographic projections and evaluate the results of economic modelling.

9. Our advice states that the South East should consider between 38,000 to 53,800 net additions a year on average during the period 2008–2031. The lower figure of the range is the number of homes that are needed to accommodate the projected increase in households. In order to tackle the problem of unmet need, second homes, and vacancies in new supply and stabilise affordability at no worse than the levels experienced in 2007 an average of 53,800 net additions are needed.

10. The current RSS figure of 32,700 net additions per annum is below the bottom our range. As has been recognised in the South East Plan, this number will not meet the projected increase in households in the region, or begin to tackle overcrowding and affordability problems.

11. Demographic projections have improved steadily in recent years therefore it is highly unlikely that our numbers significantly over-estimate the number of homes that will be needed. Indeed, births and life expectancy have been consistently underestimated by official projections. We would also need to see significant social change for the projected drop in household size not to be fulfilled.

37 More homes for more people: advice to Ministers on housing levels to be considered in regional plans. July 2009 Available from http://www.communities.gov.uk/nhpau/keypublications/reports/morehomesadvice/
What are the social and economic consequences of a shortage in housing supply in the South East?

12. There are a number of positive consequences in increasing housing supply in the South East, particularly in creating sustainable communities in both rural and urban areas. Rural areas are often especially affected by high house prices, threatening village services and community life.

13. There is a need to have an informed, objective debate, underpinned by evidence about the number of homes that needs to be planned for. The choice in the region is not between increasing housing supply or continuing at current build levels. The real choice is whether we plan for the houses needed, so that people are decently housed, or we plan for the social and economic consequences of persistent and increasingly severe undersupply.

14. Should the South East fail to increase house building to the level required to meet demand, the region will need to plan to deal with:

— the likely rise in house price volatility—damaging the economy; causing negative equity; adding risk and cost to house building;
— more overcrowding;
— growing social housing waiting lists and housing benefit bill;
— a polarised housing market, with a growing gap between the housing “haves’ and have-nots’”;
— employers finding it increasingly difficult to attract staff, particularly in lower paid roles;
— the detrimental effect on the environmental and economic sustainability of the region, as people travel further and further from their work place to find homes that they can afford; and
— children having to live longer with their parents, with the risk of growing resentment that the housing options that earlier generations enjoyed are not available to them.

15. Access to the housing market is particularly difficult for young people wishing to buy their own home. The fall in house prices in the region has not meant that housing affordability is improving in the South East. For many first-time buyers house prices remain out of reach, and tighter lending requirements from mortgage providers have hit this group the hardest.

— By the first quarter of 2009, lending to first-time buyers in the South East had fallen to a third of the 2007 peak, from 13,400 loans to first-time buyers to 4,700 loans.38
— The average deposit put down by first-time buyers more than doubled, from around £17,000 in the third quarter of 2007 to £36,000 in the first quarter of 2009.39

Where should these houses be built?

16. As stated above, building more homes brings many benefits for the economy and communities, however it is important that these homes are built in the right place and are of the right type. This means that both market and affordable housing supply must be increased, and that the new supply includes sufficient family homes of the right size. In particular, the building of larger family homes would allow those in smaller properties to move up to bigger properties as their families grow, freeing up their properties for smaller families or couples who wish to start a family.

Are the new homes being built creating “sustainable communities”? 

17. The NHPAU has always stressed the need to build the right homes, of the right size, type, and tenure, in the right places. For a given level of new building, the impact on affordability depends critically on what is built where.

18. It is crucial that we plan for the size of communities that will be needed rather than allowing unplanned incremental growth. It will be too late to rapidly increase numbers once we are all living with the consequences of the shortfall. By planning for the housing that we will need as our population grows, we have the opportunity to shape our communities for the rest of the century, create sustainable towns and cities that are attractive places to live.

What impact will the recession have on the provision of housing?

19. The recession and credit crunch have negative short and long term consequences on the provision of housing. The lack of mortgage availability and increased deposit requirements has meant that buying your own home has remained out of reach for many young people—indeed for some it has become considerably harder. This is despite falling house prices.

20. This short term drop in demand, coupled with the financial difficulties experienced by house builders, has led to a drop in supply. However, population growth and household formation are not likely to be significantly affected by the recession, meaning the long-term mismatch between supply and demand will be

38 NHPAU analysis of the Regulated Mortgage Survey (RMS).
39 NHPAU analysis of the Regulated Mortgage Survey (RMS).
worse. We know that any households which have not been able to form during the recession do not “disappear” but will look to set up a new home when conditions are more favourable. We therefore need to plan for these households and make good the housing which was “lost” during the recession.

Governance and partnership relationships

21. It is not for the NHPAU to comment on governance structures, however we can comment on what those structures need to achieve. A point of principal importance is that housing markets areas go across local authority boundaries and that failing to provide sufficient housing in one local authority has knock-on effects on neighbouring areas. There is a need for concerted action if affordability is to be improved and the perceived burden of new housing is to be equitably shared. In reality we know that new homes are needed to ensure the continued viability and competitiveness of the region and the cities, towns and villages within it. In that respect the challenge is not about doing it but doing it well so that amenity values are preserved and enhanced and communities continue to thrive.

27 January 2010

Memorandum from Cllr Ian Tilbury (SEH 15)

Basingstoke and Deane borough lies in north east Hampshire. It was one of the expanded towns of the 1960s. It is the 12th largest district in the country and has a population of c 160,000. Basingstoke Town has a number of regional designations (identified through the Regional Spatial Strategy and Regional Economic Strategy) including identification as a Growth Point, a regional hub, a “Diamond for investment and economic growth” and a Primary Town Centre. The borough has also been identified in the Regional Spatial Strategy as the focus for the fourth highest level of housing growth in the south east up to 2026.

Question: How many new houses would be needed to support the economy and social needs of the South East?

Response: The question assumes that economic growth requires ever more people and therefore more housing. Increasingly economic growth in the SE generally and Basingstoke in particular is driven by high-tech industry or commerce, both are becoming less reliant on staff, increased productivity invariably leads to redundancies. There is however still a growing need for more affordable housing for those that live here already. BDBC has around 4,000 households on its Council waiting list.

Question: Where should these houses be built to satisfy housing needs in the most sustainable way

Response: Where local demand shows there is a need.

Question: What types and tenure of new houses should be built?

- How many need to be “affordable”?
- Is housing provided for older people in the South East fit for purpose?
- Should all new homes meet the necessary energy efficiency requirements?

Responses:

The level of new affordable housing has failed to meet the growing demand. The collapse in new provision after Councils were prevented from building coupled with the failure of the Housing Associations to fill the void has created a massive shortfall, while at the same time rising house prices have made it impossible for those on average incomes to be able to access the private market. This has not been helped by irresponsible lending by financial institutions which merely helped inflate the bubble and encourage many who could not really afford home ownership to enter the market.

Most housing for the elderly fails to meet their basic needs. The sheltered schemes built by BDBC in the 1970s were generally in the form of two storey flats. With many residents now living far longer than when these flats were built access to the upper floors by stairs becomes increasingly difficult, the Councils answer to this was to build larger flatted schemes with lifts. This works however the Housing Associations are unwilling to fund new schemes of this type and there is a high cost to residents/housing benefit in service charges levied to cover the maintenance cost, while at the same time the withdrawal of on-site wardens has left the residents feeling vulnerable.

The only housing that “works” for the elderly are the bungalows built in the 1960’s, these are also easier to integrate into housing schemes.

The simple answer is yes; all new developments should meet or better energy efficiency standards. It makes no sense to build new housing that is as inefficient as existing stock. Solar water heating panels should be compulsory on all new build, the long term benefits to householders and the planet more than offset the high initial cost, which is itself largely due to low demand.
Question: What are the consequences of the increased number of multiple occupancy of houses in the South East?

— How is this affected by the enforcement of greenbelt area?
— What effect does this have on the ageing housing stock in historic areas?

Response:

Basingstoke’s expansion was relatively recent (1960’s) and involved flattening the old town centre so it has little of the Victorian/Edwardian large housing of most towns and cities, however it has manifested itself on the older “Council” estates where three and four bed terraced housing is bought up and split into flats, this of itself would not be a problem however in one particular estate this has led to one individual landlord buying up around 25 properties in a relatively small area, blighting the entire estate and effectively taking the place of the Council/HA as the estate landlord.

Question: Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

Response:

Generally speaking the answer is yes, however this has only been achieved by setting an affordable housing target of first 30 then 40%. However developers are now attempting to use the “economic” argument to justify in some cases no affordable housing and reduced S106 contributions.

The fact that house prices have more than doubled in the last decade, while build costs have been stagnant or fallen, seem to have been conveniently forgotten by developers...

Question: Why are we failing to meet targets for completion of new houses?

Response:

Having removed the largest builder of Post-War housing from the equation (your local Council) it is not surprising that “we” are failing to meet housing targets.

Private developers do not exist to provide housing or meet targets, they exist to make money for their owners/shareholders and the most cost effective way to do that is to drip feed housing onto the market. This keeps demand and prices high.

The idea that if Councils were to grant more applications, more builders would enter the market to meet demand is not borne out by the facts, nor is it helpful to allow large developers an effective stranglehold on the market for land.

It might help if these large greenfield sites were broken up to allow smaller builders or self builders into the market. They however are effectively sidelined or reduced to unpopular garden grabbing development.

In 2007 I appeared in the BBC series “The Truth about Property” in which developers were claiming that they were hamstrung by lack of land with planning permission. I was able to show that in Basingstoke & Deane there was more than enough “land” to keep them going for ten years if we didn’t grant another application.

Question: What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

Response: Undoubtedly it will hinder development and as outlined previously will be used to argue for less affordable housing and less or zero S106 Contributions. There is currently a planning application in my ward which argues for NO affordable housing and minimal S106 contributions. The Council recently rejected an application to build housing on employment land with only 20% affordable content. I expect more of these in future.

Question: What are the social and economic consequences of a shortage in housing supply in the South East?

Response: While the provision of affordable housing is inextricably linked to the provision of market housing we will have no hope of meeting demand.

However I see no local evidence that there is unmet demand for more market housing, certainly not at current price levels. Much of the demand in Basingstoke and the surrounding area appears to be driven by families moving out of London, effectively leapfrogging the “greenbelt”.

One of the most bizarre aspects of housing growth in Basingstoke is that increasingly it is taking place on employment land with land owners closing sites to redevelop them for more profitable, at least in the short term, housing development.

While Basingstoke’s development in the expanded town period in the 1960’s was driven by companies and employees moving out of London, (sustainable), our current growth is driven by employees moving to the town or surrounding countryside and commuting to London (unsustainable).
Question: What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

Response: Their seems to be a problem in that these bodies see the SE as a successful region and think that driving more development into the area will make it more so. However this takes no account of the quality of life of those who already live here.

Question: Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

Response: Clearly the answer has to be no, given that the housing targets are not being met. Housing targets will have a far better chance of being met if they are set according to local need and demand and if Councils have a greater role in actually building houses, preferably through whole site, mixed tenure developments. Housing is too important to be left to the vagaries of the market.

27 January 2010

Memorandum from Wokingham Borough Council (SEH 16)

Wokingham Borough Council (WBC) considered the sub-regional housing allocation presented in the South East Plan, representing 623 dwellings year on year to 2026, to have been excessive and inappropriate but it reluctantly accepted the figures including the backlog.

This was to enable WBC to properly plan a managed infrastructure supported future to 2026 and beyond. What it finds totally unacceptable is any attempt to consider additional housing numbers before even one house is built under the South East Plan and our adopted Core Strategy.

Residents of Wokingham Borough experience a high quality of life in a relatively rural location. Traffic congestion is frequently cited as a factor which reduces this high quality of life. Additional housing in Wokingham Borough would be confined to the central region of the Borough not in the floodplain because of the constraints of Green Belt in the north and the need to mitigate for the Thames Basin Heaths SPA in the south. This central region of Wokingham Borough is also the most affected area of the Borough in terms of traffic congestion. Increased housing in Wokingham Borough over and above the already unreasonable numbers imposed as a result of the South East Plan would be completely unacceptable.

Reasons behind any additional proposed housing growth and the methodology used to calculate housing allocations was and still remain flawed. The supply of housing based on a simple supply and demand equation is seriously flawed and the issue of affordability is affected by many other factors.

A major research study of affordability was commissioned. It included a case study of the Reading area. The Panel who conducted the Examination into the South East Plan consider the study at paragraph 7.32 to 7.38 of their report.

Studies show that insufficient funds have been allocated for infrastructure required to accompany the existing South East Plan proposed level of housing growth in the South East. The studies prepared in connection with the South East Plan pre-date the fall in land values, the recession and the credit crunch. One of the issues we have had to consider in preparing our Core Strategy in 2008–09 and taking it through examination is viability and the impact of viability on infrastructure and affordable housing delivery. In addition all forecasts of public expenditure show a reduction in the short and medium term. This is bound to impact on education, health and transport.

Overall, there is insufficient evidence to suggest that services and infrastructure can and will be brought up to the level required to support the additional housing and this would be totally unacceptable. If the existing planned infrastructure is inadequate then increased housing that does not address the existing deficiency and cater for the proposed increase would be unacceptable.

Wokingham Borough along with others argued strongly at the South East Plan Examination that development should be conditional on the timely provision of adequate infrastructure. This is summarised at paragraph 5.80 of the Panel report.

In addition, forecast studies used in determining the sub-regional housing allocations was based on flawed assumptions by the use of over— and under-estimations of some modelling variables. Given the weight of uncertainty associated with many of the issues in the South East Plan, additional planned housing growth is unacceptable until the impact of the recent allocations can be evaluated in real terms nearer the end time of the South East Plan and not now.

As sewage, water, congestion and air quality issues along with the fact that the ecological footprint in the South East is higher than the national average, and is predicted to rise how can further pressures be introduced to the natural environment without significant measures being introduced to reduce environmental pressure?
Given the existing constraints to accommodating additional housing development in Wokingham Borough it is unlikely that Wokingham Borough Council will be able to achieve additional housing growth without significant loss of quality of life for residents of the Borough. In addition negative environmental impacts will lead to a loss of environmental quality.

The only conclusion that can be reached is that any further increased housing growth will inevitably lead to a decline in environmental quality in Wokingham Borough. It would not be possible to achieve sustainable development in Wokingham Borough if the negative social and environmental impacts of proposed housing growth outweigh any positive economic impacts.

Wokingham Borough Council maintains that the requirements of additional housing growth are not fully understood nor have the constraints to development been thoroughly explored so it is premature that any proposed additional housing growth should be considered in Wokingham Borough.

Although it may be acceptable to consider revising the level of proposed housing growth in some suitable areas in the South East, the specific constraints of Wokingham Borough would indicate that no additional housing should take place in Wokingham Borough and it must be made abundantly clear that Wokingham Borough Council will not support any additional development in Wokingham Borough in the period to 2026.

27 January 2010

Memorandum from the South East Fire Improvement Partnership (SEFIP) (SEH 17)

Thank you for the opportunity to contribute to the South East Regional Select Committee on Housing in the South East. Below is the submission from the South East Fire & Rescue Services’ Regional Management Board. It was put together by Mick Crennell from Hampshire Fire & Rescue Service.

1. You may be aware that the Welsh Assembly Government looks set to be given powers which will require builders to install sprinkler systems in all new homes in Wales. The decision by the Welsh Affairs Select Committee to support the Assembly being enabled to introduce legislation will make the installation of sprinklers in new homes mandatory.

2. The proposed National Assembly for Wales (Legislative Competence) (Housing) Order 2009, relating to Domestic Fire Safety—seeks to confer legislative competence on the National Assembly for Wales so that an Assembly Measure may be brought forward requiring all new build housing in Wales to be fitted with a fire sprinkler system.

3. The Legislative Competence Order (LCO) would enable the National Assembly for Wales to legislate in this area of policy. A Measure would then be brought forward making it a requirement for fire sprinklers to be fitted in new residential premises. This issue will be considered by the Privy Council early 2010.

4. This is seen across the fire and rescue sector as a very innovative and positive step in terms of community safety and community risk reduction. It is strongly supported by the Chief Fire Officer’s Association.

5. The South East Regional Management Board wishes to formally seek a similar legislative outcome for England to ensure a continued reduction of risk of fire within the home.

6. It is considered that a mandatory requirement would save lives, improve firefighter safety, reduce damage to property and mitigate damage to the environment. It would also enable a less prescriptive and a more flexible approach to fire safety provisions at both the planning stage of new buildings and during their life-cycle. Additionally, it is considered that a change in legislation would provide a significant community safety invest to save function that would relatively quickly show positive results.

7. It is considered that statutory arrangements are necessary rather than voluntary measures and recommendations within codes of practice. This move would significantly increase public and firefighter safety during the life-cycle of the building stock.

8. The Second Report of Session 2009–10 to the House of Commons Welsh Affairs Committee—“Proposed National Assembly for Wales (Legislative Competence) (Housing) Order 2009, relating to Domestic Fire Safety” concludes that:

“A code of practice or guidance in relation to automatic fire suppression systems would not be guaranteed to achieve the aims proposed by the Member in charge of the Order. We therefore consider that the proposal to use a legislative route is appropriate”

9. It is therefore considered that an identical need exists within England and that a legislative outcome is necessary to ensure public safety.

10. The benefits and considerations for fire sprinklers in new homes are:

— A firefighter 24 hours a day in every room.
— Proven life safety benefits for the type of buildings where the majority of fire deaths and injuries occur.
— Flexibility and associated cost savings through relaxation of conventional fire precautions in houses such as fire doors and structural fire resistance.
— Flexibility and associated cost savings through relaxation of requirements for fire service access on housing developments.
— Reduced burden and associated cost savings for fire authorities and water undertakers for the provision and maintenance of fire hydrants.
— Potential for reduced costs associated with infrastructure costs to provide additional fire stations to meet the risks posed by new housing developments by planning for extended times for fire engines to arrive.
— Flexibility and associated cost savings for providing emergency responses and fire prevention activity in alternative ways based on a planning assumptions that any house fire will be contained and controlled for a substantial time.
— Modern methods of construction (such as timber-framed buildings) can be adequately accommodated without post-incident high financial loss.
— Within the USA the National Fire Protection Association (NFPA) 101—Life Safety Code 2009 requires automatic sprinkler and detection, alarm and communications systems for new construction and change of occupancy classifications within buildings.
— The installation of sprinklers within new homes in Wales will become mandatory.
— The recent report of the Association of British Insurers (ABI)—“Tackling Fire: A Call For Action”—identifies that whilst the total number of fires has reduced the total insured losses have increased significantly (+16% in 2008) and states that more action is needed to address the increasing cost of fire. It calls for a wide ranging review of the case for sprinklers and effective fire compartments in new buildings.
— Environmental damage due to carbon monoxide emissions is minimised by early fire intervention.
— Firefighter safety is vastly improved.
— Overall resultant costs of fire (financial and social) are greatly reduced.

11. Sprinklers save lives, improve firefighter safety, reduce damage to property and mitigate damage to the environment. The financial impact of fire losses will consequently be reduced significantly. A legislative framework conferring a statutory requirement to install sprinklers in all new homes will enable the fire and rescue service to continue to reduce community risk.

12. The SE Regional Management Board therefore requests that you support a similarly positive outcome by endorsing a requirement to install domestic sprinkler systems into new homes within the Region.

27 January 2010

Memorandum from Mr Rodney Jackson (SEH 18)

1. There is undeniably a shortage of housing in the South East both for low cost houses, particularly family houses, in the private sector and in social housing for rent.

2. With the recession the numbers going onto the housing lists for social housing is increasing and buying a house for those on modest incomes is unaffordable. Especially as interest rates begin to rise as they inevitably will.

3. This is particularly so in many medium and small villages. The population in these are either getting very old or increasingly very wealthy as only mainly outsiders can afford the inflated house prices when they come on the market. With no young families the school closes, the village shops close and the village becomes a dormitory, made worse by holiday/weekend homes.

4. This produces the “Nimby” who do not want any change or do not want cheaper private houses which might lower the value of their property or social housing which might “lower the tone” of the neighbourhood. WE MOST WORK FOR INCLUSIVE NOT SEGREGATED COMMUNITIES.

5. Most of the new houses should be built in and around the towns and large villages where most of the infrastructure already exists. Any infrastructure deficit, roads rail links, schools, health centres should be provided from general taxation.

6. Houses and flats in London and the South East are far too expensive, even with the small drop in prices recently. THIS MAINLY DUE TO THE SHORTAGE OF SUPPLY.

7. High prices are also brought about by excessive land prices and high infrastructure charges (S106 etc.)

8. Social housing should be paid from general taxation, not by front loading the price of new private houses.
9. Houses should be seen as a place to live in. Too often housing is regarded as a very good investment. This due to no capital gains on the primary residence. (Jealously guarded by the Middle Classes, very wealthy and some MPs (“flipping” their homes to achieve maximum tax relief—no support for change from them!!!).

10. There should be a property/Land tax at a significant rate on all property, including primary residence, calculated on selling price-purchase price. (No allowance for inflation, mortgage interest, day to day repairs. Whole scale refurbishment and extensions can be allowed for. (If house holder trades up then tax is calculated and is owed to HMRC. If householder trades down or sells off new tax calculated and payable as well. In equity release schemes, the finance company becomes liable to some of the tax. This should be a separate tax which must not be allowed to be offset by other investment losses eg shares or bonds. Keep it simple—no loopholes for accountants to exploit.

11. Land for development should be compulsorily purchased at existing use value. Farms which then become unviable should receive some compensation as well.

12. For those persons with little assets and a steady reasonable income with no parents or grandparents with a property which can be sold to provide a deposit, should be able to obtain an interest free loan of up to £50,000 from the government.

13. Other than transfer between a spouse or civil partner, transfer of deeds should be regarded as a sale at current value.

14. Abolish stamp duty, but levy VAT on new build, extensions and major refurbishment (Over £1,000?) at the same rate (5%?)

15. Provide support for the elderly, particularly the frail, widows to trade down to more appropriate accommodation.

16. Houses should be built with sustainable materials, to the cost effective levels of energy saving and adaptability for age/disability.

27 January 2010

Memorandum from South East Forum for Sustainability (SEH 19)

INTRODUCTION

1. This submission is made by the South East Forum for Sustainability (SEFS). SEFS is recognised as the umbrella body for environmental groups in the South East. SEFS has good relationships with regional agencies, including the South East England Partnership Board.

2. SEFS is pleased to offer comments to the Housing Inquiry of the South East Regional Select Committee. We had a close involvement with the preparation of the South East Plan through previous arrangements of the Regional Assembly, and we continue to be represented on the new groups set up to prepare and deliver the single Regional Strategy.

BACKGROUND

3. SEFS is aware of the nature and importance of housing policy reviews in this region. The planning of new housing continues to be an area of difficulty. Pressure for housing development is usually highest in the South East. We fully recognize the need for growth in house building, and for local authorities to be able to implement policies with better support. The region is one of the most highly designated (in terms of environmental designations) of any. This is because of the diversity of its landscape and habitat types. Regional planning has recognised the importance of landscape character and the natural environment to the region, and has increasingly played a role in identifying and protecting it. The overall sustainability aspects of housing should be fully considered in the current Housing Inquiry.

4. Housing will in most respects continue to be of major importance in the South East region. The sustainable construction of new housing in the South East provides an opportunity for improving the health, environment and economy of the region. Homes in the South East must minimise negative impacts on the environment while seeking to maximise social and economic benefits for occupants and society at large. These aims are complementary, rather than contradictory. Government policy should seek to ensure that the necessary provision of new housing in the region is affordable for people and the planet. The role of new settlements, eco towns and urban extensions should be carefully considered, to ensure greater sustainability.

How many new houses would be needed to support the economy and social needs of the South East?

5. Environmental limits as well as demographic projections should provide the basis for calculating housing need. CLG housing forecasts in 2009, suggest that 39,000 houses a year are needed in the region to 2031. This number is significantly above the 32,000 average build of the five years to 2008, and the 32,700 target contained in the South East Plan. The economic recession created a different climate for housing. This has made it difficult to establish a reliable figure for housing need. The recovery has, according
to ONS figures on GDP performance, now started. But the economy will take time to fully recover and this is an unknown quantity, as is the effect on the market and public aspirations. We do not think it is appropriate to reconsider housing figures in the short term. A better emphasis would be to concentrate efforts on providing a higher proportion of affordable housing, and to improve the sustainability, quality, design and location of new developments.

Where should these houses be built to satisfy housing needs in the most sustainable way?

6. Many areas that have suffered problems of housing affordability require more attention in the present climate. Areas to the west and south of the region need support for those unable to buy on the open market. It is these areas, including sub-regions to the west and south that need help in providing more social housing and local accommodation for those unable to compete or wishing to rent. Without such support these areas of housing difficulty will continue to overheat, and yet more essential workers will be dependent on long-distance commuting. This is an unsustainable option in regional policy terms.

7. A number of the sub-regions, such as the Milton Keynes area and southern Hampshire are expected to provide a large proportion of growth, due to their designation as Strategic Development Areas. However, South Hampshire will put considerable pressure on adjacent Natura 2000 sites. It may even be a development location that breeches "environmental limits". Beyond recognising such areas as the SDAs and New Growth Points, as designated for major development, SEFS would not normally provide commentary on the geographical location of new housing growth. Our view is that where housing should go is mainly a matter for local authorities working in partnership with other agencies, so long as the scale and distribution does not threaten natural resources, such as landscape, biodiversity and water. Sustainability Appraisal provides an important method of testing the viability of housing in key areas.

8. Sensitive small scale development in many rural settlements and market towns is much needed, to maintain the viability and sustainability of community life. The age structure of some smaller communities is unbalanced, and in need of new blood and invigoration. It is important to be creating employment as well as housing, and village schools, to reduce out-commuting. This is an unsustainable option in regional policy terms.

What types and tenure of new houses should be built? How many need to be "affordable housing, and village schools, to reduce out-commuting and make really sustainable communities. Is unbalanced, and in need of new blood and invigoration. It is important to be creating employment as well as housing, and village schools, to reduce out-commuting. This is an unsustainable option in regional policy terms.

9. There is a need for a wide variety of housing tenures and types. The population of the region is of increasing average age, and this will exacerbate existing problems. Much better infrastructure will be needed which specifically supports the increasing numbers of the elderly in local communities. This will include low cost housing for carers, as well as more residential care homes. Current policy does not adequately address fuel poverty in sole occupancy, larger dwellings, and the substantial number of winter deaths this causes. The severe winter conditions of January 2010 have highlighted this problem. To meet this problem, funding should be made available to provide better choices, so that the elderly can move to more convenient accommodation only if they so wish.

10. SEFS is concerned that building regulations, planning policy and regional spatial strategies are not providing homes or communities of properly sustainable quality or design. Many of the current regs are being ignored or circumvented. Sustainable does not simply mean low energy, it also means having enough storage space, and have a home office; generally not to need to move every few years. In this context, we feel it is important that the environmental dimensions of housing are addressed through partnership working with the Homes and Communities Agency and others. Such working should not only link to, but should help to deliver the targets and desired outcomes in other key South East policy documents, including the Regional Spatial Strategy, and the Sustainable Development Framework. The role of housing in helping to deliver these requirements should be fully recognised.

11. The delivery of social housing in the region has failed to keep pace with requirements. The emphasis of housing provision needs to alter from affordable to social rented housing. In this regard, the take up of key worker schemes has been poor in some cases. Schemes to assist or support first time buyers have helped, via some of the larger housing associations, such as Sentinel. These should be extended to make them more widely available. Affordable and intermediate housing should be planned on the basis of attainable requirements.

12. The 35% South East Plan target for affordable housing should be properly enforced. It has failed, and only produced about 11% overall, according to Christine Whitehead and the Joseph Rowntree Foundation. Recent examples suggest that local authorities need proper area planning to prevent a developer building on opposite sides of the road not in one tranche, which would have attracted 40% affordable, but in separate applications; 14 in each, so 0% affordable. In such cases, the council should be able to ask about landholdings and future plans, and if necessary apply the 40% standard retrospectively as further applications come in.

13. A good mixed provision of intermediate housing as well as social rented is desirable in most areas. The need for family size accommodation has been under appreciated over 10 years, and this requires the attention of planning authorities. Housing for older people may vary from basic accommodation to private retirement villages, and this variability is not always recognised. Life time and semi-life time homes should
be expanded but not become the norm. Sheltered accommodation for the elderly needs a growing proportion of local authority budgets. Sustainable construction overall is vital, including energy efficiency, water recycling and heating systems. Improving environmental standards should be paramount.

What are the consequences of the increased number of multiple occupancy of houses in the South East? How is this affected by the enforcement of greenbelt area? What effect does this have on the ageing housing stock in historic areas?

14. Homes in multiple occupancy can be of great concern to neighbours. The expansion in student numbers, particularly in areas of privatised council housing, can be a problem. A house that once held a family of two adults and two children may now hold five students, each with a car, a major waste disposal habit and no council tax payments. University expansion or even continuation has recently been derailed, but there should be a greater requirement for them to house their own students or at least insist that they do not bring cars into town (which many older universities do). More conventional homes in multiple occupancy, are probably better than they once were because of licensing legislation, but are still not desirable. They are the result of excessive house prices and shortage of affordable housing, and the fact that single people usually cannot even get on a housing list.

15. A clearer understanding of Green Belt is needed. Not all land outside urban areas is green belt. There is a difference between green field and green belt, and this should be understood. The “strategic gaps” are often a substitute for green belt and provide similar functions. We do not consider that the presence of green belt has resulted in a shortage of housing, or an increase in regional house prices. The Green Belt is an important designation for many people and it should be put to better use as part of a green infrastructure policy.

16. The planning system may be seen as inadequate, and not capable alone of delivering sufficient levels of affordable housing. However, it is otherwise effective, if used properly. Any such weaknesses may have been exacerbated by a failure to tackle issues such as appropriate density, design and layouts, especially in more urban areas. The incidence of nimbyism in local communities is also a significant factor and an influence on councillors and MPs. Many planning departments are underfunded, over-stretched, sometimes under or inappropriately qualified and generally seen as an easy target for cuts. There is a case to be made for better resourcing and stronger powers for planning departments.

17. Housing development has significant social and environmental impacts that extend beyond the immediate site. In environmental terms, housing is a contributor to global environmental impacts, such as global warming. Housing contributes some 28% of CO₂ emissions associated with energy use. This domestic energy use is projected to rise. It is essential to reduce domestic emissions from existing houses and from new build if it is possible to mitigate the effects of climate change.

18. In social terms, efficiency also has advantages for people who have difficulty in affording to heat their homes properly. Construction is a major issue because of its resource use and the implications for continuing resource consumption. About 70% of timber goes into construction, with a high proportion used for housing. It is therefore essential that new housing and refurbishments in the region demand timber that comes from well-managed and independently certified sources. 14.6 million hectares of natural forest are lost each year worldwide. This is a rate of 30 hectares every minute, and is also a breach of sustainability.

19. There are many other impacts related to the construction of new homes including: quarrying to provide basic raw construction materials like aggregates; and the often wasteful and inefficient use of water. The use of toxic chemicals in building materials can pose health risks for the occupants, as well as environmental impacts during the construction phase. The amount of waste produced by construction is large: figures vary between 20% and 35%. A high proportion of this is new materials over-ordered. There are also major environmental savings in reusing existing buildings, and this should be recognised.

20. Sustainable and balanced communities are important to ensure the longer term viability of the region. We need a better mix of housing types in market housing, with recognition that there is an excess of flats and smaller houses. Social, and especially green infrastructure, is important with open space being at a premium. The over-supply of flats and smaller houses also connects with house size generally, with the size on an average new house being half of that in Denmark. This is socially damaging as an unhappy, overcrowded community is not a sustainable one.

21. There should be a training programme for planners, housing officers, developers and other stakeholders to raise awareness about sustainable homes. A sustainability “league table” might be formulated for housing developments in the region. We might also wish to form a sustainable housing buyer’s group to develop economies of scale and ensure that the cost of developing sustainable homes is competitive. Insurance products and “green” mortgages for homeowners should be encouraged in the South East.
What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

22. The consequences of the recession will be severe for many years to come and are described in preceding paragraphs. While housing delivery may recover to some extent investment by the private sector in a social infrastructure may never be replaced. The housing market is itself quite resilient, but the recovery may be sporadic across the region, and these effects will be felt for many years. In addition, planning for new infrastructure takes much time and requires public support. Changing perceptions will not help to give a stable basis. Public finance has also been slow in meeting regional transport priorities.

23. There is a good current example of the risks associated with tying in social housing market sites. Winchester city currently risks losing nearly 300 new housing units, including 40% affordable on a brownfield, city centre site because the developer has gone into receivership. The resultant dangers of this are that a new developer may step in but refuse to provide either the 40% affordable or the environmental benefits. The council may be forced to accept this, as the ability to resist applications for greenfield reserve sites is thus diminished. This is happening in other parts the region. Local authority powers need to be strengthened to resist these dangers, and in some cases the council should be able to take over the building itself.

What are the social and economic consequences of a shortage in housing supply in the South East?

24. There are a range of health impacts from crowded and inappropriate accommodation, family breakdown and the impacts of stress in family relationships. A continued lack of affordability and access to appropriate housing to permit the uptake of employment, or the formation of new households for young families will be a major problem. There may be constraints on economic development and employment caused by the lack of an adequate and trained workforce in the right place. One result could be a poorer quality of life and a negative perception of the region as a crowded area where housing is difficult to come by. There is already considerable in-commuting to expensive towns from less expensive areas. London prices mean the South East has its share of out-commuters, and hence a high CO2 footprint.

What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

25. Since 2004, the main regional activity on planning for housing has been through the Regional Housing Board. This body is now a delivery partnership called the Regional Housing and Regeneration Board. The Board and GOSE can work with all other partners in the monitoring and delivery of policy on housing. There is also a need for recognition of the joint working needed between government and the development industry. The Homes and Communities Agency is developing new forms of working with the Board. It will be important to continue effective regional aspects of working, and to base this on partnerships and on working with local councils.

Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

26. Governance and partnership relations have been working quite well in providing a context for the delivery of housing. The tensions that exist as a result of top-down housing policies have not ensured a smooth path for housing delivery or for the consideration of sustainable outcomes. Local decision making, with the support and assistance of housing associations, will be of growing potential importance. This will help to increase understanding and build support for viable new housing policies.

27. GOSE has a potential role in developing improved relationships across the region, and ensuring the government’s aims of promoting sustainable communities are understood and better supported. There is much potential for achieving more widely accepted housing policies, and GOSE and the Regional Housing and Regeneration Board could play a pivotal role in that process.

27 January 2010

Memorandum from Oxfordshire County Council (SEH 20)

1. The County Council’s response focuses on the issue of delivering the housing that is currently planned.

2. The South East Plan was published in May last year and sets out the Government’s requirements for housing provision, including affordable housing and provides an appropriate broad framework for planning at the local level. Given the current economic circumstances the key issue is how to secure delivery of planned housing sites with necessary infrastructure and appropriate provision of affordable housing in both urban and rural areas, rather than issues around the amount and distribution of housing.

3. Much housing development has stalled in Oxfordshire because developers consider it uneconomic to proceed on the basis of already negotiated s106 requirements which sought to deliver the items which make sustainable communities—even in getting to the s106 stage, some compromises were being made. Now these
stalled developments will only proceed if further compromises are made in relation to the range and scale of items included and/or timing of payments for infrastructure provision is delayed or if central government puts in some funding. Negotiations on new sites will become more difficult as more and more is expected of the planning system—and new delivery models and funding mechanisms are needed.

4. If planned development is to be sustainable, there will need to be investment (by government) in key pieces of major transport infrastructure as the full cost cannot and should not be borne by development along with other service infrastructure and provision of affordable housing.

5. A shortage of affordable housing increases pressures on meeting local housing needs and related problems of deprivation in both urban and rural areas. An adequate supply of housing that people can afford, including for example intermediate housing (possibly without needing public subsidy), is essential to support economic growth, attracting businesses into the area/retaining existing ones, labour mobility and the recruitment of an appropriately skilled workforce locally. Lack of an appropriate supply of housing, particularly affordable housing could result in reduced economic performance, in areas such as Science Vale in Oxfordshire, due to problems of workforce recruitment.

6. Part of the problem of delivery is the burden being loaded on to the planning system—it is being asked to deliver affordable housing on top of necessary supporting infrastructure. This is at a time when construction standards are expected to rise to deal with climate change/energy efficiency and therefore construction will become more costly. The emphasis on the use of previously developed land in some cases raises the issue of increased costs to deal with issues such as contamination.

7. A key role for government is in addressing both the burden on the planning system and in particular seeking to address the funding issues needed to secure infrastructure necessary for the delivery of housing and building sustainable communities. In terms of infrastructure provision the HCA “Single Conversation” process is serving as a catalyst to bring local authorities together to address housing delivery, regeneration etc. The thinking behind the single conversation is consistent with way Oxfordshire local authorities have moved in developing a Spatial Planning and Infrastructure Partnership, to address cross boundary issues related to the implementation of the South East Plan and provision of infrastructure. It remains to be seen what the single conversation can achieve on the ground in securing funding and delivering housing; against the background of the need to prioritise projects and reduced availability of funding. There are eg tensions in s106 negotiations process on strategic development sites between the requirements of the County as transport authority and major service provider and the districts with responsibilities for provision of affordable housing.

8. The issue of housing for older people is a specific concern for the County Council. There is evidence that much of the housing available for and occupied by older people no longer meets the aspirations of older people. The County Council has published its own Extra Care Housing (ECH) strategy and working with District Councils hopes to achieve the development of up to 4,000 ECH dwellings by 2029; more retirement housing for sale; a commitment to develop retirement housing to lifetime homes standards; and a review and redevelopment of unpopular sheltered housing for rent. The County Council believes that such changes are essential to meet the housing needs of an ageing population otherwise there will be an unsustainable increase in demand for residential care and health resources caused by an “unfit” stock of housing for older people.

9. Given the important issues around climate change it is imperative that all new homes should meet or exceed statutory energy efficiency requirements. The Code for Sustainable Homes and the requirement to make all new homes zero carbon by 2016 will be challenging tasks; however, energy efficiency will play an integral role in meeting housing needs in the most sustainable way.

27 January 2010

Memorandum from South Downs Joint Committee (SEH 21)

SUMMARY

— The Joint Committee considers that the South East Plan housing figures are unnecessarily excessive in that they are more than are necessary to cater for the South East’s own needs.

— The Joint Committee is not confident that full and proper regard has been had to the indication in the statement of national policy in PPS 7 that development in protected landscapes (National Parks and AONBs) should be to meet the needs of the communities within those areas (our emphasis) in setting those figures.

— In addition, the Joint Committee considers that there are limits to the amount of new property that local markets can absorb at any one time, and that lower prices deter builders.

— The Joint Committee considers that the pressures that additional house-building will have on the existing green and physical infrastructure of the region, and the likely environmental harm that will result from additional physical infrastructure necessitated by additional development, are good reasons for constraining the future level of development.
1. How many new houses would be needed to support the economy and social needs of the South East?

1.1 The Joint Committee considers that the South East Plan housing figures are certainly adequate—indeed, it considers them to be unnecessarily excessive. In presenting evidence to the Examination in Public the Joint Committee (alongside other Protected Landscape organizations in the region) noted that one-third of the Assembly’s projections of the future increases in households was generated by net in-migration into the region. The Joint Committee believes that the proposed level of house-building was more than is necessary to cater for the South East’s own needs, and was, in fact, to meet the desires of people who wish to migrate to the South East.

1.2 Since then, of course, the number has been increased considerably by first the EiP Panel and then by the Minister significantly above the numbers recommended by the former Regional Assembly, for which there had been a great deal of research into the numbers needed and notwithstanding a significant majority of those responding to the consultation on the Draft Plan preferring a lower level.

1.3 The Joint Committee is not confident that full and proper regard has been had to the indication in the statement of national policy in PPS 7 that development in protected landscapes (National Parks and AONBs) should be to meet the needs of the communities within those areas (our emphasis), and suspects that the sub-regional allocation for the rest of West Sussex sub-region (which is largely AONB/National Park) includes an element to meet the wider needs of the sub-region.

1.4 In addition, the Joint Committee considers that there are limits to the amount of new property that local markets can absorb at any one time, and that lower prices deter builders. This would indicate that an accelerated house-building rate with the intention of increasing supply and thus lowering prices (notwithstanding the vast amount of housing that would actually be required to affect open market prices significantly) would not actually work, in that house-builders would continue to reserve land from development. The result would be land allocated or with permission for housing sterilised.

1.5 In fact, at the time of the Draft Plan the region had an eight year land supply of housing land, which indicated that that the planning system is not the constraint on building more houses that many would suggest it is. In 2009–08 32,300 new homes were completed and the average since 2006 has been 34,100 p.a. This is probably the limit of the capacity of building industry, especially when the infrastructure is not keeping pace.

1.6 The Joint Committee considers that the pressures that additional house-building will have on the existing green and physical infrastructure of the region, and the likely environmental harm that will result from additional physical infrastructure necessitated by additional development, are good reasons for constraining the future level of development.
1.7 In this respect, the Joint Committee notes the significant concerns of the House of Commons Environmental Audit Committee expressed in its report "Housing: Building a Sustainable Future" on the environmental consequences of the proposed levels of housebuilding, and the lack of any rigorous assessment of these consequences. Indeed, the Sustainability Appraisal of the South East Plan recognised that the Plan is trying to accommodate a level of growth that is inherently very difficult (if not impossible) to accommodate. A House of Lords Science and Technology Committee report on Water Management in 2006 also highlighted the problems of building large numbers of houses.

1.8 Modelling undertaken for a study for the former ODPM and GOSE\(^{40}\) found that the Draft South East Plan housing allocation was likely to lead to an 8\% increase in regional domestic CO\(_2\) emissions on the 2003 baseline by 2026 and concluded that similar levels of CO\(_2\) are likely to be generated by the construction of the houses.

1.9 The report also concluded that the construction could result in an additional 325,000 tonnes of construction waste and would require an additional 1.604 million tonnes of aggregate materials by 2026. The construction sector is the second largest contributor to the South East's current ecological footprint, which makes these figures particularly worrying.

1.10 In addition, an increase in the population of the South East is likely to prompt an upward trend in other aspects of ecological footprint, including air travel and car-based transport, energy use, household consumption and domestic waste (the additional households could generate an additional 896,000 tonnes of domestic waste). All of these are also major contributors to the ecological footprint of the region (which already is the highest in the UK and would require 3.5 planets to sustain that lifestyle for everyone on the planet).

1.11 The Sustainability Appraisal concluded that implementation of the Plan would increase the ecological footprint of the region and in paragraph 3.4 of the SA, it is recognised that the draft RSS's strategy "appears likely to have negative impacts on some IRF objectives". These include Objective 12: addressing the causes of climate change, and Objective 13: conserving and enhancing the region’s biodiversity.

1.12 Cumulatively, increased visitor pressures, air pollution, declining water availability and quality, compounded by the pressures of climate change, could significantly affect the region’s biodiversity. The proposed level of house-building could also impact significantly on landscape character in the South East, including the region’s nationally protected landscapes.

1.13 The former Countryside Agency developed an indicator of change in landscape quality\(^{41}\) (Countryside Quality Counts). Using this, the change in countryside character in England was analysed for 1990–98. This shows that the majority of the South East has experienced "some change inconsistent with countryside character", with some areas showing a "marked change inconsistent with countryside character" during that period. Whilst some of this change is due to changes in agricultural practices, the data indicates that much change in these areas has arisen as a result of settlement expansion and associated infrastructure.

1.14 The South East has one National Park (soon to be two when the designation of the South Downs National Park comes into effect on 31 March this year) and 11 AONBs (which will become nine when the East Hampshire and Sussex Downs AONBs are de-designated as the South Downs National Park comes into being). Protected Landscapes cover 35\% of the South East, higher than any other region. Not only are these landscapes vitally important to the quality of life in the South East, but also to the region’s economy—the South Downs received 39 million visits in 2003 and visitor spend associated with the South Downs alone totalled some £333 million.

1.15 The Joint Committee and other South East Protected Landscape organisations are very aware of the pressures of development on the protected landscapes in the region. Within the statutory management plans prepared for each AONB under the Countryside and Rights of Way Act 2000, development issues are identified as particular forces for change.

1.16 For example, within the South Downs Management Plan, both “development pressure” and “development squeeze” are identified as key issues (the latter reflecting the fact that the natural beauty of the South Downs AONBs is vulnerable to developments and associated infrastructure beyond the boundary of the protected landscape as well as within it).

1.17 The Joint Committee therefore considers that the proposed level of house-building in the South East Plan will exacerbate the strain on the natural resources and man-made infrastructure of the South East. This will include increased pressure development to serve adjacent urban areas and for recreation on nationally important landscapes such as AONBs, and that it is unlikely to have a significant effect on house prices or providing an increased choice. Already local authorities in the South Downs are struggling to accommodate the sub-regional housing allocations without unacceptably infringing environmental constraints.

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\(^{40}\) Roger Tym & Partners/Land Use Consultants “Augmenting the Evidence Base for the Examination in Public of the South East Plan” May 2006.

\(^{41}\) Countryside Agency “The State of the Countryside 2004”.
1.18 The Joint Committee therefore believes that there is a strong case for reducing the sub-regional allocations, particularly in the South Downs and in the current economic climate. The future South Downs National Park Authority will want to play an active role in the review of the South East Plan, and it will want to ensure that the needs of the communities in and near the National Park are properly considered against government policy for National Parks.

2. Where should these houses be built to satisfy housing needs in the most sustainable way?

2.1 Notwithstanding the views expressed above, the Joint Committee is not opposed to any new homes being built. Indeed, the South Downs Joint Committee accepts that there is a need for additional homes in the South East. The majority of these should be built in the Growth Areas. However, it is also very important for affordable housing, and possibly some limited open market housing also, provided that it is to meet identified local needs, to be built within rural communities, including those in protected landscapes, to help sustain them where there is an identified local need and where the development can be accommodated without unacceptable harm to landscape character or biodiversity interests.

2.2 However, within protected landscapes, the Joint Committee considers it essential that development is limited to that which would accord with the statement of national planning policy in PPS 7 ie to meet the socio-economic needs of the communities within the area (our emphasis) (subject to the caveat about not causing unacceptable harm to landscape character or biodiversity interests. The Joint Committee strongly believes that housing development to meet wider district or sub-regional housing allocations should not be permitted within protected landscapes—meeting the housing needs of communities within the National Parks will itself be hugely challenging.

3. What types and tenure of new houses should be built? How many need to be “affordable”?

3.1 Generally, at least 35% of all new development, although the Joint Committee maintains an ideal of 50% of new mixed housing developments to be affordable housing, where this would not jeopardise the viability of a scheme and where there is evidence of need. (Although the Joint Committee recognises that not even 35% was achieved in 2008–09 when the supply was boosted by large amounts of additional money was brought forward from future years).

3.2 However, in order to meet national and regional policies for protected landscapes, any new housing built within the South Downs National Park, whether affordable or market housing, should be restricted to that which is based on the clearly identified needs of local communities within the National Park and carefully located to avoid conflict with national park purposes.

4. Is housing provided for older people in the South East fit for purpose?

4.1 Probably not. Policy P9.3 of the South Downs Management Plan is the provision of sufficient and appropriate housing to meet the needs of an ageing population. This is an area of work being addressed by the Regional Housing and Regeneration Board (RHRB).

5. Should all new homes meet the necessary energy efficiency requirements?

5.1 Yes, but homes built to the Code do not appear to carry a premium although they are costing the developer more to build. This could act as a barrier. There is also a risk in the recession that the skills needed to develop these homes may be lost.

6. What are the consequences of the increased number of multiple occupancy of houses in the South East?

6.1 Social problems can occur.

How is this affected by the enforcement of greenbelt area?

6.2 The Joint Committee fails to see how multi occupancy is affected by this.

What effect does this have on the ageing housing stock in historic areas?

6.3 It is very difficult to modernise or renovate homes in Conservation Areas. However, the Joint Committee believes that it is very important to continue to recognize and protect our historic townscape and their setting through such Areas and Conservation Area Appraisals.

7. Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

7.1 Not enough affordable homes in rural areas is leading to unsustainable communities.

8. Why are we failing to meet targets for completion of new houses?

8.1 We have just had a very savage recession and large fall in house prices.
9. **What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?**

9.1 Recession means that developers are reluctant to honour their S106 agreements and many sites with planning permission are not coming forward. The risk is that the Planning Inspectorate are giving permission on additional greenfield sites because they are easier to develop than brownfield sites and this could have a very adverse effect on the environment.

10. **What are the social and economic consequences of a shortage in housing supply in the South East?**

10.1 In the rural areas there is a great risk that the lack of new affordable housing will lead to further decline in village schools, shops, pubs and the little public transport which remains. It also leads to very unsustainable communities.

11. **What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?**

11.1 In short, the HCA allocates the funding for affordable housing and GOSE advises on the local authorities’ LDFs, including ensuring adherence to national and regional housing targets.

12. **Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?**

12.1 The RHRB is trying very hard to support local authorities in delivering more housing. It has held a number of workshops on viability, the SHLAA process, SHMA and LDFs. It produced a booklet on “Dispelling the Myths on Affordable Housing” and the Partnership Board is about to produce advice to local authorities on affordable housing policies in their LDFs. There is a problem that the HCA is working to different targets to the SE Plan. Central Government appears not to recognise the Infrastructure needs. The housing policies of the Mayor of London are leading to more one and two bedroom flats which will have a consequence for the South East when families need more space and are forced to move out of London. The private sector still has a large number of mothballed sites waiting for the market to recover.

*27 January 2010*

**Annex**

**The South Downs**

The South Downs extend from Winchester to Eastbourne and, together with part of the Western Weald, are designated as the East Hampshire AONB and the Sussex Downs AONB, a combined area of 1,374 sq.km. As such, the two AONBs represent one of the largest areas of protected landscape in England.

In addition to renowned landscape attractions such as Beachy Head, Ditchling Beacon, Devil’s Dyke, Blackdown, Butser Hill and England’s first Heritage Coast, the South Downs include (inter)nationally important habitats, particularly chalk grassland, heathlands and ancient woodland. With over 3,200 km of public rights of way including the South Downs Way National Trail and 15 regional walking routes, the two AONBs attracted over 39 million leisure trips in 2003. In turn, these visits generated some £333 million for the local economy.

On 18 December 2002 the Countryside Agency signed an Order to create the South Downs National Park, subject to Ministerial confirmation. Following a Public Inquiry, on 31 March 2009 the Minister announced his decision to confirm the South Downs National Park, and the Park was confirmed on 12 November 2009. The designated Park area includes the great majority of the two AONBs and additional areas, resulting in an area over 1,600 km².

The population of the South Downs National Park (subject to final Ministerial confirmation) is estimated to be some 120,000, with 1.8 million people within just 10 km of the boundary, and 10 million people within an hour’s journey time. In 2006–07 it was estimated that over 4,000 planning applications were received within the National Park area. This is almost four times the number received in the Lake District, the next highest. 85% or so of those applications are approved each year.

**The South Downs Joint Committee**

The South Downs Joint Committee came into being on 1 June 2005 as a result of an Agreement between the Countryside Agency and the 15 local authorities across the South Downs. The Joint Committee represents, for the first time, a single management organisation promoting and facilitating the conservation and enhancement of the Downs.

The Joint Committee has four objectives:

— To protect, conserve and enhance the natural beauty and amenity of the Sussex Downs Area of Outstanding Natural Beauty and the East Hampshire Area of Outstanding Natural Beauty, including their physical, ecological and cultural landscape.
— To promote the quiet informal enjoyment of the Sussex Downs Area of Outstanding Natural Beauty and the East Hampshire Area of Outstanding Natural Beauty by the general public but only so far as is consistent with the first objective.
— Generally to promote sustainable forms of economic and social development especially working with farmers and landowners to encourage land management which supports the two objectives above.
— To foster the social and economic wellbeing of communities within the Sussex Downs Area of Outstanding Natural Beauty and the East Hampshire Area of Outstanding Natural Beauty.

Memorandum from Wealden District Council (SEH 22)

We are responding to the call for views into future housing provision in the South East. Wealden District Council’s position of objection in relation to housing growth identified in the South East Plan remains the same as that set out in our responses to the consultation on that Plan. Thus our headline view is that the number of houses required in Wealden in the plan period to 2026 is far lower than the 11,000 allocated. Nonetheless, we continue to develop our Core Strategy in general conformity with the SE Plan.

We support the view that those houses which are provided should contribute to the maintenance or development of sustainable communities. However, many major sites with planning consent are not being built out and developers for many of those that are, seek significant reductions in affordable housing provision. The inherent weaknesses of the current S106 based policies, fully exposed in a faltering economic climate, are a major contributor in this regard.

Our emerging Core Strategy is also drawing into sharp focus the disconnect between the current mechanisms available for the provision of infrastructure and the way in which the housing market delivers.

We believe that significant benefits to our understanding of the need for new affordable housing could be created by the development of further toolkits in the area of Housing Need Assessments. Currently, we believe we have an accurate understanding of our Housing Need, having just signed off a major review conducted for us by Fordham Consultancy who used the CLG approved methodology in their study. A key finding from the survey was that in Wealden we have 862 households in housing need. However, we are also aware that the solutions to housing need are varied and often interacting. These solutions include improving job opportunities and the quality of jobs on offer, improving skills and education, providing improved and affordable transport links so that people can travel to work more readily and of course, new affordable housing. What we do not have is a way of measuring the contributions that the various solutions might reasonably make to addressing the problem in a co-ordinated way.

We understand such a toolkit, if able to be designed, could be complex and of necessity, contain generous confidence limits. However, without such a resource, it is difficult to see how a numerically accurate relationship can be identified between “Housing Need” and the need for additional affordable housing. In turn, the degree of difficulty that we encounter in trying to consult effectively with our communities on the question of affordable housing in relation to need, remains significant.

27 January 2010

Memorandum from the South East Housing Coalition (SEH 23)

Summary

This submission from the South East Housing Coalition highlights the impact which the reduced supply of housing, and particular affordable housing, is having on the South East region’s ability to meet housing need and its ability to respond positively to the current economic downturn. Some key points:

— Housing delivery in the South East is significantly below the regional target and need.
— The consequences of undersupply include worsening unaffordability, rising waiting lists for social homes and overcrowding.
— There is an urgent need for all local authorities in the South East to assess need for older peoples’ housing and use this to inform their Local Development Frameworks and housing strategies.
— All new homes in the South East, whether built by private developers, housing associations or local authorities should be subject to the same high environmental sustainability standards.
— The recession has not made housing more accessible or affordable in the South East.
— There is a risk that housing unaffordability and undersupply will make the South East a less attractive as a place to live and work, especially for younger people, which may impact on the region’s long term economic competitiveness.
RESPONSE TO THE REGIONAL SELECT COMMITTEE SPECIFIC QUESTIONS

1. How many new houses would be needed to support the economy and social needs of the South East?

1.1 In 2006, the National Housing Federation gave evidence to the South East region’s Examination in Public. In it the Federation argued that to meet the backlog for homes, to meet need for new household formations and to assist the development of the affordable housing (through S106 etc) the combined figure for all household development (private and affordable) should be an average of 41,880 net additional dwellings between 2006 and 2016, and 38,125 net additional dwellings between 2016 and 2026. We agreed with the affordable housing split of 35% in the South East Plan, produced by the then Regional Assembly, and supported breakdown of 70/30% split in favour of affordable rented and affordable purchase.

1.2 The result of this breakdown meant that we estimated there was a social and affordable housing demand for 14,658 homes per year up to 2016 and 13,344 thereafter until 2026.

1.3 Since the analysis for the Examination in Public submission was completed, the region has experienced the current recession and seen a dramatic reduction in the number of homes built across the region. The determination of housing need and demand in terms of the requirement for new development is a contentious subject and we recognise that the housing figures set out in the Regional Spatial Strategy have been hotly contested. The reality is, however, that supply of new social housing is running at significantly below the level indicated in the South East RSS. New social housing completions are running at just two thirds of the regional requirement. This has increased the pressure placed upon Local Authority housing waiting lists.

1.4 In 2008 203,161 households were on social housing waiting lists in the South East, an increase of over 40% in five years, leaving 1 in every 17 South East households waiting for a social home.

1.5 Despite the fall in house prices experienced in many regions, the South East has seen prices remain relatively high in comparison to the average earnings of the population. In 2008 the average house price in the south east was £267,573 compared to an average salary of £22,100. That means someone earning an average salary would need to borrow over 12 times their income to be able to afford an averaged priced home.

1.6 In even the most affordable parts of the South East the ratio to income average is 7.5 times the average salary. This figure peaks at around 20 times the average salary for those wanting to purchase a home in areas like Chichester, Chiltern and South Bucks.

2. Where should these houses be built to satisfy housing needs in the most sustainable way

2.1 The current recession has lead to a steep decline in the development of new homes. This may have a long term impact on the competitiveness of the region. The reason for this is partly due to the inability to fund the associated social infrastructure costs, which are fundamental if the region is to ensure new homes are built in sustainable communities in the long term.

2.2 It is vital that future development is supported with the appropriate level of infrastructure funding to enable homes to be developed sustainably. In urban areas this is vital if the region is to avoid placing additional pressure on existing transport networks, health and police services and educations systems.

2.3 Equally, the region should not focus its housing development solely in urban areas. Over 80% of the South East area is classified as Rural whilst 78% of the population lives in an urban area. Rural housing development is vital if the south east is to maximize its rural economy.

2.4 By investing appropriately in rural areas not only can we strengthen the economic activity of the region as a whole, we can also ensure that rural communities thrive and are places where people can afford to live.

3. What types and tenure of new houses should be built? How many need to be “affordable”?

3.1 As already highlighted in the submission, we support the of the Regional Spatial Strategy affordable housing split of 70/30 in favour of social rented housing.

3.2 In recent years volume developers have produced a disproportionately high number of small flatted developments, often at the cost of larger family homes. This imbalance of development requires future home building to ensure that the region is delivering the number of affordable family homes it requires to meet the needs of families living in unsuitable over-crowded conditions. The number of overcrowded households in the region has risen from 59,000 in 2007–08 to 61,000 in 2008–09. Over half of these households are living in the social rented sector.

3.3 There is currently a wide gap between the cost of social rented accommodation and that of either market rented or owner occupation. This void in the market presents an opportunity for intermediate housing market to offer good quality, affordable housing for a large number of the population that can not access housing on the open market, but are not eligible for social rented accommodation.

42 National Housing Federation, submission to the Examination in public, South East Region 2006.
43 CLG Housing statistics, National Housing Federation South East Home Truths 2009.
44 Annual Survey of Hours and Earning, National Housing Federation, Home truths publication, 2009.
Is housing provided for older people in the South East fit for purpose?

3.4 ONS population projections show an increase in the number of over 85s for every local authority in the South East to 2025.\(^{45}\) There will be particular increases in the coastal areas.\(^{45}\) Over 230,000 older people (13% of the total) in the South East live in income deprived households, a greater total than the North East, East Midlands, East of England, South West or Yorkshire and Humber.\(^{46}\) The provision of housing and support services to older people will therefore be an increasingly urgent priority for the region.

3.5 Nationally housing associations provide affordable homes for almost one million older people and are well placed to deliver ongoing care and support to older people together with local authority partners to enable older people to stay in their homes. The needs and aspirations of the elderly community have changed considerably over recent years and whilst there are excellent examples of well designed and sought after accommodation for the elderly community in the South East, a considerable amount of the region's housing stock for older people was developed in the 1970's and earlier. This is typically small one bed accommodation which is no longer applicable to the current and future aging community. There needs to be a much broader range of choices for older people in the South East including low cost home ownership options. By increasing choice and providing the appropriate type of housing for older people, there is a greater opportunity to incentivize more elderly households to downsize, thereby releasing larger family homes to help meet the demand for larger family housing.

3.6 It is vital that local authorities thoroughly assess the need for older people’s housing to inform the policies they develop in their Local Development Frameworks, as well as their local housing strategies. In addition, the Homes and Communities Agency should also ensure that the single conversation on local investment needs includes a dialogue on the need for investment in specialist housing for older people.

Should all new homes meet the necessary energy efficiency requirements?

3.7 If the UK is to meet the carbon emission targets set out in the Climate Change Act 2008 then the answer to this question is clearly yes. The South East has the largest carbon footprint of any UK region\(^ {47}\) with the residential sector accounting for 30% of those emissions. Carbon emission targets will only be achieved if all new homes in the South East are built to high environmental standards.

3.8 For many years social rented and affordable homes built by housing associations have been to a higher environmental standard than those built by the private sector (such as the Eco-Homes standard and now the Code for Sustainable Homes). These disparities have resulted in affordable homes offering greater space standards, higher energy efficiency and as a result lower carbon emissions.

3.9 This unlevel playing field, where market sale homes are built to one standard and social and affordable homes are built to a higher one, has meant that the manufacturing and construction industries have not been able to take advantage of economies of scale of mass produced environmental sustainable products. The result of this disparity in standards is that the country has not seen the growth in new technologies we might have expected to have seen if all standards were equalised.

3.10 If we are to level this playing field and create an environment where the cost and quality of environmental building products are improved through economies of scale and great investment in research and development, then all new development must be produced to the same environmental standard. We urgently need a national strategy to green all homes by 2050 and the South East will be crucial to this effort.

4. How is this affected by the enforcement of greenbelt area?

4.1 Development is a challenge in the South East with designated Areas of Outstanding Natural Beauty forming one third of the region and another 16% of land designated green belt. These statistics encourage the view that the region is overcrowded.

4.2 According to CLG statistics the South East does, however, contain the highest quantity of unused previously developed land of any region apart from the North West. Even in rural areas there will be brownfield and ex industrial sites that may be developed. The picture in the South East is not therefore as simple as that painted by those that oppose development. There is significant development capacity in the South East without developing greenbelt, greenfield sites.

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46 CLG English indices of deprivation 2007.
5. Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

5.1 The creation of mixed sustainable communities is a combination of two very different areas; “Bricks and Mortar” and the investment in the people and surrounding areas.

5.2 Housing associations and local authorities have invested heavily across the region in a wide range of services and support networks to ensure that issues such as education and skills, employment and enterprise, poverty and social exclusion are tackled in a joined up and inclusive approach. In 2006–07 housing associations alone delivered over 6,800 services across the country and invested £435 million to provide neighbourhood services and facilities to support communities grow and prosper in their own back yard.

5.3 Over half of this investment came from the associations’ own surpluses, surpluses which are constantly under threat from reduced grant to develop new homes, limited support to improve the environmental efficiency of their existing housing stock and the reduced security of funding for care and support services.

5.4 As already highlighted in this paper, the disparity in the requirement to use specific levels of the Code of Sustainable Homes between the market sale homes and the social and affordable house building has resulted in some homes meeting high levels of environmental sustainability and some simply meeting the minimum requirements of building regulations.

6. Why are we failing to meet targets for completion of new houses?

6.1 The region is failing to meet the new home targets for several reasons.

6.2 The economic downturn and stagnation of the property market has meant that levels of Section 106 and Government grant is not available in the required amounts that are needed to make the financial element of a development viable in this economic climate. Additionally, increased lender costs and over valued or unavailable land bring additional pressure jeopardizing many new developments.

6.3 Many private developers have not only stopped developing but have also walked away from existing schemes. This has also had a significant impact on affordable housing delivery.

6.4 The Homes and Communities Agency have shown flexibility in relation to levels of grant for each development but increasing grant rates have meant less “bang for their buck” in terms of housing numbers. In addition to this the state of the property market means that housing associations have lost the capacity to cross subsidise development through market sale. Although the Government has brought forward investment in this area the level of HCA funds in the South East are finite. The picture beyond 2011 with public sector funding constraints look very uncertain.

6.5 The speed and responsiveness of the current planning system needs to be improved. All too often developments, which have been designed in consultation with the local authority and meeting local authority requirements are slowed down and rejected at the planning stage, often to be granted planning upon appeal.

6.6 The lack of mortgage availability has also reduced the number of people able to get onto the property ladder. This includes the availability of mortgages for people wishing to enter the low cost home ownership market, where lender products are also very difficult to access.

7. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

7.1 The recession has not made housing more accessible or affordable in the South East. There is a catch 22 scenario whereby developers will only return when the market recovers but market recovery will mean that house prices carry on getting further out of reach for families in the region. As the production of new homes reduces and the lack of mortgage availability continues for all but those with high levels of equity, the region will see the numbers on household waiting lists increase. The likelihood is that this will lead to more households experiencing acute housing need, which is likely to place financial burden on local authorities and social infrastructure.

7.2 In addition, the region will likely see cases of over-crowding increase exponentially, as young families are forced to live with parents, relatives and friends. As over-crowding increases additional pressure will be placed upon the heath and education services as the pressure of large numbers of people living in unsuitable accommodation begins to impact on the health and well being of individuals and families. An estimated 25,000 social housing tenants in the region are living in overcrowded accommodation and 20,000 need a three bedroom home or larger.

48 National Housing Federation, Neighbourhood Audit, 2008.

49 Chartered Institute of Housing, Impact of the credit crunch for the South East Housing Market.

50 Department of Communities and Local Government, Survey of English Housing Overcrowding by region and tenure, England 2005–06 to 2007–08 (based on a small sample in the south east.)
7.3 The current recession is having effects on individuals, communities and the public and private sectors. The impact of the recession for schools for instance include increased demand for school places, negative impact on the aspirations of children and young people and reduced training and employment opportunities for school leavers.51 The individual impact of recession can impact more significantly on disadvantaged communities. This is happening at a time when the capacity of many landlords to support community work is also under increasing pressure. Effective joint working can target scarce resources towards redressing inequalities and addressing concentrated and multiple disadvantages in communities.

8. What are the social and economic consequences of a shortage in housing supply in the South East?

8.1 The South East risks becoming less attractive as a place to live and work. Special measures may be required to attract the necessary workforce to maintain the economic success of the region. As the UK comes out of recession employers in the South East may be required to pay higher salaries to attract workers to allow for the shortage of affordable housing. This may particularly affect the competitiveness of the region’s manufacturing sector which employs the third highest number of employees of any UK region (ONS). The South East also needs to be an attractive and affordable place to live for younger people otherwise an ageing demographic will ultimately impact on the region’s competitiveness. This is also important for migrants and other minority groups as they seek services to meet their needs. Communities may also suffer from tensions and threats to community cohesion as different members of the community compete for affordable housing.52

8.2 In a recent YouGov survey commissioned by Shelter, high housing costs and the lack of affordable housing have caused the following social consequences:

— More than one in 10 of people questioned have resorted to sometimes borrowing on a credit card to pay for housing costs.
— Nearly a quarter (24%) of people have continued to live with a partner, or know someone who has, because they could not afford to live apart.
— Nearly a quarter (23%) of people agreed that housing cause stress and depression in their family.
— 18% of 18–44 year olds surveyed are actively putting off having children because of high housing costs. This figure rises to 24% among 18–34 year olds.
— One in five of those surveyed between 18 and 44 had waited for as long as six years to start a family, with over a third expecting housing costs to continue to delay their plans for another four years.

9. What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

9.1 The role of the HCA should be focused on bringing forward public sector land and as a funding partner through grants and other methods to ensure that affordable housing and community sustainability is implicit in the housing development across the region. Going forward the HCA will need to innovate and work with local authorities, housing associations and private housing developers to find new models of funding for affordable housing development in the context of highly constrained public finances.

9.2 Strategic planning and social cohesion are the key roles for the Government Office. This is a vital role if the region is to ensure that we create and support sustainable cities, towns and villages across the region. Government office can also play a key role in building capacity at local authority level in relation to housing solutions.

9.3 With an overview of the region, Government office retains an important co-ordination role across the South East. This also enables more joined up collaboration and strategic planning between key regional stakeholders to meet infrastructure development needs for the region.

10. Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

10.1 In general the relationships are working across the region, however there are some concerns. There is a need for the Single Conversation to evolve to draw in a wide range of partners and to ensure that attention is given to the needs of the most vulnerable people.

10.2 There is still no consistent approach to the economic viability appraisal of sites. There is not enough successful cross authority collaboration necessary to inject the investment required to ensure the appropriate levels of infrastructure to support new development in these difficult economic times.

27 January 2010

51 Chartered Institute of Housing, Housing, Schools and Communities, 2009.
52 Chartered Institute of Housing, Opening Doors project, 2009.
Memorandum from RICS South East (SEH 24)

ABOUT RICS

RICS is the largest organisation for professionals in property, land, construction and related environmental issues worldwide. We promote best practice, regulation and consumer protection to business and the public. With 140,000 members, RICS is the leading source of property related knowledge, providing independent, impartial advice to governments and global institutions.

RICS South East has approximately 18,500 members working across a range of sectors in the region who are uniquely well placed to offer genuine expertise as the leading property professional body, required by its Royal Charter to place the public interest at the core of all its activities.

KEY POINTS

— A sound and current evidence base is essential in planning for the housing and future development of the region.

— While the South East is distinct from London in many ways, spatial and economic planning for the region ought to recognise the influence that London will have on economic development, population growth and housing demand across the wider south east.

— The recession and its aftermath will have an effect on the future economic development of the region, so a review of the current evidence base and understanding would be beneficial.

— The region’s ageing population is a significant issue for future spatial and economic planning. RICS is to commission research into this issue and is happy to share the data and conclusions later in 2010.

— Developers have faced enormous challenges in the recession and still face the dilemma posed by increased regulation and levies in rendering schemes non-viable. While planners and government set the policies and framework for development, it is developers who actually deliver. Viability is therefore an issue that affects all involved in delivering the housing that the region needs.

— High quality design may make new housing attractive to intended buyers and may have some role in alleviating the resistance that new development encounters.

1. How many new houses would be needed to support the economy and social needs of the South East?

1.1 RICS has not carried out the research that would be needed to quantify the housing needed to achieve sustainable development in the South East and so any suggested number would be purely guesswork. Estimates of housing numbers do need to be evidence based and this work ought to be carried out by the Partnership Board using the resources available to them. Any new assessment that they provide would need to be based on current evidence to bring up to date the data used in developing the South East Plan, as amended by the Secretary of State when the Plan was adopted as the spatial strategy for the South East.

1.2 Work is now underway to develop a new regional strategy for the region that will combine economic and spatial considerations. The new strategy will again be based on evidence and will no doubt take account of the changed economic circumstances nationally and regionally, economic projections for the plan period and the significant shortfall in delivery of affordable housing that has resulted from the recession in 2009. Other factors should include economic projections for London, likely migration projections and employment data, as well as recognition of the scale of population projections for London, to around nine million by 2031.

1.3 The relationship of the South East to London in economic and employment terms is a close one and much of London’s growth and success is predicated upon access to a skilled workforce commuting from settlements in the South East. As an adjacent region this is highly relevant in wider land use terms, and particularly when planning for housing numbers. The initiative in the replacement London Plan to grow local economies in Outer London also may stimulate employment growth and create new and additional housing demand.

1.4 With the growing lack of affordability in both London and the South East accurate and evidence based planning is essential to avoid a situation where economic development is constrained by a shortage of housing, both market and affordable.

1.5 It may be helpful to highlight research that RICS hopes to commission very shortly into the impacts of an ageing society in the region on communities, built environment and local economies. Our research will focus particularly on market towns and larger villages where community resistance to development pressure means that there are challenges in planning to meet the needs of essential in-migration in addition to those of existing residents.
2. Where should these houses be built to satisfy housing needs in the most sustainable way?

2.1 The urban focus of the South East Plan aims to plan for housing to be located close to centres of employment and economic activity in the sub-regions, and in general major development is co-located with the transport hubs set out in the South East Plan. This minimises the need to travel and is in line with sustainable development principles. RICS has long supported the concept of Transport Development Hubs for the location of high density mixed use development and this approach is in line with we propose at http://www.rics.org/site/scripts/download_info.aspx?fileID = 2452&categoryID = 450

2.1.1 Among the issues faced by the region is that of an ageing population, particularly in rural market towns and larger villages and the need for future planning to provide succession in the working age population to sustain local economies and retail centres and to provide the capacity needed for the success of the regional economy. RICS South East intends to commission research to quantify the scale of ageing in the region and to consider the implications this will have for housing and inclusive built environment and public realm access.

2.1.2 Lack of housing supply and consequent issues of affordability in the region remain acute. While RICS acknowledges that the current shortfall in affordable housing delivery has been influenced by the economic downturn, we would also strongly advocate that our proposals to increase the supply of available land for affordable housing be actively considered for the future. RICS carried out a survey among members that suggested that 40% of landowners would be willing to sell land at less than full market value if they retained some control over how it was used. This could include nominating employees or family members for the housing or retaining a financial stake. Innovative ways to increase available lands supply do have a role in avoiding some of the worst consequences of the lack of affordability.

2.2 However there is a role for some development to be located in rural settlements, whether market towns or villages, to support local economies. The South East is an ageing region and in some settlements the retired and often economically inactive sector of local populations is growing. There are few employment opportunities and housing is unaffordable for younger people. The consequence is that this becomes a self-perpetuating trend, with the population continuing to age in what are often fairly stable communities where parents remain once children have left. These communities need the injection of younger residents that new housing would bring in order to grow their economies, replace older workers and provide health and social care for older residents. The challenge can be at its most acute in settlements where new development is not welcome, so ways of overcoming this resistance need to be found.

3. What types and tenure of new houses should be built?

3.1 Market housing is needed to meet the aspirations of those who can afford to own a home and affordable housing provision has traditionally been linked as a percentage of the total delivered. Increasingly younger people are unable to access market housing, so need mixed provision in a range of intermediate products as well as social rented. During the recession demand for social rented housing has greatly outstripped supply. Even with increased delivery in a newly recovering economy, it is unlikely that this shortfall will be addressed quickly and the trend of increasing lack of affordability is likely to continue into the future.

3.1.1 The scale of demand has prompted discussion of the role of institutional Investment in private rental housing and increased capacity may be needed in this sector.

3.1.2 RICS has been calling for a number of policy changes to stimulate the private rented sector. This should include changes to Real Estate Investment Trusts (REITs) to make them more suitable for residential investment and reform of stamp duty and VAT regarding bulk purchase of property.

3.2 The shortfall in the provision of family housing that has arisen in recent years does however need to be addressed across the tenures to provide adequate accommodation for families with children.

3.3 Purpose-built housing that reflects the very diverse requirements in meeting housing needs to be based on an understanding of need and demand. RICS recognises that specialist housing for older people can, if it is attractive, result in larger family accommodation being freed if the uptake is sufficiently high. However, since this will depend on choice among older residents, the design of this accommodation must be such that it appeals to this market. RICS research into this issue is at http://www.rics.org/site/scripts/download_info.aspx?fileID = 4559&categoryID = 523

4. How many need to be “affordable”?

4.1 The number of “affordable” homes, and their design and tenure, is a matter for research based on current and future need. It will, over time, be a variable number that relates to the health of the economy, affordability of market housing and success in the delivery of affordable housing. The rapid onset of the current recession indicates that a high degree of flexibility and the need to respond rapidly to a changing economic situation are essential in determining the numbers of affordable dwellings needed. The current target of 40% has not resulted in actual delivery. Two drivers should therefore inform the numbers planned— the need for affordable housing to support economic growth and success in an area, together with the state of the economy and the likely scale of need arising.
4.2 In London numeric targets have now been agreed with boroughs as a system based on a 50% affordable target did not work well. It may be worth assessing whether this approach might be useful in the South East as it could provide local planning authorities flexibility in the locations where affordable housing is needed and allow for a numeric estimation of need to inform delivery.

5. Is housing provided for older people in the South East fit for purpose?

5.1 Housing for older people across the region is highly variable, ranging from luxury retirement complexes to very basic accommodation in local authority properties and some poor provision in the private sector. In order to provide for this rapidly growing sector Lifetime Homes standards ought to apply to all accommodation occupied by the elderly, with retrofitting where possible, particularly in the social rented sector. In the private sector grant funding is available to meet specific disability requirements. A reduction in the rate of VAT to 5% on home repairs and adaptations would enable many older people to remain in their homes for longer and would deliver wider benefit in maintaining at least some of the existing housing stock to a reasonable standard. Local authorities can contribute towards this by sharing lists of reputable local tradespeople to provide reassurance to older residents.

5.2 In meeting this growing need however, it is also essential to recognise that the viability of development has been severely challenged in the recession and developers have found that the increased burden of regulation, environmental standards, S106 and impending CIL combine to make it impossible to deliver some projects in a challenging market. This may provide some explanation for the significant shortfall in affordable housing delivery during the recession. Design and provision for the elderly, however essential, must be seen in this context.

5.3 A useful way of providing fit for purpose housing for older people and for freeing capacity throughout the sectors is to deliver purpose-built retirement housing that incorporates the design features that older people find attractive. RICS research indicates that design issues may present a barrier to uptake in this market segment. If older people choose to move to more compact accommodation family accommodation may be freed.

6. Should all new homes meet the necessary energy efficiency requirements?

6.1 It is essential that new homes meet high energy efficiency standards if we are to meet Government targets to reduce carbon emissions by 2050. However, new build homes are only a very small percentage of the total housing stock each year and action needs to be focused on existing homes if there is to be a significant reduction in domestic carbon emissions.

6.2 Action should be taken to help make it cheaper for people to take the easy steps to insulate their homes and make other energy efficiency improvements. Although grants and incentives have been made available by Government to help achieve this, implementation is through local authorities and delivery has been inconsistent in the region. Some local authorities have done nothing more than engage with the “Warm Front” scheme. The lack of take-up, as measured by the lack of local authority spend, was considered by the Regional Housing Board in 2008. It seems inequitable that access to centrally provided funding depends on the willingness of local authorities to participate actively.

6.3 In retrofitting the existing housing stock there is a role for a reduction in the rate of VAT to 5% for relevant improvements and renovations. Pay as you save schemes will also be vitally important in improving home energy efficiency.

8. How is this affected by the enforcement of greenbelt area?

8.1 Greenbelt was intended to prevent the unconstrained sprawl of the existing major settlement it surrounded, and so prompt the development and extension of development in new areas with local economies beyond the distance where commuting was practicable. With the sequential brownfield first approach now in place the development, often much needed, of settlements outside the green belt is constrained, and routinely opposed by local residents. Greenbelt sites should be assessed on their merits and flexibility in determining the best options for sustainable development ought to inform decisions.

8.2 With a higher population anticipated there is the opportunity now to begin a new discussion about the purpose of the Green Belt in developing sustainable communities. This should include the need for well managed development in the greenbelt, particularly where this involves energy efficient homes or housing types where there is currently limited supply such as family homes.

9. What effect does this have on the ageing housing stock in historic areas?

9.1 While it is right that the ageing housing stock in historic areas should be preserved and enhanced wherever possible, there is a need to ensure that communities do have adequate housing, sometimes in new developments adjacent to settlements, as recommended by the Taylor Report, where this meets assessed need. Communities in the South East have evolved historically to meet emerging need, and while the historic environment is highly valued, the region must retain the flexibility necessary to deliver sustainable development to meet the needs of current and future residents.
10. Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

10.1 The quality of development across the region and its ability to create sustainable communities is very variable. In the recession it has not only been affordability that has been an issue in achieving mixed tenure development. The lack of access to adequate mortgage finance and job insecurity have both become significant in building “sustainable communities, even when a depressed housing market theoretically made housing more affordable. The move from building flats to family housing has been positive however and responds more appropriately to need.

10.2 The eco-towns proposed for the region deserve particular attention as there is an opportunity here to build communities that achieve the highest standards. It is essential that these are not isolated settlements where car ownership is essential to access employment or connection to higher-order settlements, but that a range of social and economic infrastructure is an integral part of the masterplanning process.

11. Why are we failing to meet targets for completion of new houses?

11.1 A list of factors may include the following:

— Lack of investment capital in the recession caused by reduced bank and institutional lending to both developers and home buyers.

— Loss of market confidence causing a restriction in the activity of the housing market.

— The gap between earnings and house prices that prevents new buyers of all ages entering the market.

— Widespread loss of confidence in the market and apprehension for the stability of employment.

12. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

12.1 The consequences will be severe for many years to come and are described in earlier paragraphs. Until a recovery is underway it will not be possible to evaluate the impact of the recession or the after-effects it leaves on the housing and construction sectors tasked with the delivery of housing. Impacts of the recession on both sectors have been severe.

13. What are the social and economic consequences of a shortage in housing supply in the South East?

13.1 The following may be relevant:

— Lack of affordability and access to appropriate housing to permit the uptake of employment or the formation of new households for young families.

— Constraints on economic development and employment caused by the lack of an adequate and trained workforce in the right place.

— A much poorer quality of life and a negative perception of the region as an area where housing is difficult to access.

13. What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

13.1 Regional bodies have the responsibility to advise government on regional housing need and related economic development, on the funding needed to deliver and how best this should be implemented through regional strategies. Their role in implementation and provision of funding and subsequent monitoring should ensure the outcomes needed. These bodies cannot replace market delivery and there is a need for recognition of the synergy and collaboration needed between government at all levels and the development industry, and for the burden of regulation and developer contributions not to exceed a level where it would impact on the ability of the development industry to deliver the housing needed by the region.

14. Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

14.1 There has been a significant tension between the aim of regional bodies to deliver, the desire of developers to build housing and the resistance of some local communities to accept housing in their neighbourhoods, particularly in rural areas. The significant opposition that has been expressed and the ongoing measures taken to prevent delivery, has been a feature of planning and development in the region.

27 January 2010
Memorandum from Oxford City Council (SEH 25)

SUMMARY

(i) 39,100 dwellings per annum are needed to meet the social and economic needs of the region.

(ii) Oxford City Council supports the urban focus of the South East Regional Spatial Strategy (RSS), but considers that Green Belt policy acts as an impediment to meeting housing needs in the most sustainable way. There is a compelling case for urban extension(s) in the Green Belt adjacent to Oxford.

(iii) The fact that household sizes are reducing doesn’t necessarily mean that smaller units should be the focus of new housing provision. In Oxford, there is a greater need for affordable three-bedroom dwellings than for any other size.

(iv) A large number of HMO’s and other shared properties, combined with the limited powers currently available to control such uses, places further pressures on Oxford’s housing stock.

(v) Oxford City Council is pursuing a strategy of using its assets to maximise the development of new affordable housing, and in so doing to compensate for the downturn in private sector activity as a result of the recession. The continued availability of public funding, such as growth points and Homes and Communities Agency (HCA) grant, is crucial to the City Council’s ability to be able to bring forward public sector land for housing. This is particularly important in the current economic climate where the housing market may not recover to pre-recession levels for a number of years.

(vi) The social and economic consequences of an under supply of housing are acutely felt in Oxford. Owner occupied housing remains out of the reach of people on lower incomes and there are currently over 5,000 households with live applicants on the city’s housing register.

(vii) Oxfordshire is one of three pilot areas in the South East for the HCA’s Single Conversation process, and the City Council is engaging fully with this process in the hope that a more joined-up approach to infrastructure investment will support the effective delivery of housing and regeneration.

MAIN SUBMISSION

1. How many new houses would be needed to support the economy and social needs of the South East?

   1.1. The City Council made representations to the South East RSS Examination-in-Public (EiP) that provision should be made for an annual average of 36,000 additional dwellings across the region between 2006 and 2026.

   1.2. In our representations to the EiP, we noted that demographic and economic forecasts prepared by the former South East England Regional Assembly (SEERA) were used only as a starting point for considering future levels of growth. Other factors, not least the impact of development and the provision of infrastructure, led SEERA to revise down its levels of provision to 28,900 dwellings per year. This might be appropriate for those already in housing, but it ignored those who are part of the backlog of unmet needs or those who will become part of the backlog of unmet needs over the life of the Plan.

   1.3. The published version of the South East RSS notes at paragraph 7.4 that the latest national household projections for England suggest an increase of around 250,000 additional households a year until 2031. The South East’s share of this is 39,100 a year. While there may be legitimate concerns about whether the infrastructure can be delivered to support this level of growth, the City Council believes that 39,100 per annum should be regarded as the level of provision required to support the economy and social needs of the South East.

2. Where should these houses be built to satisfy housing needs in the most sustainable way?

   2.1. Oxford City Council is supportive of the spatial strategy in the South East RSS, with its emphasis on concentrating development within or adjacent to the region’s urban areas. South East Plan Policy SP3 sets out a strategy which is based on an urban focus, in order to foster accessibility to key services and reduce the need to travel. As well as making the best use of previously developed land, this strategy explicitly recognises the opportunities for sustainable urban extensions.

   2.2. Oxford is designated as a growth point and a regional hub, and lies at the heart of the Central Oxfordshire sub-region (itself identified as a focus for growth and regeneration). The issue of particular concern to the City Council is that Green Belt policy effectively acts as an impediment to the delivery of the RSS strategy. The Committee will be aware of the current legal challenges to the relatively limited proposals for selective Green Belt reviews contained in the current South East RSS, namely to the south of Oxford and the north east of Guildford.

   2.3. The outcome of the legal challenges may be to remove these selective Green Belt reviews from the South East Plan because of a failure of the Strategic Environmental Assessment to take into account reasonable alternatives. If so, then it is imperative that a strategic review of the Oxford Green Belt is carried out, alongside other alternatives, given the exceptional need for housing in Oxford and Central Oxfordshire.53 This should make use of appropriate criteria to assess where best to build sustainable

53 Evidence of these housing needs can be found in the Oxfordshire Housing Market Assessment (December 2007), available online at: http://www.oxford.gov.uk/Direct/7709527OxfordshireHousingMarketAssessment.pdf
communities associated with the city, which could include assessments of how best to provide social and cultural facilities to meet the needs of new residents, where new infrastructure is most sustainable to reduce travel and how to minimise infrastructure costs.

2.4. It is acknowledged that exceptional circumstances have to be demonstrated to justify revisions to Green Belt boundaries. However, there are times when a Green Belt location can be more sustainable than more distant unsuitably located previously developed land or greenfield sites. Sustainability is also about more than protection of the environment. A balanced approach needs to take account of the maintenance of high and stable levels of economic growth and employment, and addressing the social impacts of the current housing crisis. The release of some land from the Green Belt is considered to be the best way to meet this aspiration.

2.5. In the case of Oxford, the City Council believes that there are compelling circumstances to warrant a revision to Green Belt boundaries, including:

— there are unique economic needs (based on the interaction between the universities, teaching hospitals and research and spin out companies) that can best be met within or adjacent to the city;
— the substantial scale of housing needs cannot be accommodated at the “country towns” (such as Didcot, Bicester and Wantage) alone;
— the country towns need a period of consolidation while their infrastructure backlog has a chance to catch up;
— there is an opportunity to build truly sustainable communities associated with the city;
— the city, with its established social and cultural facilities, is better able to meet the needs of new residents;
— new infrastructure is more sustainable and the associated costs less in close proximity to the city; and
— affordable housing is required by the city, close to the city.

2.6. The Oxford Green Belt was originally conceived in the 1950’s with its general extent established at that time. It has therefore endured for over 50 years, and there is no reason why a revised boundary should not endure without erosion for a considerable amount of time. Releasing only a small proportion (about 2%) of the Green Belt around Oxford would enable a significant contribution towards meeting housing needs, and if deemed appropriate the Green Belt could be extended outwards to compensate for this loss of land.

2.7. In this part of the region, the alternative to sustainable urban extensions would be: i) continued intensification of housing within the existing city, with consequent pressures on Oxford’s historic townscape and green spaces; ii) continued reliance on costly road improvements and other infrastructure in order to facilitate delivery of housing in smaller country towns; iii) additional traffic congestion as residents of new developments in the country towns commute to jobs in the city; and iv) most probably, a failure to deliver the scale of housing required to meet the sub-region’s social and economic needs.

3. What types and tenure of new houses should be built?

3.1 Oxford City Council’s policy approach is to seek a balanced and suitable distribution of house types, both within individual development sites and within each locality. While household sizes are reducing, which suggests a need for smaller houses, smaller and single person households do not necessarily want or demand smaller homes and this is a particular challenge when planning for future growth.

3.2 In recent years much of the new housing in Oxford has been one and two bed flats (eg in 2005–06, 92% of the 896 units built were one or two bed flats). The City Council adopted a Balance of Dwellings SPD in 2008 so as to influence this imbalance by including more family housing units in the future housing mix. This SPD allows developers a measure of flexibility in being able to choose the precise mix of 1-bed, 2-bed, 3-bed etc within a prescribed range so as to suit the circumstances of a particular site and neighbourhood.

3.3 In terms of affordable housing, Oxford’s Housing Requirements Study (2004) identified a need for between 1,700 and 1,800 additional affordable dwellings per year (after social housing relets). It also found that 82% of housing need in Oxford was for social rented accommodation. Planning policies in the city currently require generally 50% of dwellings on qualifying sites to be affordable, with tenure split of 80% social rented and 20% shared ownership for the affordable units. This tenure split is subject to review in light of suggestions from developers that there should be a greater role in future for intermediate and key worker forms of housing.

3.4 The overall strategic mix of affordable housing for Oxford, which reflects and prioritises the most acute housing need, shows a greater need for three bedroomed dwellings than for any other size. However, City centre sites are generally more suited to developments of small units, including flats, and the Council has therefore developed two strategic mixes; one for City centre sites and one for out-of-centre sites.
3.5 There is also a large provision of social rented sheltered housing for older people in the city with over 1000 homes in 48 schemes provided by the City Council and housing associations. The City Council is working with the County Council on the provision of new forms of housing for the elderly, such as “extra care housing” (essentially independent residential units with ancillary supporting care facilities), which are likely to progressively replace conventional residential care homes in the future.

4. What are the consequences of the increased number of multiple occupancy of houses in the South East?

4.1 Oxford has a large number of HMOs in planning terms and other shared properties, partly due to the high level of students studying at the two main universities, as well as migrant workers, a growing number of young professional people who need to share accommodation, and the placement of single people by agencies such as social services. The problems attributed to such concentrations include noise and social disturbance, reduction in community structure and cohesion, parking and refuse problems and poor property and garden maintenance. This has persistently featured as a major issue in consultations with residents and the City Council has bid to extend HMO licensing, both separately and under the Sustainable Communities Act.

4.2 The existence of large numbers of house shares has added to the housing pressures in Oxford already described above. The planning system presently has limited powers in being able to control where students live because many live in dwelling houses (Use Class C3) as house-shares. To try to control the concentration in some way, the Oxford Local Plan includes a policy restricting the permission of HMOs in an area of East Oxford where there is a known concentration. But this policy can only control development that is classed as an HMO and cannot control other C3 house-shares.

5. Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

5.1. Current practice is somewhat mixed in this regard. There is certainly no shortage of commitment on behalf of Oxford City Council, and presumably other local authorities, to deliver sustainable communities with all the attributes listed, including high levels of affordability, mixed and balanced housing by type and tenure, high-quality urban design and the highest possible standards of sustainable design and construction.

5.2 Nevertheless, the availability of funding is a major impediment to achieving these goals. Even in Oxford, where land values remain high, developers are advising the Council that many sites are at the margins of viability in the current economic climate and that the market may not recover to its previous position for a number of years.

5.3 Taking the example of a large greenfield site on the edge of Oxford that is predominantly owned by the City Council, substantial grant funding will still be required from the HCA in order to bring forward a development that will meet local affordable housing targets, achieve the highest eco standards and deliver all the necessary supporting infrastructure, such as a new primary school and public transport enhancements. On smaller sites, the task is that much more difficult. This adds to our view that sustainable urban extensions are required to deliver truly sustainable communities. The alternative scenario of intensification within existing residential areas, combined with incremental small-scale additions to suburban and rural market towns, won’t be sufficient to deliver the sustainable communities of the future.

6. Why are we failing to meet targets for completion of new houses?

6.1. There are likely to be many factors at play here, including a shortage of skills and capacity in all aspects of the construction sector, an issue exacerbated by the impacts of the recession; the availability of land and land banking by some landowners/developers; difficulty in accessing capital; an infrastructure deficit in certain locations, that cannot be made up by developer contributions; the general funding issues mentioned above; a lack of political will to take tough decisions in some local authorities; and a resistance to new development by existing residents across large parts of the region.

7. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

7.1. Other respondents will be able to give a fuller picture across the region. For its part, Oxford has so far continued to exceed the house building targets set in the RSS and is pursuing a strategy of using its assets, including Housing Revenue Account land, to maximise the development of new affordable housing. In this way, the Council is being proactive in bringing forward public sector land for housing to compensate for the downturn in private sector activity. Oxfordshire County Council has also released assets in the city for housing purposes.

7.2. Oxford’s designation as a growth point is an important factor in continuing to ride out the recession, since growth points funding has enabled the City Council and its partners to make progress with strategic regeneration projects such as the renaissance of the West End (which will deliver around 800 new homes).
8. **What are the social and economic consequences of a shortage in housing supply in the South East?**

8.1. Oxford has a significant excess of jobs over working population, and a number of key businesses and public services reported staff recruitment and retention problems prior to the current recession. This point was noted by the Panel that conducted the Examination-in-Public into the South East RSS. The shortage of housing in Oxford has also exacerbated traffic congestion as workers travel from outside Oxford to jobs in the city (approximately 50% of Oxford’s workforce lives outside the city). Increasing congestion has an impact on existing businesses, and the attractiveness of the area for inward investment.

8.2. The main social consequence of the affordability and supply crisis for Oxford is homelessness. The Council has been working very hard with its partners to reduce the impact of homelessness. Nevertheless, the pressures remain intense and there are currently 5,269 households with live applicants on the housing register. Other wider consequences of inadequate housing (whether overcrowding, poor quality housing, or housing in the wrong location away from employment/families) are that people have poorer health, poorer mental health, poorer job chances and poorer interpersonal relationships. All of these exacerbate the widening inequalities that we experience within Oxford.

8.3. Owner occupied housing is increasingly out of the reach of people on lower incomes in Oxford. The ratio between the lowest quartile house price and lowest quartile annual income was 10.86 in 2006, having doubled since 1997 when it was 5.41. Affordability is also a major issue for single income households (typical first time buyer households are joint income). Average household incomes for single income households are around £25,000 in the City and in order to purchase a 2-bed flat that household would have to pay 50% of its income in mortgage costs. The ratio is 60% for a 2-bed house. Both ratios are well above standard affordability ratios of 33% of income.

8.4. The widening gap between housing costs, particularly for owner occupation, and household incomes has resulted in fewer households being able to afford housing in Oxford. In general, this means a wide range of households need special help to live in a home that meets their needs. The groups particularly affected are households in housing need because of their personal circumstances. These can include families increasing in size who need to transfer to a larger property or households that wish to downsize; those who are at risk of offending; those who need to move because of racial harassment or domestic violence; and people with special housing needs because of their health or personal circumstances.

9. **What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?**

9.1. No comment as those organisations are best placed to explain their roles.

10. **Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?**

10.1. Oxfordshire is one of three pilot areas in the South East for the HCA’s Single Conversation process, which aims to ensure that there is a joined up approach to, and a set of agreed priorities for, the growth of Oxfordshire. The Single Conversation involves the production of a Local Investment Plan (LIP) and Local Investment Agreement (LIA) with the aim of ensuring the alignment of investment decisions across the county, not only by the local authorities and the HCA, but also key infrastructure/service delivery agencies such as the NHS, the Police and the Highways Agency.

10.2. The Oxfordshire pilot is scheduled to complete the LIP and LIA by the end of March 2010. At this stage it is clearly too early to evaluate the effectiveness of this initiative, but the City Council has a positive outlook on the potential benefits of the Single Conversation for housing and regeneration and is taking an active role in driving forward the LIP. Ultimately, the success of the Single Conversation will depend on the commitment of national, regional and local agencies, in conjunction with the public, private and voluntary sectors, to the implementation of the LIP.

10.3. An issue of concern to the City Council is that our Core Strategy examination has been suspended as a result of the current legal challenges to the South East RSS. This could have knock-on implications for housing delivery if the suspension continues for a significant period. More generally, our tightly drawn administrative boundaries and the fact that developable land on the edge of the city falls within other local authorities, often with different priorities, is an ongoing issue for the Council.

27 January 2010

54 The South East Plan Examination-in-Public; Report of the Panel Volume 1, (August 2007), paragraph 22.60.
Memorandum from Isle of Wight Council (SEH 26)

**SUMMARY**

— The Isle of Wight Council has identified “Local Housing” as a key strategic priority. One of the Council’s commitments is to help local residents onto the housing ladder with a homes-for-Islanders scheme. The affordable housing project in Nettlestone, Isle of Wight meets this specification and the Isle of Wight Council is committed to seeing similar schemes developed in towns and villages across the Island.

— General housing needs on the Island are being addressed through delivery of schemes to increase the availability of affordable housing which will also bring additional job opportunities to the local economy.

— In order to assess the regional housing need, further evidence should be gathered and analysed which may mean more cross boundary working in some areas.

— Development should take place in areas that have sufficient infrastructure whilst ensuring the protection of the “countryside”

— Tenures and types of housing should reflect the overall housing market and be set within the context of Local development Frameworks

— The provision of housing to meet older person’s requirements needs to be established through the re-introduction of categories and standards for sheltered housing that clearly set out national standards.

— High standards with regard to energy efficiency should be maintained.

— An increase in the number of houses of multiple occupancy has lead to increased antisocial behaviour.

— The recession will have a negative affect on the amount of “Decent Homes” causing an impact on the ability of councils to meet targets in this area.

— The consequences of lack of housing in the South East include lack of affordable housing, increased threat of homelessness, strain on the benefits, health and education systems and difficulty in sustaining employment.

1. **How many new houses would be needed to support the economy and social needs of the South East?**

   1.1 The South East is made up of distinct housing market areas and each housing market is required to produce a Strategic Housing Market Analysis (SMHA) taking into consideration the economic, social and demographic balance within the travel to work area.

   1.2 Therefore each area will have distinct differences that will need to be addressed in order to deliver a “balanced housing market” for the sub-regional housing market in question.

   1.3 The overall types and tenures required will need to take into consideration future demographic and economic predictions, together with migration data.

   1.4 In order to build up a regional picture evidence from all SHMA’s needs to be gathered and analysed in the light of current economic circumstances and development viability constraints.

   1.5 Therefore it should not be assumed that housing need simply relates to a local authority area, but should more appropriately relate to housing market areas. This would necessitate more cross-boundary working between authorities in some cases.

2. **Where should these houses be built to satisfy housing needs in the most sustainable way**

   2.1 Development should be built where there is sufficient infrastructure in order to cope with increases in housing numbers. In addition priority should be given to establishing regional criteria for the assessment of sustainable locations for rural housing to be built to take into consideration local services available to residents.

   2.2 There needs to be a continued emphasis on the re-use of brown field sites in order to ensure the continued protection of “countryside”, especially in those areas that have a large proportion of land that is nationally or internally designated.

   2.3 Strategic Housing Land Availability Assessments (SHLAA) are required for all Local Development Frameworks and this methodology sets out the broad locations in which development should be located within each housing market area. As with SHMA’s there could be greater cross-boundary co-operation in the production of SHLAAs to ensure that they clearly link to SHMA’s.
3. What types and tenure of new houses should be built?

3.1 The types and tenures of housing that need to be built are a factor of the local housing markets in which the South East is made up.

3.2 In addition it is worth noting that in order to bring development forward it is important to ensure that there is a balance between the open market housing delivered and a broad range of choice within the affordable housing sector. A balance needs to be struck between the number of housing units required in order to meet open market housing requirements, land constraints due to planning policy frameworks and the amount of affordable housing that can be brought forward due to the economic circumstances of an area.

3.3 Tenures and types should reflect the overall housing market and should be set within the context of Local Development Frameworks.

4. Is housing provided for older people in the South East fit for purpose?

4.1 There are two answers to this question:

   (a) one relates to owner occupation; and

   (b) the other relates to affordable housing provision

Owner Occupation

4.2 Each Local Authority is required to undertake a regular assessment of the number of private households who are older and vulnerable and living in non-decent accommodation. This information can be made available by each Local Authority within the region.

4.3 Secondly Local Authorities are required to come up with strategies to improve the decency of accommodation for housing within their area. Strategies for each area are dependent on the level of non-decent and the level of funding available, from Regional Government, Local Authorities, utility companies and householders themselves.

4.4 In order to calculate whether housing provided for older people in the owner occupation sector is fit for purpose it would be necessary to compare the targets set for meeting the Decent Homes Standard for vulnerable households and each areas progress against the targets.

4.5 Thirdly the provision of housing to meet older person’s requirements needs to be established again through the re-introduction of categories and standards for sheltered housing that clearly set out national standards that are required. This cannot be left to planning policy guidance adopted on an ad hoc basis per local authority.

4.6 Demographic changes will mean that increased numbers of households will include an older person and it is important that certain factors, such as building to lifetime homes standards, are a requirement of all new developments (mandatory)

Affordable Housing Provision

4.7 Like private housing it is possible to undertake a mathematical assessment of whether affordable housing for older people is fit for purpose.

4.8 However it is still possible to develop affordable housing for older people that does not meet the lifetime homes standard and this is covered within the Scheme Development Standards produced by the Homes and Communities Agency.

4.9 Both tenures of new accommodation need also to be set within a wider assessment of their sustainability of location. Like market housing there is a need to ensure that local services are available to residents but if we wish to assist people to remain in their own homes developments of specific accommodation for older people need to go through an increased sustainability assessment.

5. Should all new homes meet the necessary energy efficiency requirements?

5.1 The Government has set challenging targets for energy efficiency in new housing with a target of 44% reduction in carbon emissions by 2013 and zero carbon homes by 2016. The targets are embedded in the Code for Sustainable Homes. Because of the imperative to rapidly reduce carbon emissions, the Isle of Wight Council would support the retention of these targets and would encourage even more rapid implementation through policies in Local Development Frameworks. It would also support stronger encouragement for the integration of district heating systems in new developments since these have the potential to be extended into neighbouring housing and therefore contribute to the energy efficient refurbishment of the existing stock.

5.2 Delaying a transition to higher levels of the Code for Sustainable Homes, may encourage some new home building in the short term but the recession shouldn’t be used as an excuse to lower standards or reduce sustainability goals. Climate change encourages sustainable build, but without a much stronger policy tool which effectively enforces sustainable build it is doubtful whether progress will be made. Whilst national house builders may be able to fund sustainable build, those areas where there is a high proportion of build undertaken by SME’s may struggle to effectively achieve sustainable build and energy efficiency requirements beyond those which are required through Building Control Regulations.
5.3 Sustainable alternatives to some of the current building materials and technologies will only become more available, more cheaply as they are more often used. If the targets are put back for too long it will mean that there will not be an incentive for developers to invest in new technologies and training.

5.4 However in the short term this may affect the development viability of certain developments and local authorities need to take this into account when looking at land allocations within their local development frameworks. More national research is needed on the viability issue, as the current approach of individual local authorities undertaking research is too ad hoc. As a minimum research should be regional based.

6. What are the consequences of the increased number of multiple occupancy of houses in the South East?

6.1 There has been a general increase in houses of multiple occupancy (HMO) on the Isle of Wight over the last few years. An initial surge was seen following the Housing Act 2004, when converted blocks of self contained flats were “brought into” the definition, and since then a steady increase in this area has been witnessed, as they are identified. Within the last year approximately ten more licensable HMO’s have been set up, and it is expected that this trend will continue.

6.2 Due to the increased emphasis on HMO enforcement, and an apparent heightened awareness of HMO’s by the general public, additional resource have been needed, and the pressures are expected to increase gradually in the coming years. A perceived increase in relation the Anti Social Behaviour has been experienced which has lead to the requirement for further joint working with the Police, Council Members and other public safety organisations.

6.3 HMO’s are considered to be an essential housing tenure on the Isle of Wight offering housing to some of the most vulnerable citizens, however it is also acknowledged that HMO’s on the Island are in need of improved standards across this tenure group.

7. What effect does this have on the ageing housing stock in historic areas? Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

7.1 The Pan Development project is an exemplar development of 846 new homes with detailed planning consent on the outskirts of Newport, Isle of Wight. It will create and deliver an exemplar scheme for the Island, designed to promote a more sustainable pattern of development that integrates Pan as a united community where people want to live, work and invest in the future.

The development includes open market housing, affordable units for rent, shared ownership, intermediate rent, and the potential for the provision of extra care units. Unit sizes range from flats to large family homes with sustainable design principles incorporated to maximize energy efficiency and minimize the use of resources.

The development will achieve a minimum of 30% affordable housing pepper-potted across the development with all tenures achieving Code Level 4 + of the Code for Sustainable Homes (CSH4), Lifetime Homes, Building for Life (Gold Standard) and Secured By Design (SBD), creating a 10ha Country Park, Centralised Biomass Plant and Ranger Station ensuring the development maximizes energy conservation and sustainability.

7.2 There is also a programme to generate up to 190 affordable homes during 2009–10, to move towards creating a balanced housing market on the Isle of Wight, ensuring that Isle of Wight Council meets the needs of those who are unable to enter the housing market, or are recognised by the Isle of Wight Council as homeless. However the loss of development capacity on the Island due to the rationalisation of staff by our Registered Social Landlord partners will inevitably create issues in sustaining this level of delivery.

7.3 By working in partnership with the private sector the Council has significantly reduced the number of people who have to be housed in temporary accommodation and made substantial reductions in the number of homelessness applications received. The Housing Team also continue to perform to a very high standard in terms of bringing empty homes back into use.

8. Why are we failing to meet targets for completion of new houses?

8.1 Local Authorities are currently in dialogue with Government Office for the South East (GOSE) over their ability to meet their annual house building targets. This includes discussions around general market forces, such as availability of loans for first time buyers, market confidence, land constraints and public/private finance.

8.2 The release of housing sites onto the market is a function of the amount of land allocated within development plans and the flexibility of local authorities when discussing planning policies in the light of economic viability constraints.

8.3 In certain locations local authorities are still ahead of annual targets for house building but this is more a factor of historic consents. It is more important that GOSE and the Region understand future trajectories and enter into dialogue at an early stage with local authorities that are predicting a large reduction in future completions (following regular monitoring).
9. **What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?**

9.1 There is already a shortfall on the target “Decent Homes” and this will have a significant impact on attaining the necessary targets. Enforcement activity has already seen an increase and this will continue. There has been an increase in the number of properties to let, and associated managing agents, however there has not been an associated decrease in rental cost when considering the glut of property to let.

10. **What are the social and economic consequences of a shortage in housing supply in the South East?**

10.1 Increase threat of homelessness due to:
   - Strain of families accommodating families.
   - Sustaining Private Rented Sector (PRS) accommodation due to affordability (changes in income/changes in Local Housing Allowance (LHA) rates/changes in circumstances).
   - Insecurity of tenure (flexible markets—landlords opt to sell/landlords circumstances change and require property back).

10.2 Affordability:
   - Cost of PRS against social housing (admin fees on set up and renewal of tenancies—not paid on social housing; increase in shortfall of rent if LHA reduces—not an issue in social housing; cost of moving between homes if tenancies not renewed—more likely to happen than in social housing.

10.3 Strain on benefits system for:
   - Housing benefit claims to help pay higher rents.
   - Department of work and pensions claims to help meet any unforeseen shortfalls.
   - Social fund claims for rent in advance/removal expenses.

10.4 Strain on health and education systems if families living in unsuitable/unsettled/temporary accommodation or moving about more frequently.

10.5 Difficulty for households sustaining employment if in unsettled accommodation and have to move, possibly away from area of work, or if accommodation becomes unaffordable due to income and have to become benefit reliant in order for it to become sustainable

11. **What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?**

11.1 GOSE is supporting the Island’s capital improvement programme, and providing useful networking links with other authorities in respect to best practice and support.

11.2 The Housing and Communities Agency (HCA) are entering a new phase called the Single Conversation but this has not been fully implemented as yet. In order to achieve a consistent approach to negotiations at a Regional level this approach needs to be rolled out to the whole of the region as quickly as possible.

11.3 GOSE meets with Local Authorities on a regular basis to discuss the CAA/LAA/SCS targets and is actively assisting Local Authorities with ensuring that Local Development Frameworks are adopted and local barriers to housing delivery are overcome.

12. **Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?**

12.1 The Renewal Team has an effective working partnership with GOSE, meeting regularly to review the capital programme, and they also work in partnership with all other Hampshire authorities. In respect to the latter, joint working has produced significant results in projects such as HMO licensing, HMO standards, Decent Homes Policy, joint procurement, Immigration Inspections, benchmarking, sharing information and many more.

27 January 2010

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**Memorandum from the South East England Partnership Board (SEH 27)**

**EXECUTIVE SUMMARY**

- The South East Plan, together with the Regional Economic Strategy, forms an up to date, robust policy framework; one that sets out the number of homes to be provided in South East England.
- We believe that any review of housing numbers should be done through the work on the Regional Strategy; work on which has already begun.
Delivering the housing numbers in the South East Plan will help in tackling homelessness and addressing over-crowding. It is also needed to ensure the availability of labour supply to support economic activity.

Timely investment in infrastructure is a critical success factor in achieving sustainable economic growth; the Partnership Board’s ambition to use the flexibility available at the regional level to target public sector investment in line with the South East Plan and Regional Economic Strategy should be supported by Government.

The recession has had a significant impact on the availability of private sector investment. In the short term the public sector has bridged some of the shortfall in private sector investment. While this approach has been successful to a degree, it is unsustainable beyond the short term.

Unless or until a new model of delivery for new development—one that is not so dependent upon the use of Section 106 Agreements—is established, we should not expect housing delivery to increase substantially.

The reality of seeking to achieve land-supply rates at the level envisaged by the South East Plan in the present housing market needs to be tested as part of the examination of detailed proposals; we must avoid creating a supply of permissions that is ultimately inconsistent with the agreed policy framework.

Maintaining the existing housing stock should remain a key investment priority; this will make a significant contribution to reducing our carbon footprint. Retrofitting of our existing housing stock will bring real benefits to the quality of life for many of our most vulnerable households.

The public sector is well placed to provide the stimulus required to achieve the critical mass required to overcome the potential for higher standards to be a barrier to delivery; more use should be of public procurement programmes in this regard.

Through the Regional Housing and Regeneration Board we are actively seeking a higher level of openness and engagement in the Homes and Communities Agency’s Business Planning process.

1. THE SOUTH EAST ENGLAND PARTNERSHIP BOARD

1.1 The South East England Partnership Board brings together representatives from the South East England Leaders’ Board and SEEDA (the Regional Development Agency) to prepare and implement the Regional Strategy. In this work we are building upon the work undertaken in producing the South East Plan and Regional Economic Strategy.

1.2 In April 2009 the Partnership Board was designated the Regional Planning Body following the decision to dissolve the Regional Assembly. This submission has been prepared and agreed by the Partnership Board.

2. THE PLANNING FRAMEWORK FOR NEW HOUSES

2.1 The South East Plan was approved in May 2009. It is underpinned by an evidence base more comprehensive than that ever assembled for previous regional strategies. The policies in the Plan were tested and found to be robust by a Government appointed panel of independent inspectors; as part of that process they were subject of a rigorous Sustainability Appraisal and Habitats Regulation Assessment.

2.2 In publishing the final version of the South East Plan (in May 2009) the Government accepted most of what was proposed by the region.

2.3 The policies set out in the South East Plan, together with the Regional Economic Strategy, represent an up to date framework that forms the basis for sustainable economic growth. The two strategies are closely interlocked and together now form the Regional Strategy for the South East.

2.4 The policy framework sets out the number of homes to be provided on a local authority basis, at district level. Targets for the level of affordable housing are set out on a regional and sub-regional basis. Detailed proposals are now being taken forward by local planning authorities through their Local Development Framework process.

3. THE REGIONAL STRATEGY

3.1 The importance of ensuring that the policy framework remains up-to-date is acknowledged. We have robust monitoring arrangements in place, the results of which are in turn used by our “delivery boards” to manage the investment available to facilitate delivery of the South East Plan.

3.2 While the policy framework remains appropriate for developing more detailed proposals at the local level, it is clear that there are a number of important drivers for change that will have implications for the longer term development of South East England.
3.3 Amongst the drivers for change that need to be considered are:

- The challenge of securing continued economic prosperity across the region;
- The challenges of moving to a low carbon society and the need to make hard progress in addressing the challenges of climate change;
- The implications of demographic change and the ageing population;
- The continuing need to address economic disadvantage within South East England;
- The on-going need to ensure we increase the supply of affordable housing;
- The challenges of delivering infrastructure that supports our ambition for planned growth, within an environment of increasingly constrained public sector funding.

3.4 Any debate on housing must consider both the needs of the housing market and the needs of that market within the wider context of the need to deliver sustainable economic growth.

3.5 Decisions about the “right” level of housing provision cannot and should not be made by looking at housing in isolation. Local Authority experience suggests that centrally driven targets for housing numbers will ultimately become an end in itself. They are not the most appropriate way of ensuring that the right house is provided in the right location.

3.6 It is for these reasons that the Partnership Board believes that any review of the housing numbers set out in the South East Plan must be done through its work on the Regional Strategy.

3.7 In so doing we will draw on a broad range of evidence covering demography, the NHPAU advice on affordability, the capacity of the house building industry, climate change, bio-diversity and landscape, flood risk, water resources and water quality, transport, energy, the relationship with other regions etc.

3.8 The raison d’être for the Regional Strategy is to ensure that land use and economic development planning are brought together into a single framework, thereby enabling the critical relationship between housing and the economy to be taken into account. To enter into a debate as to the appropriate level of housing in isolation of other policy drivers runs counter to this objective.

3.9 We have the resources and skills required to make quick progress with the development of the Regional Strategy. The Partnership Board will consider the Project Plan and Statement of Community Involvement at its meeting on 9 February 2010. This provides the basis for taking forward our work on the Regional Strategy.

4. THE SOUTH EAST ENGLAND HOUSING MARKET

4.1 The housing market is in uncharted waters. It is far from business as usual with continuing uncertainty about the economy, the availability of development finance and public investment. The recession is only just bottoming out and evidence on house prices remains uncertain.

4.2 Over the three years ending March 2009 (ie the first three years of the Plan period) housing delivery compared favourably with the planned levels of provision: an average of 34,100 homes per year, or 4% higher than planned.

4.3 In the last of those three years four authorities in the region delivered more than 1,000 homes (Basingstoke and Deane, Milton Keynes, Portsmouth and Southampton) with large numbers also being recorded elsewhere, particularly in the other Growth Areas, in a number of the other Growth Points and in several of the other large urban areas.

4.4 However with housing completions in South East England having outstripped housing starts in every quarter since the three months to September 2007, we will see lower rates of delivery this year (2009–10). 5,180 homes were started in the South East in quarter of 2009. This is slightly higher than the same quarter in 2008, but far fewer than the 9,000 homes started in Q3 in 2007. Housing completions are a “lagging” indicator of the state of the housing market.

4.5 Monitoring information shows that the difficulty of delivering rural affordable housing is an on-going issue. Addressing this issue is critical to ensuring that our rural communities have the capacity to prosper.

4.6 While the Regional Strategy will look beyond the current down-turn, its impacts are likely to be felt for a long time. Indeed the scale and nature of the recession is such that it is likely to fundamentally alter the way that the house-building sector operates, and even what it delivers and where.

4.7 This makes it a uniquely difficult time to be debating future strategy let alone housing numbers. The past is unlikely to be a reliable indicator for the future. So, how might things change? Our updating of the regional evidence base suggests one possibility is that the region may see fewer new flats and a return to more traditional new housing away from more risky sites.

4.8 What does seem likely is that as the housing market recovers nationally it will do so first in London and the South East. The challenge then is to work to deliver the South East Plan. The land supply is available: permissions for 174,000 homes and land allocated for a further 80,000. Even without “windfalls” this is equivalent to nearly eight years’ supply at the levels set in the South East Plan.
5. **Investment in Infrastructure**

5.1 Both the South East Plan and Regional Economic Strategy emphasise that timely investment in infrastructure is a critical success factor in achieving sustainable economic growth.

5.2 The South East Plan explicitly includes a policy requiring the phasing of development to be closely related to the provision of infrastructure. By implication the scale and pace of housing delivery is inextricably linked to the timely delivery of infrastructure. A failure to deliver the infrastructure required to support planned growth will act as a barrier to its delivery.

5.3 Failure to deliver the housing numbers in the South East Plan will have an implication for the quality of life for existing residents; in particular tackling homelessness and addressing overcrowding are two issues on which progress needs to be made. It will also enable us to make progress in reducing housing in multiple occupancy.

5.4 Of equal importance is the need to ensure the availability of labour supply to support economic activity. Here again delivering the housing number in the South East Plan is a critical success factor. As the largest net contributor to the Exchequer, the continued success of the South East’s economy is critical to the success of the UK as a whole.

5.5 **Private Sector Investment**

5.5.1 The recession has had a significant short-term impact on the availability of private sector investment; it may also have longer-term implications.

5.5.2 Funds arising from private sector contributions, such as Section 106 Agreements, are currently significantly reduced. Moreover the lack of availability of development finance and the downturn in the housing and commercial property markets has affected the financial viability of schemes and reduced the scope for realising developer contributions.

5.5.3 Some developments with planning conditions/obligations agreed before the recession are no longer viable leaving them undeliverable in their consented form. A particular concern remains the disproportionate impact that the recession has had on the viability of proposals for brownfield and regeneration sites; it is these that have arguably been most severely hit by the fall in development values.

5.6 **Public Sector Investment**

5.6.1 Such has been the success in levering in private sector investment in infrastructure through the planning system that the sudden and dramatic change in viability of developments has raised fundamental questions about the business model being used.

5.6.2 In the short term the public sector has sought to bridge the shortfall in private sector investment arising as a consequence of the recession. Government has brought forward funds from the latter part of the current spending review period to invest in targeted programmes designed specifically to support housing delivery. While this approach has been successful to a degree it is unsustainable beyond the short term.

5.6.3 The overall level of public sector funding available has a real and finite limit. The Government’s response, whilst helpful in maintaining output levels in the short term, means that the funds available for the remainder of the current spending review are substantially reduced. The short term response will therefore inevitably lead to problems in the medium term. With the imperative for any future Government being the need to reduce public sector debt it is reasonable to assume that the funds available for the public sector to invest will decline in absolute terms.

5.6.4 Therefore unless or until a new model of delivery for new development—one that no longer relies on the use of Section 106 Agreements in their current form—we should not expect housing delivery to increase substantially.

5.7 **The Danger of Unintended Consequences**

5.7.1 In an environment in which the viability of many development proposals has been severely compromised there is an added danger. Local authorities charged with the need to meet the targets set out in the South East Plan and to maintain momentum with delivery may be forced to accept new proposals put forward purely because they are the only ones viable.

5.7.2 The South East Plan and Regional Economic Strategy both emphasise the importance of ensuring that the right type and tenure of housing is delivered in the right location. The policy framework emphasises the need to maximise the amount of development on brownfield sites. In addition emphasis is given to investing in realising the longer term regeneration opportunities in key parts of the South East.

5.7.3 In the current circumstances there is an increased risk that the desire to maintain housing outputs at all costs might over ride broader policy objectives. Whilst the importance of maintaining output is acknowledged there is a need to avoid creating a supply of permissions that is ultimately inconsistent with the agreed policy framework.
5.7.4 Such is the scale of the challenge facing local authorities that there is a strong case for arguing for greater flexibility when developing detailed proposals for Local Development Frameworks. The reality of seeking to achieve land-supply rates at the level envisaged by the South East Plan in the present housing market needs to be tested as part of the examination of detailed proposals.

5.7.5 Where it is the case that the rate of land-supply needs to be adjusted in the short-term, priority should be given to securing the supporting infrastructure that will enable planned growth to be delivered sooner than would otherwise be the case.

5.8 New Models of Delivery

5.8.1 There appears to be a degree of consensus as to the need for new models of delivery to be developed. We should look to learn from experience in other countries to understand the extent to which regulations influence the cost of construction.

5.8.2 The Partnership Board, through mechanisms such as the Regional Funding Advice, has sought a more flexible approach to public sector investment. However our ambition to use the available funding in innovative ways continues to be stymied by the degree of control exercised by some Government departments. With an agreed regional policy framework now in place the focus must be delivering the regional targets.

5.8.3 We have established the Regional Infrastructure Fund as a mechanism for enabling the public sector to invest in enabling infrastructure that unlocks strategic development opportunities. The initial investment is recovered from the private sector through the planning system as development value is realised. In this way the Regional Infrastructure Fund re-cycles its initial investment to the benefit of the wider community.

5.8.4 SEEDA are working with the Homes and Communities Agency to develop a Joint Venture that will bring the experience of the two organisations together. In addition to realising opportunities for synergies in investment programmes, this initiative provides the opportunity to develop new partnerships with the private sector.

6. Investment in Affordable Housing

6.1 The South East Plan sets a target that 35% of all new housing should be affordable—25% social rented; 10% in intermediate tenures. This is equivalent to an average of just under 11,500 affordable homes per year for the next 20 years.

6.2 Recent rates of affordable housing delivery, though higher than for many years, are still well below planned rates and far from impressive when looked at historically. In 2008–09 just over 9,400 affordable homes were completed in South East England—equivalent to 29% of the housing completions, substantially below the target in the South East Plan.

6.3 The Regional Housing and Regeneration Board—part of the new governance arrangements supporting the Partnership Board—has highlighted the inconsistency between the target for affordable housing set out in the South East Plan and the (lower) target set for the Homes and Communities Agency.

6.4 This inconsistency has implications for the level of public sector funding made available. In December 2007 the South East England Regional Assembly identified that as a consequence of this inconsistency there was a shortfall of £400m over the 3-year spending review period.

6.5 Monitoring figures reinforce the case that underinvestment (a direct consequence of lower targets than the South East Plan being set) is leading to a shortfall in housing delivery; this argument remains true irrespective of the economic conditions.

7. Investing in Higher Quality

7.1 New housing provision adds less than 1% to the overall housing stock in South East England; most of the households living in South East England during the period covered by the Regional Strategy will be in homes that already exist.

7.2 Maintaining the existing housing stock remains a key investment priority. Our work on reducing our ecological footprint has shown that investing in the improvement of our existing housing stock is potentially one of the most significant steps towards reducing our carbon footprint. More importantly investing in our existing housing stock brings real benefits to the quality of life for some of our most vulnerable households.

7.3 The imposition of higher standards could act as a barrier to delivery, particularly given that the current housing market makes it difficult to recover the higher cost of these standards. The public sector is well placed to provide the stimulus required to develop the critical mass that will help address this issue. Public sector procurement should seek to develop the market in this regard.

7.4 The delivery of higher standards will require a different set of workforce skills. Investing in these skills will be an essential step on the transition towards a low carbon society. However, once again the state of the current market is such that the need for higher skill levels could act as a barrier to delivery.
8. ROLE OF REGIONAL BODIES

8.1 The significance of the Partnership Board and its associated Regional Housing and Regeneration Board has been set out by Government; both in terms of developing the Regional Strategy and guiding its implementation.

8.2 It is important that the Homes and Communities Agency gives due weight to the advice of the Partnership Board in determining its (the Agency’s) investment priorities. Through the Regional Housing and Regeneration Board we are actively seeking a higher level of openness and engagement in the Agency’s Business Planning process. We believe that this is essential to ensuring that decisions on the targeting of investment in affordable housing is better aligned with the investment made through other funding streams—in particular transport and economic development.

8.3 Improving the alignment of funding in this way will ensure greater synergy in public sector investment thereby realising efficiency savings that could increase the level of investment made. Moreover it will give greater certainty to the private sector as to the priority areas for development.

27 January 2010

Memorandum from Oliver Christopherson (SEH 28)

I am preparing a book on this subject, based on my experience of living and bringing up a family in this first-generation new town. As both my wife and I are visually impaired and cannot drive we rely on public transport. This is a summary of my main conclusions.

The central theme of this submission is that if we really want people with cars to use public transport, new development should take place in locations where residents and their visitors have a choice of public transport modes. In other words, as well as being served by bus, almost all high trip-generating development should take place within walking distance of a station.

LOCATION AND DENSITY OF HOUSING DEVELOPMENT

1. Residential development should take place in and around existing towns throughout the South East rather than at a few chosen locations as envisaged by eg the East of England Plan. This wider distribution will give a more natural pattern of growth and will enable more new families to set up home in or near their home town.

2. In towns, development should be concentrated at the most accessible locations—round the central railway station and the suburban stations (if any). Many towns including Stevenage have partially developed areas around the urban core that can be progressively utilised for high-density mixed-use and residential development with high-quality publicrealm and open space.

3. Where large towns lack suburban stations, they should be provided. Most of the sites chosen are likely to serve both existing development and new neighbourhoods.

4. In the countryside, development should be in eco-towns, eco-neighbourhoods (on the edge of an existing town) and eco-villages, all clustered around stations. In the interests of sustainability, the eco-villages should be clustered with existing villages. Some of these places will already have a station; the rest will need new stations.

5. All significant residential and other high trip-generating development should be within walking distance of a station (preferably within one kilometre, with a maximum walking distance of 1,200 metres).

6. Eco-neighbourhoods should include a proportion of high-density development (flats and town houses) so that they can also support a frequent bus service.

7. All social and market housing should be within 400 metres of a bus stop. Aspirational housing may be further from the bus route but must still be within walking distance of the station, otherwise the children and youth will be too dependent on their parents and the adults too dependent on their cars.

8. Not all stations are suitable. For example, there should be no new development at How Wood or Park Street, outside St Albans, till the St Albans Abbey branch has been converted to a tramway, as envisaged by the county council, and there are firm plans to extend it to the centre of St Albans and the main station.

9. To serve new development, a railway must be capable of providing a frequent all-stations service seven days a week until late, so that residents and visitors don’t have to use their cars, even in the evenings.

10. Suitable sites for new stations should be identified in advance. Greenfield sites within and beyond the green belt that are not within walking distance of a station should continue to be protected against residential development.

11. Network Rail should allow new stations to be built where needed, even when they present a challenge.
THE IMPORTANCE OF INTERURBAN PUBLIC TRANSPORT (NOT JUST BUSES)

All new residential development should be served by a choice of modes of public transport. Buses are generally unattractive to car users; they are basically a service for people without cars and are often not much good for getting anywhere but the town centre. We should be making public transport in the Home Counties more like what Londoners enjoy.

The obvious way of doing this is to make more intensive use of the rail network. While some main lines are busy, most of our railways are underused and have not reached their potential as local public transport routes.

Even where a line is busy, its capacity can be improved with new signalling. The Thameslink Upgrade through the City, even though pared down, will still have a capacity of 20 trains per hour.

Though I cannot demonstrate it, I believe there is more than enough room round existing and potential new stations to accommodate all the growth the committee may consider necessary in the South East, without impinging on any part of the green belt not within walking distance of a station. Many suitable development sites on railways have either not been considered or have been rejected by local councils for inadequate reasons. For example, North Herts District Council have rejected further development north of Baldock station simply because it would be visible from Baldock, even though the land slopes only gradually and the development would in no way dominate the town.

THE NEED FOR A NATIONAL OR REGIONAL LOCATION STRATEGY

We should be far more selective when choosing locations for new development. At the moment the RSSs can call for development just about anywhere (for example, the East of England Plan wants urban extensions to the west and north of Stevenage) and everyone has to comply with this “wisdom from on high”, even though these areas are actually too remote from the town centre and the station to be sustainable. Even with a new station only a fraction of the study area identified by Stevenage and North Herts councils should be developed.

We need a national or regional strategy for the location of new development. The eco-towns programme is no substitute for this, as relatively little of the expected growth will be in eco-towns. As well as eco-towns and zones of urban areas that can be redeveloped, we should be identifying suitable sites for eco-neighbourhoods and eco-villages. The strategy should set high standards of sustainability and make it clear how they can be achieved, so that it is much clearer than at present whether a project will be approved.

The strategy needs to give far more thought to the problem of adapting an essentially linear public transport system to the needs of a region in which people often live in one place and work in another several miles away. To the extent that this problem can be solved, we can really make driving optional.

It needs to start by looking at the relationship between existing settlements. It will be much easier to see where new places should go once we have worked out and agreed a settlement hierarchy and where each city and town fits into it. In the methodology proposed in my book we have metropolitan cities, hub towns, some second centres, satellites and rural towns. In the South East most cities and towns above 50,000, and some smaller ones, will be hub towns.

THE NEED FOR MORE EXPENDITURE ON PUBLIC TRANSPORT INFRASTRUCTURE

We also need to be prepared to spend more on local interurban transport projects. We’re spending big money in London but far too little in the rest of the South East. The Croxley rail link for example (to bring the Metropolitan Line into central Watford) has still not been built.

CONNECTED CITIES

Often though the network is already there and waiting to be exploited. Take Ashford. It is already quite large, and it should not simply be allowed to grow around its periphery; despite the best efforts of the planners, that would just result in more urban sprawl. It would be far better to channel the growth around Ashford into new places on the five railways (not counting the high-speed line to the Channel Tunnel) that converge on the town. One or two of these places may be eco-towns or eco-neighbourhoods, but most will probably be clusters comprising an existing village and one or two eco-villages, all within walking distance of an existing station or a new station. All the railways converge on a central point (Ashford International station) and they all connect the town to neighbouring towns that are also potential hub towns (Maidstone, Canterbury, Folkestone, etc), so that eventually we shall have a network of Connected Cities with a common, co-ordinated system of public transport.
The aim should be to make every hub town the centre of a coherent, sustainable Connected City, surrounded by productive countryside and with a range of services catering for the needs of its satellites as well as for its own. They will be a bit like Ebenezer Howard’s “central city”, as described in his book Garden Cities of Tomorrow, but with good external public transport links in every direction, and a number of satellites on each spoke rather than just one. And instead of all the satellites being garden cities, as Howard envisaged, they will be of many sizes, from quite large towns down to clusters of villages of just sufficient size to support their local shops, surgery, etc.

24 January 2010

Memorandum from Basingstoke and Deane Borough (SEH 29)

1.1 Basingstoke and Deane borough lies in north east Hampshire. It is the 12th largest district in the country and has a population of c 160,000. Basingstoke Town has a number of regional designations (identified through the Regional Spatial Strategy and Regional Economic Strategy) including identification as a Growth Point, a regional hub, a “Diamond for investment and economic growth” and a Primary Town Centre. The borough has also been identified in the Regional Spatial Strategy as the focus for the fourth highest level of housing growth in the south east up to 2026.

Question: How many new houses would be needed to support the economy and social needs of the South East?

1.2 It is considered that there is no straightforward answer to this question. However, concern is raised that the question as currently presented implies a “top down” rather than a “bottom up” approach. If the overall number of houses that are identified is set at a regional level then it should be informed to a much greater degree by local information to then build up the “bigger” picture. It is considered that the level of evidence work that individual authorities are undertaking as part of the development of their Local Development Frameworks provides a greater level of information than has been available in the past both in terms of need, and in terms of environmental capacity. This would allow greater use of more local knowledge of both economic opportunities and housing need and be more sensitive to demographic assumptions than a “top down” regionally developed figure is able to.

1.3 In addition to the above there are significant factors which will influence the answer and providing an overall figure for the region which is then disaggregated could be considered as too simplistic an approach. A significant amount of emphasis is given to the use of population projections which themselves are subject to the use of a range of assumptions, minor variations to which, can have significant impacts on the outcomes in terms of the quantum of housing indicated as being needed within the region. An example of this relates to the levels of in and out migration experienced by the region, but there are many more that could be identified.

Question: Where should these houses be built to satisfy housing needs in the most sustainable way?

1.4 There are a number of principles that should be followed in terms of identifying appropriate locations for development as follows:

— Where authorities have identified, through locally based assessments that there are opportunities to support their wider ambitions through the provision of development, but only where infrastructure funding to support that growth is committed to, and provided, to support development.

— Those areas where there is greater environmental capacity or the least impact

— Assessing opportunities to locate development in areas that have previously been constrained in terms of accommodating locally generated need from both an economic and social point of view as a result of policy constraints such as green belt policy

— Where infrastructure capacity exists or where there are commitments to the provision of infrastructure.

Question: What types and tenure of new houses should be built?

— How many need to be “affordable”?

— Is housing provided for older people in the South East fit for purpose?

— Should all new homes meet the necessary energy efficiency requirements?

1.5 The level of affordable housing should be determined using local assessments and through an understanding of the costs associated with delivery, which cannot always be covered by the development. Provision of appropriate forms of housing for older people needs to be taken into account in terms of the mix and tenure of housing. Account also needs to be taken, when assessing and recording levels of housing
delivery, of the provision that has been made through what are currently identified as “institutional” use classes. This would enable full account to be taken of the full range of housing that is being delivered in a local area.

1.6 The borough council has undertaken detailed work to understand better the changing demographics of its current population, the existing housing stock, and wider housing needs so that it can consider the type of policy needed to ensure that we are catering for the needs of the borough’s residents in terms of size, type and tenure of accommodation. However, it is important to recognise that although the number of single person households is likely to increase due to societal and demographic change this does not necessarily mean that smaller units ie one and two bedrooms, would cater for the needs of those households. A more fine-grained approach needs to be taken to fully understand the range of housing needed to support people at different stages in their lives. In addition there is a need to work more closely with the development industry to ensure that appropriate provision is achieved.

1.7 The council recognises the important contribution that new homes can make in terms of tackling climate change and therefore this should be accommodated as part of new developments. However, there are costs associated depending on the levels that are being sought. Ensuring that a level playing field is provided through the use of the building regulations could provide an important catalyst for the development industry to work together to develop and promote cost efficient technologies. However, it is also important to recognize that the existing stock of housing within local areas has the opportunity to contribute to managing carbon emissions. Retrofitting could provide a cost-effective way of also managing the impacts on climate change. However, this would best be supported by channeling funding through local authorities so that they can take a planned and co-ordinated approach. This principle should also apply to existing and new non-domestic buildings.

Question: What are the consequences of the increased number of multiple occupancy of houses in the South East?

— How is this affected by the enforcement of greenbelt area?

— What effect does this have on the ageing housing stock in historic areas?

1.8 The main concern of the council has been in relation to the very localised impacts on the dynamic of local communities through the loss of family housing and the ability to be able to demonstrate the harm that such changes can cause. We have produced Supplementary Planning Guidance to manage the physical impacts of such developments. However, this does not address issues in relation to community character, cohesion and loss of family housing because of the potential challenges that have been identified in how these less tangible impacts can be demonstrated and articulated.

1.9 The borough experienced a relatively short period of receiving applications for both the sub-division of properties and provision of houses in multiple occupation. However, these tended to be for the conversion of properties in 1960’s and 1970’s housing. The number of applications received at present has reduced because of the economic recession and changes in the housing market. However, this may change in the medium to long term.

Question: Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

Question: Why are we failing to meet targets for completion of new houses?

1.10 Interestingly, the borough has, over the last three years, experienced delivery above its target. However, this is as a result of playing “catch up” following a number of years of underprovision. The borough has a number of strategic sites that have been allocated in consecutive local plans but which have taken longer than had been anticipated to deliver. We recognise that the levels of delivery in future years may well fall back for the reasons set out in our response to the next question and because the level of housing being brought forward will also be influenced by the availability of finance both to support construction and house sales.

1.11 Other issues that also have an impact include local constraints which emerge after local authorities have undertaken their plan preparation but which result in objections from consultees in relation to individual planning applications. An example relates to development in close proximity to the Atomic Weapons Establishment at Aldermaston.

Question: What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

1.12 Whilst the borough is yet to see a reduction in the number of houses being delivered, the work that it has undertaken with development partners to inform the borough council’s Annual Monitoring Report has shown that the timescales for delivering allocated sites has lengthened. We are of the view that some sites
will take longer to come forward because the expectations of achieving a reasonable rate of return linked to cost of land purchase may influence when developers wish to bring forward development. For large scale development sites which have phased Section 106 contributions this will have an impact on the length of time it will take for infrastructure to come forward. This has the potential to have a significant impact on those communities through having no or limited supporting infrastructure. This is a significant issue not only in terms of social cohesion but also in providing local services to areas and supporting those who have only limited means. In some cases we are beginning to receive requests for either deferred payments of Section 106 contributions or seeking removal of obligations. We would be happy to provide examples where this is beginning to cause an issue for local communities.

1.13 We are also beginning to see a reduction in the number of planning applications for residential development coming forward. We have been fortunate up to this point in having a large number of sites “in the pipeline” and have been able to demonstrate a five year housing land supply. However, with only a limited number of planning applications likely to come forward, with continued delivery of some of our housing sites and an increased housing allocation through the South East Plan we have concerns that in future years a five year housing land supply will be harder to demonstrate. This potentially has serious consequences in terms of how sites, which are less sustainable, and make less contributions to the overall ambitions and good planning of the borough, could be allowed at appeal. It is considered that some recognition of the impact of the current economic circumstances on supply in the short to medium term should be considered at a national level through changes to Planning Policy Statement 3.

1.14 Ultimately a local area will only be able to create so much market demand for housing and whilst there may be physical capacity within the housebuilding industry to deliver (although we would question at what point does the housebuilding industry itself run out of capacity in labourforce terms to be able to deliver) a local housing market area will determine the overall quantum that can be brought on to the market at any one time.

Question: *What are the social and economic consequences of a shortage in housing supply in the South East?*

1.15 As set out in paragraph 1.2 and 1.3 of this response the level of housing needed in a local area should determine the level of supply that needs to be accommodated. The response to this, simplistically, is that if there is an overall shortage of that supply then there are likely to be a number of consequences. For example the number of affordable houses that can be delivered is reduced, which puts pressure on local authorities in terms of being able to accommodate those who are in genuine need. We are sure that there is significant research that has been undertaken which identifies the social impacts of such lack of provision. Shortages of market housing can result in those who genuinely wish to stay living in an area being forced to look elsewhere. Certainly, some recent research that we have undertaken showed that for a period in the 1990’s when housing delivery levels were reduced that we experienced a period of net out-migration from the borough.

1.16 The economic consequences of a shortage in housing supply are perhaps more difficult to quantify. Some businesses may decide to assess their business activities to manage any shortages of staff through achieving more efficient working practices. However, it is reasonable to assume that a point is reached whereby employees are needed. Where these employees can be found will be dependent on the skills base of the existing resident workforce and the levels of economically active within that population. Ultimately the implications of not being able to use the local workforce will mean attracting employees from a wider area putting greater pressure on the transport network and the productivity and climate change implications that could result. However, the demand for housing will depend on whether, for example, government policies lead to stronger growth in other regions.

Question: *What are the social and economic consequences of a shortage in housing supply in the South East?*

1.17 Any regional body should work with councils both individually and collectively, where they are working in partnership, to act as a facilitator and co-ordinator of public and private sector funding for both affordable housing and infrastructure (in its widest sense) provision.

Question: *Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?*

1.18 There are concerns that there is insufficient co-ordination across the various parties to ensure appropriate focus for infrastructure investment and there can be duplication of effort. Furthermore, different agencies can have different priorities and objectives to those of the local authorities seeking support.
This can create tensions and does not provide for a co-ordinated and effective approach to delivery and management of the impacts of development. Whilst it is vital that the overall approach to the development of the housing numbers within the region is based on a bottom up approach there needs to be some co-ordination and prioritisation of infrastructure investment and affordable housing support to ensure that the current limited resources are used to the greatest effect. However, there should be more streamlining of the approach to allocation of funding to ease the burden and cost to local authorities in chasing the limited resources available.

27 January 2010

Memorandum from Canterbury City Council (SEH 30)

Canterbury is an historic city with an international reputation that dwarfs its size in both geography and population. The district is located in the East Kent sub-region and has been identified in the South East Plan as a Regional Hub. Canterbury is a vibrant city: a centre for population and services. It has a significant retail sector and is a focal point of higher and further education. The district is home to the attractive coastal towns of Whitstable and Herne Bay and a beautiful rural hinterland.

The district also faces considerable challenges, which include affordability of housing, successfully managing the growth of the education sector and effective transport infrastructure.

In response to the Committee’s questions:

1. How many new houses would be needed to support the economy and social needs of the South East?
   1.1 The adopted South East Regional Plan (SE Plan) sets Canterbury district a target of 10,200 new homes in the period from 2006 to 2026. The council recognises the need for housing to support economic and social needs, but at the time of the SE Plan supported the provision of 9,200 houses (as proposed by the SE Plan Panel), but not the 10,200 houses proposed by the Government Office for the South East (GOSE).
   1.2 The council considered that 9,200 new homes was the appropriate number to address identified housing needs of local people and to support the economic aspirations for the district established through the council-sponsored “Futures Study” and subsequent work with local stakeholders.
   1.3 The latest Housing Information Audit (2009) of planning consents and development completions indicates there is an existing supply of housing land to meet strategic requirements of the SE Plan to 2016. Beyond 2016, there is a requirement for just under 5,000 dwellings across the district. There continues to be an emphasis on the best use of land and a target to achieve 60% of new housing on previously developed land.
   1.4 The council is not in a position to separately quantify the number of new dwellings that may be needed to support the district’s economy. However, the East Kent Strategic Housing Market Assessment (SHMA) assessed that the district needs 1104 new affordable homes annually.

2. Where should these houses be built to satisfy housing needs in the most sustainable way?
   2.1 The council is carrying out a Strategic Housing Land Availability Assessment (SHLAA) in accordance with Government guidance and the Kent SHLAA Protocol agreed with GOSE. The initial assessment of the sites submitted under the SHLAA process is complete and those that do not meet the criteria in the guidance and protocol will be eliminated. There are a significant number of sites in the SHLAA for further testing of development options.
   2.2 Public consultation on the Core Strategy of the Local Development Framework began in December 2009. At the outset, a series of options was identified that could potentially meet the district’s development requirements. The options were partly generated through the SHLAA process and will be appraised for their potential contribution to the creation of sustainable, mixed communities, providing homes, workplaces, leisure, recreation, shopping, education, health facilities and other social infrastructure.
   2.3 The options selected for assessment to date are:
      — Option 1—infill in Canterbury city centre.
      — Option 2—the wider urban area of Canterbury and the coastal towns.
      — Option 3—urban extensions to Canterbury.
      — Option 4—urban extensions to Herne Bay and Whitstable.
      — Option 5—extensions to larger, well-served villages around Canterbury.
      — Option 6—dispersed across the district.
      — Option 7—new, free-standing settlement.
   2.4 The Core Strategy consultation document also sets out a possible narrower range of options for further testing at the Preferred Options stage, which concentrates development at Canterbury (in line with the SE Plan), with a smaller scale of development at Herne Bay to support the local regeneration agenda.
3. **What types and tenure of new houses should be built?**

3.1 The council is working to the target of 10,200 dwellings contained in the SE Plan. The following table sets out the sort of market housing required in the district by property type.

<table>
<thead>
<tr>
<th>Property type</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bed flat</td>
<td>15%</td>
</tr>
<tr>
<td>2 bed flat</td>
<td>15%</td>
</tr>
<tr>
<td>2 bed house</td>
<td>30%</td>
</tr>
<tr>
<td>3 bed house</td>
<td>30%</td>
</tr>
<tr>
<td>4+ bed house</td>
<td>10%</td>
</tr>
</tbody>
</table>

3.2 The council’s Supplementary Planning Document “Developer Contributions: the use of Planning Obligations for the Provision of Community Infrastructure”, adopted by in January 2007, sets the affordable housing element of new developments at 35% on sites of either 15 dwellings or more in urban areas, 5 dwellings or more in rural areas, or of 0.5 hectares or more. These limits are subject to financial viability.

4. **How many need to be “affordable”?**

4.1 The East Kent Strategic Housing Market Assessment (SHMA) calculates that 1104 new affordable homes are needed in the district every year. It recommends that 70% should be social rent and 30% intermediate tenure. Housing need has increased significantly since our previous study in 2004 when 776 affordable homes were needed each year. The table below sets out the need for affordable housing by property type.

<table>
<thead>
<tr>
<th>Property type</th>
<th>Social rent %</th>
<th>Intermediate tenure %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bed flat</td>
<td>23.1</td>
<td>5</td>
</tr>
<tr>
<td>2 bed house</td>
<td>20.6</td>
<td>35</td>
</tr>
<tr>
<td>3 bed house</td>
<td>45.7</td>
<td>60</td>
</tr>
<tr>
<td>4+ bed house</td>
<td>10.7</td>
<td>0</td>
</tr>
</tbody>
</table>

5. **Is housing provided for older people in the South East fit for purpose?**

5.1 Canterbury district is a popular area for retirement, with two seaside towns, Whitstable and Herne Bay, and attractive rural villages. 22,500 people (15.4% of the population) in Canterbury district were aged between 65 and 84 years in 2006. It is projected that this will rise to 29,200 (19.3% of the population) by 2026. The number of people aged over 85 years is projected to increase from 4,400 in 2006 to 5,900 by 2026. This will have an impact on services that support people in their own homes. It raises questions about the suitability of the existing housing stock and the need for new accommodation to meet the lifestyle aspirations of ageing “baby boomers”, provide choice and flexibility and free up family housing that is currently under-occupied by older households.

5.2 The council and housing associations manage approximately 1,015 units of sheltered housing or enhanced sheltered housing accommodation in the district. The council has a further 451 non-sheltered properties designated for older people. Most older people in the district live independently in the private sector, often in owner-occupied bungalows in the coastal towns. Studies show that the worst housing conditions in the district are in the private sector. Many older people are asset rich and cash poor and it is difficult for them to fund and undertake repairs, maintenance and modernisation. The results of a Private Sector Stock Condition Survey are expected in the very near future, which will provide a current picture of the situation and will enable the council to plan an appropriate strategic response.

5.3 The council is reviewing the Housing Strategy for the district across all tenures. Studies show that the standard of accommodation for older people is generally higher in the social housing sector than the private sector. However, the small size of a lot of older persons’ housing in the social sector does not meet their expectations. Recent qualitative research among the council’s older tenants found that they aspire to two-bedroom properties: a spare room was considered vital. They also prefer a kitchen separate from their sitting room and sufficient space for a dining table. The results of this research are being used to inform the design of new dwellings for older people in all tenures.
5.4 The council recognises the importance of assisting the most vulnerable property owners and providing a “safety net” for private tenants. Examples include:

5.4.1 Grants and loans for better heating and energy efficiency for owners and tenants ineligible for Warmfront grants. Inefficient heating and poor insulation are the main reasons for older private homes failing the Decent Homes Standard. Coupled with rising fuel prices, they are major contributors to fuel poverty and winter mortality.

5.4.2 Helping people with disabilities make their homes accessible and suitable for their needs, often using Disabled Facilities Grants via our in-house home improvement agency.

5.4.3 Support for a low-cost handymen service to help vulnerable owners carry out minor repairs quickly at an affordable price.

5.4.4 Persuading or compelling private landlords to bring their tenants’ homes up to acceptable standards.

5.4.5 Providing limited funds to lend to owners whose homes need major repairs but who do not have the means to pay for it.

5.4.6 Bringing long-term empty homes back into use either by persuasion or by legal action. Canterbury, however, has fewer empty homes than many other authorities.

5.4.7 Encouraging environmental sustainability by offering householders financial incentives to invest in renewable technology such as solar panels and heat pumps.

6. Should all new homes meet the necessary energy efficiency requirements?

6.1 The council considers that all new homes should meet appropriate standards of energy efficiency. In late 2007 the council adopted Supplementary Planning Guidance requiring all new residential development to meet Level 3 of the Code for Sustainable Homes, Level 4 from 2010 and Level 5 from 2013, a higher standard than that required by government. Although this adds to the cost of construction householders benefit from lower energy consumption, which is of particular value to people on low incomes at risk of fuel poverty, whose health and well-being might be adversely affected by less fuel-efficient dwellings.

7. What are the consequences of the increased number of multiple occupancy of houses in the South East?

7.1 There are approximately 2,425 houses in multiple occupation (HMOs) in Canterbury district, most in the city. 2,350 are occupied by Canterbury’s large student population. The HMOs in Canterbury are concentrated in five wards. Most are domestic in scale and are below the size threshold that requires planning permission.

7.2 The presence of large numbers of students sometimes causes social tensions, which the council has countered by establishing the Student Community Group, comprising student representatives, the higher education institutions, local residents, private landlords, local councillors and council officers to address issues and promote social cohesion.

7.3 Many family homes in Canterbury have been bought by private landlords to provide shared student accommodation. This competition has an inflationary effect on property prices, which are significantly higher in Canterbury than the rest of East Kent. Consequently, local families find it difficult to purchase or rent a good quality home they can afford.

8. How is this affected by the enforcement of greenbelt area?

8.1 Canterbury is not in the greenbelt area. However, the district has a distinctive and varied landscape of high quality, which is subject to many official designations that constrain development. In addition, there is considerable community resistance to greenfield development.

8.2 HMOs do not present a significant particular pressure on this landscape. Universities and students tell us that students prefer to live close to the city centre and within one mile of their university. However, they are a contributory factor to overall housing need (paragraph 7.3) and the need for further housing development in response.

9. What effect does this have on the ageing housing stock in historic areas?

9.1 The council has good relations with many of the larger private landlords. Many are responsible and manage their properties well. Disrepair does not seem to be a significant issue. However, there is concern that some HMO landlords try to maximise their financial return by minimising the amount they invest in repairs and maintenance and may be reluctant to invest money on improving insulation and the environmental sustainability of older properties. The council’s Private Sector Housing Team operates a successful Student Landlord Accreditation Scheme and works closely with HMO landlords to improve the quality of the ageing HMO stock.
10. Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

10.1 The council was a key player in the development and implementation of the Kent-wide Sustainable Communities Protocol entitled “Creating a sustainable community in Kent”. The council aims for 35% of new housing to be affordable homes and promotes high levels of sustainability in new housing. For example, it has successfully bid for Social Housing Grant for new council homes that will achieve Code for Sustainable Homes Level 4. The council also expects new private sector homes to achieve high environmental standards (see paragraph 6.1). Also, the council’s Supplementary Planning Document “Developer Contributions: the use of Planning Obligations for the Provision of Community Infrastructure” ensures that social infrastructure is provided through the planning process.

11. Why are we failing to meet targets for completion of new houses?

11.1 Canterbury district has an excellent track record of exceeding targets for the completion of new homes. The SE Plan sets a housing requirement of 10,200 net additional dwellings for the 20-year period from 2006: 510 per year. The net additional dwellings in the district are contained in the following table and show that housing delivery has exceeded the target to date.

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Requirement</th>
<th>Completions</th>
<th>Balance</th>
<th>Running Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001–02</td>
<td>420</td>
<td>501</td>
<td>+81</td>
<td>+81</td>
</tr>
<tr>
<td>2002–03</td>
<td>420</td>
<td>305</td>
<td>−115</td>
<td>−34</td>
</tr>
<tr>
<td>2003–04</td>
<td>420</td>
<td>378</td>
<td>−42</td>
<td>−76</td>
</tr>
<tr>
<td>2004–05</td>
<td>420</td>
<td>776</td>
<td>+356</td>
<td>+280</td>
</tr>
<tr>
<td>2005–06</td>
<td>420</td>
<td>533</td>
<td>+113</td>
<td>+393</td>
</tr>
<tr>
<td>2006–07</td>
<td>510</td>
<td>638</td>
<td>+178</td>
<td>+571</td>
</tr>
<tr>
<td>2007–08</td>
<td>510</td>
<td>1,284</td>
<td>+824</td>
<td>+1,395</td>
</tr>
<tr>
<td>2008–09(provisional)</td>
<td>510</td>
<td>561 (gross)</td>
<td>+51</td>
<td>+1,446</td>
</tr>
</tbody>
</table>

Source: Annual Housing Information Audit

11.2 The figures in the table above include affordable housing completions. The council has an annual target for new affordable dwellings of 120. The following table shows annual affordable housing completions from 2004–05 to 2008–09.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Social rent</td>
<td>70</td>
<td>42</td>
<td>60</td>
<td>36</td>
<td>75</td>
<td>283 (55%)</td>
</tr>
<tr>
<td>Intermediate rent</td>
<td>27</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>39</td>
<td>72 (14%)</td>
</tr>
<tr>
<td>Shared ownership</td>
<td>33</td>
<td>30</td>
<td>33</td>
<td>33</td>
<td>31</td>
<td>160 (31%)</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>78</td>
<td>93</td>
<td>69</td>
<td>145</td>
<td>515</td>
</tr>
</tbody>
</table>

Source: Housing Strategic Statistical Appendix

12. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

12.1 The East Kent SHMA identifies affordability as a key issue. Private sector rents and house prices are higher in Canterbury district than the rest of East Kent, which has a disproportionate impact on people on low incomes.

12.2 Housing need in the district is increasing. The 2004 housing needs survey assessed that 776 affordable dwellings were needed each year. That need has increased to 1,104 affordable dwellings per year. In the current economic climate, need is likely to further increase.

12.3 There has been a year-on-year increase in the number of possession claims issued in Canterbury County Court in 2008–09. There was also an increase in the number of mortgage possession orders granted. The last two years have seen an increase in the number of homelessness applications due to mortgage repossession, although there has not been the huge increase that was anticipated at the start of the recession.

12.4 Recent reductions in interest rates are affecting people who rely on income from investments and interest from savings, especially pensioners. This will further reduce their ability to repay loans or fund repairs and maintenance of their homes.
12.5 We achieved our target of 120 affordable dwellings in 2008–09, but this was mainly due to slippage from 2007–08. More restrictive terms for mortgages for prospective homebuyers resulted in developers slackening the pace of construction for a period of about a year. Recently, construction activity has increased gently. During the recession no significant planning applications were received for housing developments. Therefore, the real impact of the recession will be felt in a year, when sites currently in development have been completed, and there will be a shortage of new sites in the development pipeline.

12.6 The council’s partner housing associations report that the price of land in the district has not fallen significantly. Developers who purchased expensive sites are unwilling to sell at a loss.

12.7 Hitherto, housing associations used capital receipts from shared ownership to subsidise social rented dwellings. This is no longer viable because shared ownership sales fell due to the lack of mortgage finance.

12.8 The recession has encouraged the council to try and find a more “recession-proof” approach to providing new affordable housing by reducing reliance on s.106 developer contributions to a more diverse programme. However, many of the proposed models are very complex legal and financial arrangements, best suited to long-term projects, and do not provide an immediate solution.

13. **What are the social and economic consequences of a shortage in housing supply in the South East?**

13.1 Social consequences include increasing need for affordable housing that cannot be met through existing resources. Although the trend of homelessness applications has not increased substantially during 2009–10, more households are being accepted as homelessness. In the whole of 2008–09, 42 households were accepted: in the first three quarters of 2009–10, there have been 37 acceptances already. 488 households on the council’s housing register are living in overcrowded conditions. There are health risks of occupying poor quality accommodation and potential increased incidence of family breakdown.

13.2 Economic consequences include a higher number of Housing Benefit and Council Tax Benefit claims, which increased from 11,436 on 1 April 2008 to 12,121 on 1 April 2009. Attractive, good quality housing in all tenures is an important component in a healthy economy and shortage of housing supply may lead to stagnation of economic growth.

14. **What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?**

14.1 The council has good working relations with regional and government bodies. For example, securing £16 million of funding from the Regional Housing Board for private sector housing improvement in 2008–11 in partnership with Dover, Shepway, Swale and Thanet Councils.

14.2 We have a close working relationship with the Homes and Communities Agency (HCA). Until the recession, the council prided itself on delivering affordable housing via the planning system without Social Housing Grant (SHG). However, since the recession all schemes have needed SHG and the HCA has been very professional in its approach. The council has successfully bid to HCA for SHG and will build the first new council dwellings in the district for over ten years. In addition, the council will be a key player in several major regeneration projects and HCA is seen as an important contributor to their future success.

15. **Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?**

15.1 The council has good working relations with all these agencies. However, we would welcome streamlining of structures and processes to reduce costs and contribute to efficiency and effectiveness, and would consider opportunities for devolution of budgets to district councils.

27 January 2010

 Memorandum from Guildford Borough Council (SEH 31)

1. **How many new houses would be needed to support the economy and social needs of the South East?**

1.1 The question fails to identify specific timeframes; however, it is assumed it relates to the South East Plan period of 2006 to 2026. Although the South East Plan (2009) has set Guildford Borough a housing target of completing 422 homes a year, the Borough Council submitted a legal challenge to the plan, resulting in the Government conceding that the Sustainability Appraisal failed to take into account reasonable alternatives to the release of the Green Belt.

1.2 Whilst Guildford Borough’s housing targets are currently uncertain until resolved through a consent order, it is important to note the link between provision of homes, the economy and social needs is complex and interlinked with many other factors. For instance, more homes will fail to support the economy if crucial infrastructure needs are not addressed, e.g. local and cross district movement difficulties and congestion. Also,
the ability of new homes to meet social needs will be greatly undermined if the HCA experiences significant budget constraints resulting in limited or no public finance for delivering affordable housing. The HCA’s input is critical to bringing forward new affordable homes.

1.3 Equally, any such discussion should be informed by a clear understanding of the opportunities and constraints in local areas, eg in Guildford Borough in particular, this includes Areas of Outstanding Natural Beauty, Special Protection Areas and Green Belt land. Guildford Borough, acknowledging these constraints, is actively progressing a major mixed use development including up to 1500 homes as part of the Slyfield Area Regeneration Project (SARP), a site of 41 hectares within Guildford Urban Area.

2. Where should these houses be built to satisfy housing needs in the most sustainable way?

2.1 It is important to note that the strongest property markets in the South East region are not necessarily those able to most sustainably accommodate the greatest levels of future development. Consideration of the issues of location should be done on a national scale, rather than focus on the South East in isolation. Provision of large numbers of homes annually in areas experiencing critical infrastructure concerns such as severe congestion, would result in the opposite effect to that being achieved ie unsustainable development.

2.2 The priority for boroughs such as Guildford is the regeneration of Previously Developed Land (PDL), for example, the work that Guildford Borough Council is actively doing alongside Surrey County Council and Thames Water at Slyfield Industrial Estate, to bring forward up to 1,500 homes and other uses in the Guildford Urban Area. Strong property markets also have comparatively high prices that are out of reach for many first time buyers.

3. What types and tenure of new houses should be built?

— How many need to be “affordable”?

3.1 The term “affordable” can often be defined differently, depending on its application. An overarching definition satisfying its use for all purposes would be highly valuable.

3.2 Guildford Borough Council has completed a Strategic Housing Market Assessment (SHMA) in 2009 which includes a Housing Needs Survey. This is public information and is available on our website. The SHMA shows a significant need for affordable housing in Guildford Borough which exceeds that able to be achieved through the fulfillment of housing targets. The greatest need in Guildford Borough is affordable social rented, but in seeking to achieve mixed communities, a conflict often arises between need (for social rented) and viability (shared ownership, which is not always viable or affordable for the majority in identified housing need).

— Is housing provided for older people in the South East fit for purpose?

3.3 In Guildford Borough, specialist, social rented accommodation has become dated and unattractive, yet there is an absence of small high standard market accommodation for the retired/older person. This results in people remaining in large family homes, which can become difficult to maintain without additional support and/or potential expensive adaptation, with the addition that current social policy encourages older people to remain in their homes rather than move to managed or smaller accommodation. This can block the release of family homes. There is a need in Guildford Borough for suitable, small scale, good quality housing that meets the needs of older people.

— Should all new homes meet the necessary energy efficiency requirements?

3.4 Yes, all new homes, including affordable housing, should meet all necessary energy efficiency requirements. This is important for future generations and should not be compromised.

4. What are the consequences of the increased number of multiple occupancy of houses in the South East?

4.1 An increase in the numbers of HMOs masks the housing need. Their frequency has risen as more people cannot afford to own their own homes. Until house prices generally become more affordable, this will remain the case. It is also worth noting that those under 25 years of age are not eligible for full housing benefits, rather only allowances towards a room. In addition, approximately 45% of those on Guildford Borough’s housing register are single people under 60, as a consequence of the shortage of affordable housing. As a result many young, single people have little option but to resort to living in HMOs. Coupled with these factors, there is an increase in the number of single person households.

4.2 The consequences of this exacerbate on-street parking problems, with HMOs tending to be in large Victorian properties without the benefit of off-street parking. Also many lack planning permissions and increase associated enforcement work, with greater emphasis needed on building regulations and environmental health services to ensure conversions do not compromise safety.
5. How is this affected by the enforcement of greenbelt area?

5.1 Guildford Borough Council supports the fundamental principles of the Green Belt, as set out in PPG2: Green Belts (1995). They are:

— to check the unrestricted sprawl of large built-up areas;
— to prevent neighbouring towns from merging into one another;
— to assist in safeguarding the countryside from encroachment;
— to preserve the setting and special character of historic towns; and
— to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

5.2 The Council does not believe that the protection of this designation for the purposes above can be linked to an increase in HMOs. As discussed, the cause of the increase in HMOs relates to many social and economic trends and policies which need to be addressed to attempt to reduce the number of HMOs. Equally, the occupants of HMOs tend to be young, single, transient people who wish to locate in town centres, close to jobs, services and public transport. A rural location would not be preferable for such a use.

— What effect does this have on the ageing housing stock in historic areas?

5.3 Any form of rented accommodation managed by a landlord often receives less attention and commitment to maintenance and appearance than owner occupied accommodation. Due to the lack of choice and affordability issues in Guildford Borough and across the South East, sub standard rented properties are still occupied by tenants, whether they are HMOs or standard rented accommodation (e.g an ageing house converted to self contained flats). The rise in buy-to-let opportunities has fueled landlord managed properties rather than simply an increase in HMOs.

6. Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

6.1 Planning and housing professionals in Guildford Borough make all attempts possible to provide sustainable communities, using the policies and legislation available. However, there is not yet full commitment to this by the majority of developers whose main focus remains profit over any form of social responsibility. There is little legislation available that allows planners to refuse applications that do not meet high standards in terms of provision of mixed communities and creative design. New stronger legislation on this issue would be welcomed.

7. Why are we failing to meet targets for completion of new houses?

7.1 As reported in the 2008–09 Annual Monitoring Report (AMR), 486 homes were completed in Guildford Borough in 2007–08, but by 2008–09 this had reduced by 70% to 145 homes. Such a sudden, significant reduction can only be caused by extreme market forces, as experienced recently in the global recession. Guildford Borough Council continues to permit new homes, but is aware through liaison with landowners for work on the Strategic Housing Land Availability Assessment (which is currently draft in progress), that many permissions are not being implemented due to a lack of financial backing, uncertainty about profit returns and the decline in the market for flatted developments. Also, many landowners have unrealistic ambitions about profit returns and land values, with many having purchased land at high values which now do not give the calculated potential return originally anticipated.

7.2 Many affordable housing schemes or schemes including affordable housing are uncertain about future HCA funding, and thus developers are also deterred from starting work.

8. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

8.1 The recession has already impacted on the provision of housing, as discussed above in terms of a 70% drop in housing completion rates in Guildford Borough between 2007–08 and 2008–09. As the amount of completions decreases, so do the amount of financial contributions through S106 agreements, thus impacting on infrastructure provision. The impact of the recession on lenders ability and willingness to lend at reasonable rates to higher risk borrowers has led to great uncertainty in respect of the development of shared ownership homes with the consequent loss of cross subsidy from sales to contribute to the viability of affordable housing schemes.

8.2 It appears that developers are not inclined to look innovatively at Previously Developed Land (PDL) in urban areas for housing provision. Developers should be encouraged to explore these sites before Greenfield sites are considered.
9. What are the social and economic consequences of a shortage in housing supply in the South East

- Overcrowding and concealed households.
- Businesses discouraged from locating in the borough because of the lack of appropriate skills/available workforce.
- Increasing house prices/housing costs.
- Increased congestion and unsustainable travel as people travel further to work from areas where homes are more affordable. This also results in extra long working days and potentially additional stress.
- Couples deferring decisions about families until they can afford suitable accommodation.
- Increased family tensions as older children continue to live at home.
- People live in unsatisfactory accommodation with health implications.

10. What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

10.1 The regional bodies should act as facilitators to bring housing forward, encouraging innovation and sustainable communities.

10.2 A pro-housing approach from regional bodies to complex multi-facetted issues often dealt with by Local Planning Authorities would be welcomed. For example, assistance in discussions with other agencies, such as the Environment Agency, on bringing forward safe improved development of housing on sites in the urban area which experience flooding. The regional bodies acting as a local advocate and actively being involved in positive discussions would greatly assist bringing forward more housing. For example, the success of the Slyfield Area Regeneration Project is dependent upon funding for a new sewage treatment works, which was not forthcoming in the latest round of OFWAT funding. There is, therefore, a role for the regional bodies to focus on such major schemes, bringing agencies together to take these forward. It is essential that all necessary infrastructure is in place before new development comes forward.

11. Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

11.1 From a housing perspective, we have enjoyed a good working relationship with the Housing Corporation, where they have actively supported our development programme. The main effect of this has been to give certainty regarding grant levels to housing associations that are either developing sites themselves, or more importantly involved in S106 sites where timely assessment of grant bids allows them to negotiate effectively with developers.

11.2 Recently the funding process moved from annual bid rounds to a more flexible system of “Continuous Market Engagement” which allows bids for funding to be submitted at any time. This has helped housing associations respond to opportunities as they arise, and has reduced the risk to the Council because it allows us to more accurately judge whether input from the Council will be required to bring sites forward. However there are concerns about the certainty of future funding given the pressure on all public sector finance.

11.3 The HCA has now replaced the Housing Corporation, and has begun the “Single Conversation”, which aims to draw up investment agreements for areas in the South East. Guildford is within the “West Area” comprising Waverley, Guildford, Surrey Heath, Woking, Runnymede, Spelthorne, and Elmbridge. We have not yet had our first meeting regarding this and it is not yet 100 percent clear how the plan will work across the West Area. However the HCA have indicated they expect each area to identify short, medium and long-term projects, the different organisations/agencies involved, and the associated funding. This would give us some concern about our future ability to take advantage of opportunities offered by “windfall” sites as by their nature they cannot be predicted in this way. We hope that as a result of the Single Conversation the HCA will continue the flexible and responsive approach to investment that we enjoyed under the Housing Corporation whilst also assisting with longer term projects, particularly developments that will deliver large amounts of housing but require up-front funding and infrastructure.

11.4 We consider that the regional bodies, particularly GOSE, should act as facilitators to bring housing forward and support local authority and HCA investment plans. By using their influence in the region they could ensure the need for additional housing was better recognised and reflected in the priorities of other agencies. For example engaging with the Environment Agency to bring forward safe improved development of housing on sites in the urban area where the EA has identified flood risk. Individual Local Authorities can sometimes feel “outgunned” in their negotiations with such agencies on individual schemes. Regional bodies acting as a broker in such discussions could greatly assist in bringing forward more housing.

11.5 Another important role would be to encourage and influence the release of appropriate public sector land, including that of local authorities, by stressing the importance of these assets in meeting community as well as financial objectives.
12. **ADDITIONAL COMMENTS**

12.1 Proposals to reform Housing Finance to enable Councils to retain more of their revenue from rents are welcome, assuming a satisfactory package is agreed. Councils would be in a better position to assist with the financing of new affordable housing if they were no longer required to pool capital receipts from the disposal of all housing assets (eg Right to Buy, shared ownership sales).

12.2 The provision of supported housing to enable the most vulnerable in society to live independently is a major omission from this inquiry. In addition to the need for some specialist accommodation and the ability to fund revenue costs of housing support services for this growing need, through the Supporting People regime, is a significant issue for many Councils.

12.3 Guildford Council would like to be informed of how the findings of this select committee will be used to inform future planning policy for the South East region. We would also ask to be informed of when the findings will be released.

*27 January 2010*

**Memorandum from South West Leaders' Board (SEH 32)**

— How many new houses would be needed to support the economy and social needs of the South East?

— Where should these houses be built to satisfy housing needs in the most sustainable way?

— What types and tenure of new houses should be built? How many need to be “affordable”?

— What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

1. The original housing proposals in the draft RSS on the South East Assembly’s own figures implied a projected surplus of jobs over additional dwellings of approximately 10,000 jobs a year. Even allowing for a more pessimistic future economic growth assumption than the 3.0% p.a. figure used in the draft RSS, the likely higher rate of household formation suggested by the 2003, 2004 and 2006 based CLG projections for the region (20% plus over the preceding 1996 based set), seems likely to sustain high levels of employment driven housing demand. It is equally clear from past experience that, at the currently proposed levels of new housing provision, much of this economic demand driven growth may not be accommodated within the South East itself, most of it falling on its neighbours in the East and South West.

2. The South West’s annual net migration gain from the South East is considerable (9,000 people in 2008 alone),55 as is the net out commuting flow from the South West to the South East. The South West experiences a net excess of workers commuting out of the region (6% of all in employment in 2001), mainly to London and the South East (Figure 1). In 2001, almost 34,000 more people left the South West to work in the South East and London than commuted in the opposite direction into the region. These pressures, compounded by retirement related migration, are difficult to resist being driven by relatively high wages in the South East and London in combination with relatively lower house prices in the neighbouring counties (and lower local wage levels).

3. The 2001 Census shows that the areas within the South West with the highest proportion of the resident working age population living in the South East one year previously are those close to the border, namely Bournemouth, Dorset and Wiltshire (particularly the former Kennet, the former Salisbury, Christchurch, East Dorset and North Dorset).

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55 Source: ONS NHSCR data Regional Trends Dec 2009
Figure 1

4. Given the preference of the majority of South East residents for living in a rural area, indicated in research carried out for SEERA in preparation for the draft RSS, pressure on the Wiltshire and Dorset housing markets from households originating from, but still working in, the South East is likely to continue.

5. The implications for transport and associated infrastructure of continued large scale “dormitory migration” are considerable and in general are not an appropriate response to the need to reduce the carbon footprint of both the South East and the South West. Over time, commuting journeys have increased as transport (particularly car related) technology has improved, increased job mobility, and factors such as the large increase in the proportion of multi-earner households, inequalities in the housing market and more parental choice for education have tended to reduce the influence of workplace on location of residence. An indication of this trend can be seen in the increased geographical extent of most Travel to Work Areas measured by the Census. For example, in the South West, the growth and consequent merging of TTWAs due to increased distances travelled by commuters has resulted in the region’s 49 areas in 1991 declining to 34 in 2001.

6. The provision in the South East of more market and affordable houses for people on medium and lower incomes, better related to main centres of employment and, vitally, with a sufficiently attractive living environment would in our view make a serious contribution towards increased sustainability in both regions. We would consider that the SE RSS’s requirement for 35% of housing to be affordable to be adequate, although we do have concerns that the necessary funding for this, both through Government subsidy and private sector contributions via Section 106 and CIL, will be extremely difficult to achieve as the economy emerges from recession and the effects of the financial crisis. Any requirement to provide infrastructure prior to new housing growth could exacerbate these concerns if economic growth takes place in parts of the South East without a commensurate level of housing provision (notwithstanding the current recession) This is of particular concern to us in relation to the PUSH area due to the significant levels of economic growth envisaged and the interrelationships between it and SE Dorset, and is made more acute by the virtual exclusion of any housing provision in the New Forest.

7. Clearly it is essential that adequate infrastructure provision does take place, but under current economic conditions the issue of financial viability of development has become even more crucial. Measures to deal with the problem could include the possibility of “claw back” of S106 agreements reached during the property market boom. We should also like to draw the Select Committee’s attention to the potential in parts of some regions (for instance Plymouth in the South West) where infrastructure capacity exists to help accommodate and divert some of the economic drivers creating pressure in the South East. This would also reduce South East and London generated impacts on neighbouring areas such as Wiltshire and Dorset.

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56 Experian Ltd Drivers influencing the spatial decisions of where people choose to live and work: Final report (SEERA November 2006) p6, refers to a study by Future Foundations showing that 53% of people would prefer to live in a rural area.

57 SW Councils has recently published award-winning advice to local authorities on dealing with the changing environment for infrastructure investment. See http://www.swcouncils.gov.uk/nqcontent.cfm?a_id = 4391&tt = swra
8. In conclusion we would urge that the South East should continue to make a serious attempt to "consume its own smoke" in terms of accommodating the housing demand originating in the region in a way that better reflects its economic potential. Failure to do so will have inevitable impacts on other regions as the housing market affects ripple outward.

What are the social and economic consequences of a shortage in housing supply in the South East?

9. The NHPAU itself has warned of the social and economic consequences of not maintaining an increased housing supply and the long-standing experience of South West local authorities. Broadly these can be summed up as:

- delay in the formation of households;
- an increase in over-crowding;
- an increase in the demand for housing support from the state;
- further concentration of wealth in asset rich households (and with a bias towards older owner occupiers); and
- erosion in the proportion of those aged 18–34 in owner occupation leading to intergenerational disparities.

10. Any under provision of housing in the South East will inevitably exacerbate these problems in the South West and other regions as well, although it is acknowledged that the linkage between the South East’s problems and London’s unavoidable housing pressures is one of the key underlying issues. Increased pressure on the South West’s housing market will severely magnify impacts upon our ability to deliver sufficient affordable housing (and therefore balanced, sustainable communities). Other consequences include creating an even greater disparity between local incomes and house prices, increased commuting (which has implications for economic performance/competitiveness and a continued difficulty to match housing with job growth particularly for areas such as SE Dorset, pressure on our ability to deliver the necessary infrastructure to cope with growth, and increased carbon emissions.

27 January 2010

Memorandum from East Guildford Residents Association (SEH 33)

Where should these houses be built to satisfy housing needs in the most sustainable way?

SUmmary

The focus on housing growth “hubs” in the South East Plan should be replaced with housing allocations that take greater account of:

- capacity, including constraints such as relief, landscape and wildlife designations, historic character and areas of food risk;
- the full consequences of Metropolitan Green Belt policy and the need to manage the demands of outward migration from London; and
- opportunities created by better rail links to settlements beyond the Metropolitan Green Belt.

We need to become as good at nurturing “Green Belt-locked” settlements around London as we are at protecting the Metropolitan Green Belt itself. This include getting better at identifying their local housing needs and ensuring they are not given the additional burden of tackling London’s overspill housing needs.

The message that we need to build at greater densities is now sufficiently well understood that blanket minimum density figures, which can lead to inappropriate development and resistance to development, should be replaced. Local Authorities should instead be encouraged to promote the wise use of land and given the flexibility to apply this according to local need and character.

INTRODUCTION

1. East Guildford Residents Association (EGRA), which was established in 2002, has a membership of ten residents associations. It speaks on behalf of 2,500 member households in the Borough. EGRA seeks to promote vigorous local democracy in Guildford, to provide elected representatives with the clearest possible picture of residents’ views and is interested in any development that could affect Guildford and its environs. The Association played a very active part in the consultations on the Surrey Structure Plan of 2004 and, more recently, the South East Plan. The Association welcomes the opportunity to present evidence to the timely, second South East Regional Inquiry into Housing in the South East. We hope that this inquiry will provide an opportunity for revision to the housing allocations proposed in the South East Plan and would be willing to present oral evidence to the Committee.

58 Glen Bramley, NHPAU Autumn 2008.
THE PROBLEM: SUB REGIONS, SETTLEMENT DESIGNATIONS, HOUSING ALLOCATIONS AND DENSITY TARGETS OF THE SOUTH EAST PLAN

2. We submit that the approach to housing distribution adopted in the South East Plan resulted in unsustainable allocations and ask for the approach to be revised significantly prior to any review of the figures. Problems arose from the way in which:

— the region was divided into sub-regions;
— selected settlements were categorised as “hubs” of various kinds and placed in overlapping hierarchies;
— housing allocations were insufficiently informed by capacity studies, local knowledge and strategic assessments; and
— broad brush housing density targets were established with insufficient flexibility to enable the density to be optimised according to housing type required and local character.

CONSEQUENCES OF LONDON AND ITS METROPOLITAN GREEN BELT

3. The focus on sub-regions distracts attention from a broader regional picture. A part of this bigger picture is the need to manage the consequences of having a significant swathe of Metropolitan Green Belt within the South East region. Metropolitan Green Belt has been in place since 1958 and has largely been successful in preventing London from expanding and surrounding settlements from coalescing.

4. The effects of this longstanding commitment are really starting to be felt on the numerous settlements that lie within the strategic Metropolitan Green Belt. They are experiencing strain as they seek to intensify use of land within the town to avoid encroaching onto Metropolitan Green Belt. We need to ensure that we are successful in managing the impacts of being surrounded by Metropolitan Green Belt upon these settlements. The pressure for them to intensify land use is significant and has been in place for 40 years now. The inspectors at the South East Plan inquiry recognised that in Guildford, for example, intensification of development has reached a stage where care must be taken to avoid town cramming and loss of urban quality. Surrey County Council noted similar concerns in preparing the 2004 Structure Plan

5. These points are raised not to challenge the value of having, or to undermine, the Metropolitan Green Belt. They are raised because we need to become as good at nurturing Green Belt-locked settlements around London as we are at protecting the Green Belt itself. This has major consequences for where we should be building housing in the South East and was not adequately addressed in the South East Plan.

6. If the Metropolitan Green Belt is to be protected, and thereby allowed to fulfil its intended function, it is important that:

— housing allocations for settlements that lie within the Metropolitan Green Belt give priority to carefully defined, locally-needed housing (not the same as housing to meet local demand or housing for local people);
— development capacity is husbanded with care in “Green Belt-locked” settlements such that it can be released over time to prevent these towns from stagnating or becoming over intensively developed and congested;
— overspill housing required by people migrating from London is wisely located beyond the Metropolitan Green Belt. The policy in the South East Plan of allocating a proportion of overspill London population to Green Belt settlements exacerbates problems; and
— priority is given to upgrading rail links to settlements beyond the Metropolitan Green Belt as well as making London more attractive for families. Reducing journey times and public transport travel costs to settlements beyond the Green Belt will be crucial in reducing pressure on the Green Belt from people wishing to migrate out from London and commute.

7. Experience in Guildford is that demand from households wishing to move out of London is sufficiently great that it cannot be met and will need to be managed rather than allowed to stoke housing targets that are beyond the capacity of the town.

INAPPROPRIATE USE OF THE HUB CONCEPT

8. The “hub” is a fashionable concept in development policy that is well suited to some contexts. The logic of attempting to focus development on a few places, to reduce travel and to make it more practical to provide the infrastructure required to support new development, is well intended. There was justifiable concern in the South East at the legacy of scattered development putting a strain on existing infrastructure. However, there were significant flaws in the way regional hubs were proposed as centres of housing growth in the South East Plan.

9. A problem was that in the South East Plan hubs were originally selected with a more narrow, transport function in mind rather than according to their suitability for growth. During the course of the South East Plan process, some 22 towns were identified first as transport hubs, then as settlement hubs, and finally as foci for housing growth and for more intensive development. Yet many of the hubs, originally identified as transport nodes, were ill suited to being a focus for growth. The wisdom of creating what had essentially
turned into “growth hubs” with higher housing targets in the Metropolitan Green Belt requires re-assessment. A policy of smart, long term, capacity-based growth for Green-Belt locked towns might be more appropriate.

10. Another problem was that some areas such as much of the “London Fringe Sub Region” do not lend themselves to development concentrated around hubs. There are many significant settlements, complex work and leisure travel patterns and nearby settlements often have complementary, distinctive facilities. In this situation sustainable growth that respects the existing characteristics of the area is more likely to be achieved by distributing locally needed growth across various settlements, respecting the capacity for growth of each town.

11. Designating two neighbouring towns, Woking and Guildford, which are separated by a narrow, vulnerable stretch of Green Belt, as regional hubs is likely to lead to de facto coalescence of settlements. Is providing overspill London housing in a Woking-Guildford conurbation within the Metropolitan Green Belt a wise housing location policy?

HOUSING ALLOCATIONS

12. We remain deeply concerned that problems identified in the Sustainability Appraisal of the South East Plan remain unaddressed. We submit that, to be sustainable, housing allocations should take account of designations such as Area of Outstanding Natural Beauty and Green Belt, the extent of land at significant flood risk as established in Strategic Flood Risk Assessments and policies to protect Special Protection Areas. Greater economic value should be placed on valued existing characteristics of settlements including historic town centres and green spaces in established residential areas when establishing the potential for housing growth.

13. We would support a return to the approach of allocations based on capacity as deployed in the preparation of Structure Plans. Capacity is a fundamental pillar of Sustainable Development as recognised by the UK Sustainable Development Strategy.

DENSITY TARGETS

14. The objective of increasing the density of development is sensible and progress has been significant. However, blanket policies setting out densities per hectare have the capacity to do great harm to the character and economy of a settlement. There are also instances where minimum density policies can inhibit development: lower density infill might be accommodated but a high density scheme unacceptable. Inappropriate mixes of housing types have been built to comply with density targets; for example a surfeit of two bedroom flats in communities where family houses are in short supply. Some development sites have been crammed at the expense of character and quality of life with narrow roads, cars parked on pavements, oversized buildings crammed on plots and token green space converted into parking spaces.

15. Given that the message is now widely understood that we should strive for higher densities, it would be appropriate to give more flexibility to Local Authorities to optimise densities on a scheme by scheme basis. This would result in more sustainable housing in tune with the character and needs of communities across the South East Region. Insufficiently flexible targets, which encourage inappropriate housing development, can increase resistance to development. We propose that housing needs are more likely to be met in a sustainable way if housing policy confines itself to promoting the wise use of land rather than setting density targets.

27 January 2010

Memorandum from the Partnership for Urban South Hampshire (PUSH) (SEH 34)

SUMMARY

— The Partnership for Urban South Hampshire (PUSH) comprises the eleven local authorities which are wholly or partly within the South Hampshire Sub-region. PUSH devised the sub-regional strategy for South Hampshire which was approved largely unchanged by Government as part of the South East Plan. Achieving faster economic growth is one of the sub-regional strategy key objectives.

— The South East Plan’s house building target for South Hampshire was calculated to match predicted job growth. However, housing is only one of a package of inventions/measures which are needed to facilitate economic growth.

— PUSH has recently commissioned a review and update of the extensive evidence base that underpins the South Hampshire section of the South East Plan to take account of the impacts of the recession. This will lead to a revised economic development strategy in summer 2010 and could lead to a changed figure for house building provision as a result of changes to the underlying economic growth assumptions. It will provide the basis for PUSH’s input to the proposed new Regional Strategy.
— House building ought to be focused on urban regeneration/brownfield sites, but some greenfield development will be necessary, both to provide sufficient quantity overall and to ensure continuity of supply. Concentrating greenfield housebuilding onto a few large developments maximises sustainability and developer contributions.

— The recession means that expectations of future housebuilding are below the trajectories derived from (pre-recession) South East Plan house building targets. This is leading planning inspectors to grant appeals on additional sites, resulting in an oversupply of land and developers cherry-picking the easy-to-develop greenfield sites.

— Housebuilding will only be truly sustainable if accompanied by timely provision of transport and other infrastructure.

— A range of types and tenures of new housing is needed; the precise mix should be set locally. In South Hampshire in the last year around 80 per cent of new homes were one and two bedroom properties; a much greater proportion needs to be larger, family homes.

— In South Hampshire, nine per cent of all households are on housing waiting lists which underlines the need for affordable housing. There is a greater potential role for intermediate tenures: 4,000 households in South Hampshire are actively looking for intermediate housing.

— A large growth in older person households is predicted, but the indications are that most will, as now, want to remain in their existing homes even if those are family size properties. Changes in the popularity of sheltered housing means that most areas now have an over-supply. New types of housing for older people could provide an alternative for those who need or wish to downsize.

— New homes built today have good energy efficiency: the real challenge is how to retrofit higher energy efficiency into existing properties.

— Houses in multiple occupancy provide affordable homes for people at a particular stage in their lifecycle, but too many in one locality can create problems. The different definitions in planning and housing legislation of “houses in multiple occupation” creates difficulties.

— Strategic and Local Gaps in South Hampshire achieve similar objectives to Green Belts by maintaining open breaks between settlements. Regrettably, the Government deleted the Strategic Gaps policy from the South East Plan. They do not limit the total amount of housebuilding across the sub-region.

— In South Hampshire, the housebuilding targets in the South East Plan have been met—indeed slightly exceeded—over the last three years.

— Dwellings under construction and new starts have fallen substantially over the last three years, signalling much lower completion figures over the coming years. This reflects falling demand—homes sales down 25 per cent. Thus the South East Plan’s housebuilding targets to 2026, may actually take until around 2031 to be realised.

— The advent of the Homes and Communities Agency has fostered greater collaboration, but this could be put at risk if there are significant cuts in public sector funding for housing.

1. **Introduction**

1.1. The Partnership for Urban South Hampshire (PUSH) comprises the eleven local authorities which are wholly or partly within the South Hampshire sub-region plus key external partners. The eleven councils are: Hampshire County Council; Portsmouth and Southampton City Councils; East Hampshire, Eastleigh, Fareham, Gosport, Havant, New Forest, and Test Valley Borough/District Councils and Winchester City Council.

1.2. The Partnership was formed in 2003 to work more collaboratively on tackling the economic challenges facing South Hampshire. Achieving faster economic growth was the key objective of the sub-regional strategy which PUSH submitted to the South East England Regional Assembly (SEERA) and which was incorporated largely unchanged into the South East Plan.

1.3. In October 2006, PUSH was selected by Government to be one of 29 “New Growth Points” in England. PUSH is also one of eight “Diamonds for Investment and Growth” identified in the Regional Economic Strategy prepared by the South East England Development Agency (SEEDA).

1.4. PUSH has developed a Sub-regional Housing Strategy and is tackling key housing issues on a sub-regional basis in tandem with its constituent local authorities, the Homes and Communities Agency, and other bodies.

1.5. The South East Plan envisages 80,000 new homes in South Hampshire 2006–26—a rate of housebuilding which is substantially above past plans. Urban regeneration is a major focus for this new development, but up to 16,000 of these new homes are proposed in two Strategic Development Areas (SDAs).
1.6. PUSH has recently commissioned a review and update of the extensive evidence base that underpins the South Hampshire section of the South East Plan to take account of the impacts of the recession. This will lead to a revised economic development strategy in summer 2010 and could lead to a changed figure for house building provision as a result of changes to the underlying economic growth assumptions. It will provide the basis for PUSH’s input to the proposed new Regional Strategy.

1.7. The above means that PUSH is well placed and qualified to contribute to this Inquiry and is pleased to provide a response to the questions raised by the Committee. The PUSH documents referred to in this submission can be seen at: www.push.gov.uk

2. How many new houses would be needed to support the economy and social needs of the South East?

2.1 New housing per se will not deliver economic growth; it is only one of a package of measures including skills and training, developing the industrial infrastructure, land and property for businesses, and productivity improvements, that will enable economic growth to occur. (This analysis is based on advice provided by economic consultants to PUSH on the actions needed to increase economic growth.) It is a weakness of Government thinking that too much emphasis is placed on the contribution which housing makes to economic growth, which is reflected in planning policy having traditionally been driven too much by the housing agenda.

2.2 The planned provision for housebuilding in South Hampshire reflects what is needed to support economic growth (with the rider above that this is only one of many pre-conditions for economic growth). The target of 80,000 new homes 2006–26 in South Hampshire (4,000 per year) comprised of two elements: 74,000 new dwellings associated with the forecast 58,600 new jobs over the same period plus a further 6,000 to meet a backlog of unmet housing need. These figures were based on a target of rising economic growth from the 2.75% per annum in South Hampshire in the early 2000s to 3.5% per annum by 2026. As stated above, PUSH has commissioned work to revisit the underpinning evidence base to take into account the impact of the recession. This will include updating the implications for required levels of new jobs and associated house-building to underpin PUSH’s economic objectives.

2.3 That level of new housing will only be sustainable if it is developed in step with economic growth, and is supported by the timely provision of transport and other infrastructure. This is necessary to ensure the maintenance of the balance between the three pillars of sustainable development (economic, social and environmental).

2.4 It is those three pillars of sustainable development which should be considered when setting housing targets for the region, rather than pursuit of economic growth as the sole objective.

3. Where should these houses be built to satisfy housing needs in the most sustainable way?

3.1 The focus and priority should be on urban regeneration and the development of brownfield sites in order to maximise the use of land already in urban use, to help tackle deprivation, and to conserve the natural environment. Where this cannot accommodate all development needs, greenfield sites should be allocated on the edge of existing towns in order to capitalise on existing infrastructure and facilities.

3.2 "Windfall sites" have traditionally provided a substantial proportion of house building, particularly in older urban areas. Whilst their precise location cannot be identified in advance in South Hampshire—their pay out potential is not known which owner of a large Victorian villa will make their land available for a higher density replacement housing scheme—the quantum of such development can be confidently predicted.

3.3 Government policy introduced a few years ago presumes against building in an "allowance" for such windfalls. Until a few years ago, it was an accepted practice that local authorities could include an “allowance” for such windfall sites in their land supply calculations—a practice tested and supported by planning inspectors. Regrettably, Government policy was changed to presume against such windfall allowances, with the result that local authorities are compelled to allocate additional greenfield land. This in turn can lead to an oversupply of housing overall (against the plan requirements) and/or a lower proportion of brownfield development than would otherwise have been the case. PUSH lobbied against this change, but with no success.

3.4 It is also important to recognise the temporal dimension to housing delivery: land which is already in the planning pipeline is available to meet short-medium term needs, but large new sites have lead-in times of 5–10 years. This approach is embodied in the South Hampshire Strategy which focuses development in the first 10 years on brownfield sites and land already has planning permission or is allocated in Local Plans; in the second 10 years, the focus on brownfield sites remains but complemented by two large Strategic Development Areas of, respectively, up to 6,000 and 10,000 new homes. Each SDA will have a variety of types, sizes and tenures of new housing together with a full range of local facilities and employment opportunities with a high degree of self-containment on a day-to-day basis, but close to and utilising the higher order functions in the town next to which it is located.
3.5 Such a concentration of new development into a few very large developments maximises the sustainability of new greenfield development, as well as maximising the funds from national/regional agencies and from developer contributions towards affordable housing, improved transport and other infrastructure.

4. What types and tenure of new houses should be built?

How many need to be “affordable”?

4.1 A range of types and tenures of new housing is needed; within that overall ethos, each area should be able to determine the precise proportions depending on local demographics and the nature of the existing housing stock.

4.2 The South Hampshire Sub Regional Housing Strategy approved by PUSH in 2007 shows that on the basis of housing registers, the highest volume of need is for smaller one or two bedroom properties. However, there is an increasing pressure for more larger family homes which is again evidenced from the housing registers, and the length of time these larger households remain on the waiting list for one of these properties to become available. PUSH is also concerned to provide the right accommodation to attract higher income and skilled households to South Hampshire to drive economic growth.

4.3 Thus PUSH’s Sub Regional Housing Strategy intends that new housing over the next 20 years will be in the following proportions:

- 24% to be one bed properties;
- 29% to be two bed properties;
- 33% to be three bed properties; and
- 11% to be four bed properties.

4.4 Demand for affordable housing in South Hampshire remains high, with numbers on most housing registers seeing a year on year increase. This is a trend which has been replicated across the South East region. In South Hampshire as a whole nearly 9% of all households are on housing waiting lists. (This need is predominantly for larger family houses). This pattern is likely to continue as newly forming households struggle to access housing because of tighter mortgage conditions and uncertain job prospects. This may also be exacerbated if private landlords start to sell properties (to sustain their core businesses) and thus reduce the number of properties available for private rental.

4.5 South Hampshire continues to have a growing need for affordable homes. Grant availability for the future is likely to be difficult. Innovative ways need to be devised to maximise the use of the (no doubt) reducing availability of public funding for affordable housing delivery. This could include a greater direct public sector involvement in the delivery and management of affordable housing in partnership with private sector companies and other partners and agencies. Similarly, a greater role for intermediate tenures should be encouraged. Expansion of the private rented sector and more shared ownership opportunity (or rather, a simplification of the bureaucracy of the opportunities which currently exist) should be encouraged in order to allow a wider range of opportunity for people to meet their own housing need rather than reliance on public sector support.

4.6 Intermediate housing (homes provided at below open market prices or rents but above social rents—typically low cost home ownership products) is important to provide homes for those in employment. It thus assists assist economic development. The numbers actively looking for intermediate housing in South Hampshire (4,000 households) has been consistent over the last two years. Access to this type of product has been affected by the lack of availability and higher costs of mortgages. Just five lenders are offering shared ownership mortgages at the end of 2009 and all of these require a deposit of 10% or more.

5. Is housing provided for older people in the South East fit for purpose?

5.1 The ageing population in South Hampshire means that the vast majority of household growth will be single person households of which over 50% will be pensioners. However, many older people now, and in the future, will choose to remain where they have lived since earlier in life ie properties not designed specifically for older people. The desire to live independently in these homes places high demand on resources for care and adaptations for properties. In parallel to this local authorities have seen changes in the popularity of sheltered housing with most areas having an over supply of sheltered housing. Reconfiguring this resource is a challenge.

5.2 There needs to be a joined-up approach within the public sector to the ageing of the population which, for example, links social and care services to rural transport provision to health provision as well as housing services. Even with the latter, it is not all about new build and ensuring that standards like LifeTime Homes are applied where economic to do so. (They will become mandatory with the introduction of higher levels of the Code for Sustainable Homes through the Building Regulations in the near future).

5.3 It is as much about creating a new type of housing product; maybe in a bespoke community in an accessible and welcoming part of town which is attractive to the elderly population and so might entice them out of their under-occupied large house and so keep the housing market moving. The key, however, is that this issue cannot be addressed by simply stipulating that new housing should conform to certain building
or space standards. Nor can it be addressed by considering housing (whether new build or improving the existing elderly housing stock) in isolation from the other care and support services. Local authorities also need to consider the role of extra care housing in their strategies for providing older people with housing.

6. Should all new homes meet the necessary energy efficiency requirements?

6.1 New homes built today and in the recent past are many times more energy efficient than houses built only 10 years ago. Those requirements are due to become ever stricter and more rigorous as increasing levels of the Code for Sustainable Homes are mandated through the Building Regulations up to 2016 when all new dwellings are required to be built to zero carbon standards. This is an extremely challenging target but one to which cost-effective solutions will undoubtedly be found as the requirements will be enshrined in regulation and so must be complied with.

6.2 New build however, represents only a small increment on to the existing stock. The bulk of the housing stock in 20 years time is already in existence. The real issue therefore, and one which is more difficult to address, is how to ensure that the existing stock is upgraded to higher standards of energy efficiency. Allied to that is the need to educate citizens in the reasons for needing to reduce energy consumption in all aspects of their lives.

6.3 In terms of new build, therefore, the policies are in place to achieve the desired objectives. Attention should be focused instead on how to improve the energy efficiency of the existing stock and improving people’s behaviour and practices in the use of energy.

7. What are the consequences of the increased number of multiple occupancy of houses in the South East?

7.1 Houses in multiple occupation provide affordable homes although often of a poorer quality. They satisfy those who need economical accommodation at a certain stage in their life cycle. They can also be important in preventing these people from falling back on reliance on the public sector to house them. However, because of this, they do create their own unique problems, especially where there is a preponderance of houses in multiple occupation in a particular geographical area, for example studentification or a concentration of anti-social behaviour.

7.2 Policy makers need to be aware of, and learn the lessons from, elsewhere to avoid an over-dominance of houses in multiple occupation in any particular area in order to dilute and manage the problems which can accompany them. The tools available to local authorities to address this lie in both planning policy and enforcement and in licensing. Currently the definition of “houses in multiple occupation” under planning and housing legislation is different and this creates problems. Local authorities would like to see a common definition of this term.

8. How is this affected by the enforcement of greenbelt area?

8.1 There is no Greenbelt in South Hampshire; rather, designated Strategic and Local Gaps have existed for over 20 years in the sub-region. These have played a very important role in shaping the pattern of new development; they have kept settlements separate and maintained their individual character. Despite the opposition of PUSH and contrary to the recommendations of the Panel which conducted the Examination-in-Public of the South East Plan, the Government regrettably deleted the Strategic Gaps policy from the Plan.

8.2 Neither Greenbelt nor Gap policies adversely affect the delivery of housing. They merely seek to influence its location and steer development towards existing settlements. In South Hampshire, the 80,000 new homes proposed in the South East Plan can readily be delivered without the need to build within any of the Gaps.

9. What effect does this have on the ageing housing stock in historic areas?

9.1 PUSH has no direct knowledge or experience from which to offer a response to this question.

10. Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

10.1 The majority (81%) of homes built in South Hampshire during 2008–09 were one and two bedroom properties, an increase on the previous year (74%). 1,240 (net) affordable dwellings were completed in 2008–09 this represents 31% of all completions—an increase of one third since 2007–08. The majority (88%) of these homes were smaller one and two bedroom units. This percentage substantially exceeds the maximum 53% which South Hampshire authorities would like to see built (see paragraph 4.3 above): too few larger, family-sized properties are being built.

10.2 With regard to new homes meeting the requirements of the code for sustainable homes PUSH has now agreed a sub regional approach (Policy Framework) to apply progressively higher standards to the construction of new homes to achieve code level 6 by 2016 in line with the Governments target. However it should be noted that many consents are already in the “pipeline” without such requirements as a condition of planning consent. However the expectation is that all social housing will meet the higher standards in any
event as a condition of HCA funding and that in other such cases developers may choose to move to the higher standards for marketing reasons. With regard to the PUSH Policy Framework this is now being applied within Core Strategies in individual PUSH Authorities. Early indications are that this is being accepted as sound practice with two Inspector reports (Southampton CC and New Forest DC) now being published with the policies being accepted within those Core Strategies. One further issue yet to be properly tested is the financial viability of new development post recession with such sustainable construction policies being applied and over the next six years the extent and cost of such requirements will increase. This may have a negative effect on the supply of new development and some developers may resist the requirements on grounds of affordability.

10.3 A similar viability issue affects social infrastructure. Although the process of developing LDFs with a clearer approach to infrastructure needs is now being pursued and the proposed Community Infrastructure Levy will enable a much more effective funding mechanism to achieve appropriate levels of social infrastructure, it remains to be seen whether these requirements will actually be affordable without a negative impact on viability and supply of new homes in a post recession environment.

11. Why are we failing to meet targets for completion of new houses?

11.1 In South Hampshire we are meeting the targets! (Assuming the targets being referred to are those in the South East Plan). During 2006–09—the first three years of the South East Plan period—housing completions were 3% above the Plan’s target for South Hampshire.

11.2 One of the reasons why there is local pressure to resist new housebuilding—thus putting the achievement of targets at risk—is that all too often it is not accompanied by the full range of necessary new infrastructure. The result is that new development places additional pressure on already stretched local infrastructure and facilities.

12. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

12.1 Housing markets in South Hampshire have been affected by the downturn in the national economy and housing market. The negative impacts of this may have peaked but problems remain:

— Prices across South Hampshire have fallen by up to 13% over the year since Quarter Two 2008. House price falls are amplified in reductions in land values and this impacts on the viability development.

— The number of home sales in South Hampshire has fallen by 25%.

— The volume of property transactions reached their lowest point in Quarter 1 of 2009. House sales fell to less than one third of volumes in the “normal” market. It is far from certain that sales will recover to the levels associated with the decade to mid 2007.

— The private rented market has seen an increase in the availability of rental properties and this has placed a downward pressure on rents. Demand has increased as households come out of the mortgage market.

— Repossession amongst home owners peaked in 2008. Possession orders fell 15% and 24% in Portsmouth and Southampton County Court areas.

12.2 Despite the recession, completions in 2008–09 in South Hampshire were slightly up (by 4%) from the previous year. However, dwellings under construction and new starts have fallen substantially over the last three years, which suggests that completion figures for the next few years will be reduced significantly.

12.3 Broader market estimates are that it could take until 2016 for the market to recover the ground lost during the recession. There is likely to be a “lost five years” in terms of housing delivery meaning that housing targets set in the South East Plan which were originally intended to be achieved by 2026 will actually take until around 2031 to achieve. In so far as housing delivery is concerned this makes the emerging Regional Strategy something of an academic exercise as any higher targets over those currently set have little, if any, likelihood of being delivered. Certainly the National Housing and Planning Advice Unit (NHPAU) housing ranges which the South East England Partnership Board are required to test through the Regional Strategy preparation process bear no relation to what it will actually be possible to deliver over the next 20 years or so. More specific and quantified impacts of the recession on economic physical development “trajectories” in South Hampshire will be available following the outcome of the review of the evidence base and strategy referred to above.

12.4 Where sites are not being developed, this is often because of low demand or builders being unable to achieve a satisfactory profit margin rather than any intrinsic site constraint or shortcoming. The recession is similarly reducing the number of planning permissions being sought by developers.

12.5 One consequence of this is housebuilding is below the trajectory which each authority is required to produce based on its South East Plan housebuilding target. Government guidance (written in pre-recession buoyant housing markets) is that where future housebuilding is below trajectory additional housing should be made available by bringing additional forward sites.
12.6 In a situation of low demand, increasingly the focus on supply will not help and is an inappropriate action. Yet many planning inspectors feel that given the Government guidance they have no choice other than to grant appeals for such additional land. The result is an excess of land supply, giving developers the option of progressing the easy-to-develop Greenfield sites and leaving the more difficult to develop brownfield sites. PUSH asks the Select Committee to explore this issue and press Government to update its guidance to reflect current recession circumstances.

12.7 In terms of infrastructure, the South East Implementation Plan already indicates that there is an infrastructure deficit which needs to be addressed before the new development proposed in the South East Plan takes place. With the decreases in government funding which appear to be on the cards regardless of whichever political party is in Government in the future, things look bleak in terms of the delivery of new infrastructure, particularly when allied to a construction and development sector slowly emerging from a period of significant recession. The Community Infrastructure Levy and Tax Increment Financing may well prove able to bridge some of the gap but, as yet, they are unproven.

12.8 PUSH remains firm in its view that development must not proceed without appropriate provision being made for the infrastructure necessary to serve it—meaning that any absence of funding for infrastructure delivery will impact adversely on housing delivery.

13. What are the social and economic consequences of a shortage in housing supply in the South East?

13.1 The social consequences are enormous. As less and less market housing is provided, more call is made on subsidised affordable housing. However, a large proportion of affordable housing is now provided on the back of market housing schemes, so as a consequence, less affordable housing is provided. Whilst public funding through the Homes and Communities Agency has sustained levels of affordable housing delivery over the past 18 months to two years, this will reduce drastically as Government funding of the agency reduces.

13.2 This has knock-on effects in terms of overcrowding and homelessness and creates demand for social housing and homelessness, and consequent further problems for those already most disadvantaged in society.

13.3 The economic consequences are equally serious as firms cannot prosper and expand to any real degree in the absence of a pool of labour. If housing is not provided locally to house that labour pool (or to encourage people to move to where new jobs are being created) those firms will look to relocate elsewhere in the world where skilled labour is available (and probably at a lower cost) which all further exacerbates the impacts on the most disadvantaged groups in society.

13.4 Housing is a basic human necessity and if it is not provided at the right time and place and at a price people can afford and are willing to pay then the consequences are massive and widespread for the region.

14. What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

14.1 The Government Office for the South East has little, if any, real role in terms of providing housing in the South East. The Homes and Communities Agency has made a big difference over the past 18 months and will continue to have some influence in future but its impact will be much reduced as its budgets are likewise. All of which is a great concern in the absence of any proposed alternative of distributing public funding for affordable housing delivery. The Single Conversation between PUSH and the HCA will be critical to ensuring that PUSH priorities for funding are recognised by the HCA.

15. Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

15.1 The establishment of the Homes and Communities Agency has made a big difference in terms of fostering collaborative working across the region. It may have a fairly narrow remit but it seems able to see the big picture and its “single conversation” should be a way forward for housing delivery.

15.2 The risk is that public sector funding cuts will undo the good work that has been done by the Agency over the past 12 months and the various partners will revert to their silos and single issue considerations. All the joint working in the world will not have any impact on housing delivery if it is not backed by the necessary level and continuity of funding to facilitate that delivery and someone to drive it forward.

15.3 PUSH considers it to be very important that strategic land-use planning reflects functional economic areas (which in most cases are largely the same as housing market areas). This is to ensure that perverse effects are not created by administrative boundaries. How this is achieved can and should) vary from area to area according to local circumstances: in South Hampshire, the recognition of the need to work across functional economic areas on issues such as economic development, regeneration and strategic planning was the key driver behind the formation of PUSH.

27 January 2010
SUMMARY OF KEY POINTS

— Hampshire is well-placed to contribute to this debate as it has more than pulled its weight by consistently delivering against a very high housing target in recent years. Hampshire is also something of a microcosm of the region as a whole in its variety and the housing issues it faces.

— Housing development must be accompanied by the timely provision of accompanying infrastructure.

— Sight should not be lost of the wider picture and the supporting role housing delivery plays in the achievement of broader policy objectives, rather than housing delivery being seen as an outcome in its own right.

— It is a myth that new housing significantly reduces house prices.

— Housing distribution should take greater account of the substantial influence of London on generating housing demand and should be focused more on London’s immediate hinterland.

— There is no demonstrable need for large-scale new development in the countryside, which would be entirely unsustainable.

— There should be a closer connection between housing development and areas of employment.

— There needs to be a rebalancing of housing size and tenure back towards larger, more flexible and adaptable units of accommodation and away from inflexible flatted accommodation.

— The ageing population is a major policy issue which needs to be addressed in the round, and not just from a housing perspective.

— Energy efficiency in new build is already adequately addressed in existing policy and regulation. Attention should be focused on improving the existing stock.

— Greenbelt is a long-standing and successful planning policy tool that has encouraged the use of previously developed land and regeneration of towns and cities. There remains a role for a similar policy (Strategic Gaps) to operate at a more localised level.

— Even allowing for a dip in housing delivery, the targets in the emerging Regional Strategy are unrealistic.

— Companies looking to grow and expand may relocate unless the labour pool can be adequately housed in the local area.

— Joint working is important but this must also be accompanied by funding to make things happen.

— Shelter is a basic human necessity, and if it is not provided at the right time and place and at a price within people’s means, then the consequences are massive and widespread for the region.

1. INTRODUCTION

1.1 As a single county area Hampshire has one of the highest housing requirements in the South East region and has consistently met, and in recent years, exceeded its annual South East Plan housing target.

1.2 Housing completions have held up in Hampshire at a time when, in other parts of the South East, the onset of the credit crunch and broader economic recession have seen housing completions plummet.

1.3 Meanwhile investment in infrastructure has not kept pace with housing growth, with the result that crucial parts of Hampshire’s infrastructure are now overstretched.

1.4 Hampshire authorities have committed to deliver the scale and type of housing necessary to meet the needs of its indigenous population. They have also committed to take a share of the region’s growth through the Partnership for South Hampshire (PUSH) Growth Area designation and new Strategic Development Areas proposed in the PUSH area and elsewhere (including the growth area at Basingstoke and the Whitehill-Bordon Eco-Town).

1.5 Hampshire can also be regarded as “the South East in miniature”. Hampshire contains the full range of environments found in the region: the major cities of Portsmouth and Southampton, smaller industrial towns, old and new suburbs, market towns, small villages and rural areas. It contains developed and undeveloped coast, two major ports and large parts of the region’s two National Parks, together with a host of other environmental designations. Hampshire accounts for one fifth of the Region’s population and the same proportion of the South East Plan’s total housing provision.

1.6 Therefore Hampshire County Council is well placed and qualified to contribute to this Inquiry and is pleased to be invited to provide a response to the questions raised by the Committee below.
2. **How many new houses would be needed to support the economy and social needs of the South East?**

2.1 Housing provision on its own will not foster or maintain economic growth. It is important as part of the package of measures including the provision of employment opportunity, social and physical infrastructure and the protection and enhancement of all those environmental features that are important and unique about local areas. For too long policy, planning policy in particular, has been driven by the demographic “predict and provide” housing agenda. This discredited approach should be abandoned, and a better balance found between development necessary to support local communities and their quality of life.

2.2 In recent years, and despite the onset of the worst recession in living memory, the region has continued to meet and exceed its housing targets. Hampshire has played a significant role in this and continues to exceed its housing target at a time when other parts of the region (and, indeed, the country) are exhibiting a decline in house building. However, in so doing, both the region and Hampshire County Council have sought to ensure that this has been supported by the infrastructure and services necessary to ensure the maintenance of the balance between the three pillars of sustainable development.

2.3 It is those three pillars of sustainable development (economic, social and environmental) which should be considered when setting housing targets for the region; the pursuit of economic growth as an objective in its own right is a flawed and selective approach.

2.4 Looking in more detail at Hampshire, demographic projections show that only two-thirds of its current housing requirement (set out in the South East Plan) is actually needed to meet indigenously generated housing need. Around one-third is providing for wider regional needs and in-migration. As noted above, Hampshire is more than pulling its weight in terms of housing delivery. Now is the time for a fresh approach and a redistribution of housing across the region. Areas which have long accepted (and delivered) years of housing growth cannot be assumed as automatically capable of continuing to accept more housing on an indefinite basis.

2.5 The County Council would take this opportunity to debunk the popular myth that increasing the supply of new housing would significantly reduce house prices. House prices are determined by the interplay of aggregate demand and supply, of which new housing is only a small part. Most homes being offered for sale at any moment are second-hand properties: each year, less than 10% of all homes sold are newly built. Evidence presented to the South East Plan Examination-in-Public by the South East County Councils Leaders (which was not challenged at that public inquiry) was that even if the South East Plan’s housing provision were to be increased from the current 28,900 per annum then proposed to higher scenarios, it would only increase the total number on sale by 2 or 3%. It seems doubtful whether such a small increase in total supply would have much impact on prices.

2.6 This is borne out by the final report of Kate Barker’s Review of Housing Supply. Table 1.1 in that document calculates that increasing the rate of private sector house building nationwide by 56% would only reduce real house price increases from the trend average of 2.7% over the last 20 years to 1.8%. In short, prices would still rise in real terms, albeit possibly at a slightly slower rate, despite a 56% increase in housebuilding, which would be completely unprecedented and unsustainable.

3. **Where should these houses be built to satisfy housing needs in the most sustainable way?**

3.1 A key driver of the need for housing in the South East is the over-bearing dominance of London which clearly cannot house its workforce in full.

3.2 Migration patterns show that the greatest source of migrants into the south east region originate from London. In considering the most appropriate location for significant amounts of new housing, this London effect should not be under-estimated. New housing should be distributed in such a way that it is able to serve the demands of London in a more sustainable manner. London’s hinterland could and should play a greater role than more “peripheral” areas like Hampshire.

3.3 If additional growth does need to be accommodated more widely across the region then the most sustainable way of accommodating that housing should be to follow the current Planning Policy Statement 3 (PPS3) approach of focusing on existing settlements and built up areas. Whilst there may be a need for some development to be located in smaller, more rural settlements in order to maintain their vitality, the County Council does not consider there is any demonstrable need for large scale new development in the countryside or wholly new settlements. Such development would be entirely unsustainable.

3.4 There should be a closer relationship between areas of housing development and areas where employment is forecast to increase. This will help minimise additional trip generation and reduce the need for long commuting journeys by both road and rail.

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4. What types and tenure of new houses should be built? How many need to be “affordable”?  

4.1 Evidence from Strategic Housing Market Assessments (SHMAs) across the region demonstrate that the level of need for subsidised affordable housing experienced in the region is greater than the region’s overall housing target. In that regard, the simple answer to the second question is “all of them”. However, clearly, this level of need could never be satisfied which makes any sensible answer to this question a matter of political and policy judgement as much as being related to need.  

4.2 The key point is that the maximum level of affordable housing provision should be sought that can be achieved without compromising other policy objectives. Those other policy objectives would include the need not to compromise the delivery of market housing by rendering it unviable and so preventing any new housing being built. It would also include the need to create mixed and balanced communities which would not be achieved with very high levels of affordable housing delivery in localised areas.  

4.3 Innovative ways should be devised to maximise the resourcing of affordable housing. This could include a greater direct public sector involvement in the delivery and management of affordable housing in partnership with private sector companies and other partners and agencies. Similarly, a greater role for intermediate tenures should be encouraged. Expansion of the private rented sector and a simplification of the bureaucracy to facilitate greater take-up of the opportunity afforded by shared ownership should be encouraged, in order to allow a wider range of people to meet their own housing need rather than rely on public sector support.  

4.4 Housing policy in the recent past has very successfully changed the focus of new house building in the region from large detached houses to higher density dwellings. It is now widely accepted that this policy intervention is having undesirable effects and is no longer necessary or appropriate. There is a need for a more balanced portfolio of size and type of dwelling in new developments with a move back to larger, more flexible, family housing and away from small inflexible flatted accommodation. That is not to say we stop building flats altogether; simply that the balance needs to change.  

5. Is housing provided for older people in the South East fit for purpose?  

5.1 The ageing population is a demographic “time-bomb” which gives rise to a huge number of issues facing policymakers today. The housing aspect of the ageing population is, perhaps, the easiest aspect to address compared to the implications on economic activity, dependency, care, health and support services. Even with the latter it is not all about new build and ensuring that standards like LifeTime Homes are applied (which they will be anyway with the introduction of higher levels of the Code for Sustainable Homes through the Building Regulations in the near future). It is as much about creating a new type of housing product; maybe in a bespoke community in an accessible and welcoming part of town which is attractive to the elderly population and so might entice them out of their under-occupied large house and so keep the housing market moving.  

5.2 There needs to be a joined up approach within the public sector to the ageing of the population which, for example, links social and care services to rural transport provision to health provision as well as housing services. Even with the latter it is not all about new build and ensuring that standards like LifeTime Homes are applied (which they will be anyway with the introduction of higher levels of the Code for Sustainable Homes through the Building Regulations in the near future). It is as much about creating a new type of housing product; maybe in a bespoke community in an accessible and welcoming part of town which is attractive to the elderly population and so might entice them out of their under-occupied large house and so keep the housing market moving.  

5.3 Similarly there is a need within developments to move away from bedsit-type accommodation and to more flexible self-contained apartments with more than one bedroom. This will necessitate a re-modelling of the bulk of existing elderly accommodation. The key, however, is that this issue cannot be addressed by simply stipulating that new housing should conform to certain building or space standards. Nor can it be addressed by considering housing (whether new build or improving the existing elderly housing stock) in isolation from the other care and support services.  

6. Should all new homes meet the necessary energy efficiency requirements?  

6.1 All new homes do meet the necessary energy efficiency requirements. Those requirements are due to become ever stricter and more rigorous as increasing levels of the Code for Sustainable Homes are mandated through the Building Regulations up to 2016 when all new dwellings are required to be built to zero carbon standards. This is an extremely challenging target but one to which cost-effective solutions will undoubtedly be found as the requirements will be enshrined in regulation and so must be complied with.  

6.2 New homes built today and in the recent past are many times more energy efficient than houses built only 10 years ago. It is older properties— which in, say, 20 years time will still account for most of the housing stock—that need retrospective energy efficiency improvements. The big issue therefore, and one which is more difficult to address, is not new homes, but ensuring that the existing stock is upgraded to higher standards of energy efficiency. Allied to that is the need to educate citizens in the reasons for needing to reduce energy consumption in all aspects of their lives.
7. **What are the consequences of the increased number of multiple occupancy of houses in the South East?**

7.1 Houses in multiple occupation provide affordable homes although often of a poorer quality. They satisfy those who need economical accommodation at a certain stage in their life cycle, and may be more appropriate in cities and large urban areas. They can also be important in preventing these people from falling back on reliance on the public sector to house them. However, because of this, they do create their own unique problems, especially where there is a preponderance of houses in multiple occupation in a particular geographical area, for example studentification or a concentration of anti-social behaviour.

7.2 Policy makers need to be aware of, and learn the lessons from, elsewhere to avoid an over-dominance of houses in multiple occupation in any particular area in order to dilute and manage the problems which can accompany them. The tools available to local authorities to address this lie in both planning policy and enforcement and in licensing. Currently the definition of “houses in multiple occupation” under planning and housing legislation is different and this creates problems. Local authorities would like to see a common definition of this term.

8. **How is this affected by the enforcement of greenbelt area?**

8.1 Where Greenbelt is designated, it provides a vital role in preventing urban sprawl into the countryside. It also encourages the development and regeneration of existing urban centres as well as protecting the countryside from inappropriate development, retaining local character and identity and preventing the coalescence of settlements. This applies across the region.

8.2 There is a small area of Greenbelt designated in South West Hampshire. Elsewhere in the county, a similar planning tool—designated Strategic and Local Gaps—has long been used to maintain open land between settlements and thus protect their individual character. This Gaps policy was removed from the South East Plan by the Government—erroneously in our view. Gaps do not adversely affect the delivery of housing: they merely seek to influence its location and steer development towards existing sustainable settlements.

9. **Are the new houses being built creating “sustainable communities”, covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?**

9.1 One cannot “create” communities. Sustainable communities evolve over time. The roles buildings and places play over time change as people pass through them in response to the changing needs and aspirations of those people and society at large.

9.2 The key is to provide attractive and flexible buildings and environments that can serve a variety of purposes and change and evolve over time. And this must be supported by the timely provision of the infrastructure necessary to serve it—see our response to Question 11 below.

9.3 That said, there is a need to achieve a better balance in the type and size of new housing (see our response to Question 4 above). Local authorities now have the evidence and policy tools to bring about this change using information from their Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments to inform LDF policy. The same applies to affordability though, obviously there is the additional complication of viability/funding to be addressed. In terms of “eco-ratings”, this will be addressed through successively higher requirements of the Code for Sustainable Homes being introduced through the Building Regulations (see our response to Question 6 above).

10. **Why are we failing to meet targets for completion of new houses?**

10.1 In Hampshire and the South East we are not failing to meet targets. Housebuilding in Hampshire has exceeded the South East Plan’s annual building target every year recently. That said, housing delivery is likely to fall in the next few years as the effects of the recession are felt.

10.2 There are a variety of reasons why places fail to meet housing targets. One would be that people generally accept the need for housing as a basic human right but do not see any advantages to house building locally as, based on their assessment of the past, it only adds to the burden on existing communities without being accompanied by new infrastructure needed to cater for this increasing burden.

10.3 In addition, a more systematic plan-monitor-manage approach would allow flexibility in aligning with the natural economic cycle, and be more likely to prevent the housing market getting out of step with the wider economy.

10.4 Allied to this is the fact that in certain areas of infrastructure provision (for example telecoms, water and electricity) regulation is focused exclusively on price to the consumer, when the real issue is long-term investment planning of the kind that can support sustainable development. There is a conflict between different Government requirements that has contributed to strategic planning difficulties.

10.5 We need to start thinking about places and people and the interactions between them and the wider environment (including work, recreation, leisure, transport and so on, not just the natural environment) rather than considering housing in isolation. It is not possible to have a sensible discussion about housing
without considering the wider context in which housing sits. This was perhaps the biggest policy failing in last round of regional planning; namely that housing has been considered in isolation and policy makers have lost sight of the bigger picture.

11. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

11.1 Indications are that it could take until 2016 for land prices to recover the ground lost during the recession. In terms of housing delivery there is likely to be a marked dip followed by a prolonged catch-up, meaning that housing targets set in the South East Plan, which were intended to be achieved by 2026, will actually take until 2031 to be realised. This makes the emerging Regional Strategy something of an academic exercise as any higher targets over those currently set have little, if any, likelihood of being delivered. Certainly the National Housing and Planning Advice Unit (NHPAU) housing ranges which the South East England Partnership Board is required to test through the Regional Strategy preparation process bear no relation to what it will actually be possible to deliver over the next 20 years or so.

11.2 In terms of infrastructure, the South East Implementation Plan already indicates that there is an infrastructure deficit of £3.7 billion to 4.7 billion which needs to be addressed before the new development proposed in the South East Plan can be delivered. With the decreases in government funding which appear to be on the cards regardless of which political party is running the country in the future, things look bleak in terms of the delivery of new infrastructure. Particularly when allied to a construction and development sector slowly emerging from a period of significant recession. Tax Increment Financing may well prove able to bridge some of the gap but, as yet, it is unproven.

11.3 Hampshire County Council is clear that development must not proceed without appropriate provision being made for the infrastructure necessary to serve it; meaning that any absence of funding for infrastructure delivery will impact adversely on housing delivery. And indeed the County Council would prefer that some funding should precede or accompany any housebuilding. It is this mistake, many times repeated, that has resulted in the infrastructure deficit referred to above.

12. What are the social and economic consequences of a shortage in housing supply in the South East?

12.1 The social consequences are enormous, particularly for the availability of affordable housing. Historically in the South East, delivery of affordable housing has largely relied on quota-type planning obligations on private developers. As less market housing is provided, so less affordable housing is provided. Whilst public funding for affordable housing delivery through the Homes and Communities Agency has been protected in the last two years, this cannot be sustained in the current financial climate and we can therefore expect significant reductions in the numbers of affordable homes delivered.

12.2 This has knock-on effects in terms of overcrowding and homelessness and creates further problems for those already most disadvantaged in society. It also has implications for the continued delivery of public services and economic development in areas that are dependent on workers being available for lower-paid jobs in (for example) social care and health.

12.3 The economic consequences are equally serious as companies cannot prosper and expand to any real degree in the absence of a skilled pool of labour. If housing is not provided locally to house that labour pool (or to encourage people to move to where new jobs are being created) those firms will look to relocate elsewhere in the world where skilled labour is available (and probably at a lower cost) which all further exacerbates the impacts on the most disadvantaged groups in society.

12.4 Shelter is a basic human necessity, and if it is not provided at the right time and place and at a price that is within people’s means, then the consequences will be massive and widespread for the region.

13. What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

13.1 The Government Office for the South East has little, if any, direct role in terms of providing housing in the South East. The Homes and Communities Agency (HCA) has made some difference over the past 18 months in respect of investment in social and affordable housing.

14. Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

14.1 The HCA has been an improvement on the previous Regional Housing Board approach. Their “Single Conversation” has brought in a new multi-disciplinary, multi-authority, multi-level approach to area-based planning. Such joint working is to be welcomed; however, the County Council believes that to protect the integrity of a strategic planning approach the HCA should work as closely as possible with strategic authorities.

14.2 The real issue is the lack of connection between Government departments and agencies. The HCA has had some success in “joining them up” and getting a more focused conversation with local government. There is a risk that public sector funding cuts will undo this success, and that the various partners will revert
to their silos and single issue considerations. Joint working will not have any impact on housing delivery if it is not backed by the necessary level and continuity of funding to facilitate that delivery, and a clear lead agency to co-ordinate and drive it forward.

27 January 2010

Memorandum from Burgess Hill Town Council (SEH 36)

Burgess Hill Town Council welcomes this review as it believes the current housing targets for the South East are unreasonable and the system does not achieve the objective of producing sustainable communities. The fragmented approach of the Core Strategy, Small Scale Housing sites and SHLAA sites does not achieve a holistic planning framework. It would appear that the driver is housing numbers and not sustainable communities. The public perception is that the system is weighted in favour of the developer to which some of the inconsistent decisions of the Planning Inspectorate does not allay.

Please find below further comments for your consideration:

1. The focus and priority must be to create fully sustainable communities.
2. All new housing development must be fully integrated into one strategic plan as the present system of Core Strategy, Small Scale housing and SHLAA sites makes for piecemeal planning and reduce sustainability.
3. It is essential that all infrastructure requirements are fully funded by the development and deficits in infrastructure must be overcome as part of the development process.
4. There is a need for certainty in longer term structural policies so that the developers can invest in jointly developing schemes with the local authorities and work in partnership with the public sector. At present parts of the strategic planning process are too prescriptive.
5. There has been damage to communities and additional pressures on infrastructure by back garden developments and windfalls. There should be an avoidance of cramming urban areas for the sake of housing delivery targets. This reinforces the need for one overall strategic development plan.
6. There needs to be provision of housing for existing residents as new developments draw new people in but can displace younger residents.
7. A level of 40% affordable housing should be set as policy, not a desirable target.
8. The findings of the recent Mathew Taylor MP report should be incorporated into the review.

20 January 2010

Memorandum from Places for People (SEH 37)

**Executive Summary**

— Places for People is one of the largest property management and development companies in the UK, with over 61,000 homes either owned or managed in a mixture of different tenures. With over 2,000 employees, we are a unique organisation that provides a diverse range of products and services to build high-quality, safe and sustainable communities. We are active in 230 local authorities.

— We feel that the current economic recession has had a strong impact on the failure to deliver housing targets in the South East. It has also exposed fundamental weaknesses in the way housing is funded in the UK, and we advocate changing from social housing grant, which is focused on the production of affordable housing only, to gap and equity funding, focused on producing mixed-income communities, as well as private investment.

— Affordable housing is no longer confined to “social” housing, and a sustainable supply of homes in a range of tenures, including intermediate sale and rent, is vital in the South East. Failure to do so could have a real impact on the region’s economic prosperity.

— It is crucial that new communities are environmentally sustainable, mixed-tenure and mixed-income. This is at the core of Places for People’s approach and we have demonstrated this in places such as Wolverton Park in Milton Keynes.

— Energy efficiency is vital but standards should not jeopardise the financial viability of schemes, and it should be recognised that householders need appropriate information in order to maximise the performance of their home.

— As the population is ageing, we feel it is essential that new homes have a degree of adaptability built in which will allow the homes to be adapted to changing needs and lifestyles. This, as well as the provision of at-home care services, will enable people to live independently for longer.
RESPONSE TO THE INQUIRY QUESTIONS

1. How many new houses would be needed to support the economy and social needs of the South East?

1.1 Places for People feels that the work undertaken by the regional planning body to assess locality housing supply is as robust a measure as any. However, the negotiation process between the regional planning body and local authorities often results in an under-provision of homes, both in comparison to locally assessed need via the Strategic Housing Market Assessment (SHMA) and perceived aspiration.

1.2 We would therefore suggest that a percentage increase (perhaps of around 5%) should be applied to the overall target to overcome losses through local political intransigence.

2. Where should these houses be built to satisfy housing needs in the most sustainable way?

2.1 As the main drivers that inform people’s choice of location are social ties, employment prospects, amenity, cost and accessibility, we feel that additional housing need is generally best met in extensions to existing settlements. Access to sustainable forms of transport may well become crucial. Some parts of the region (eg around Hastings and in parts of Surrey) are less well served with transport and may be best left for ad-hoc lifestyle housing development rather than significant development around transport corridors and hubs.

3. What types and tenure of new houses should be built?

3.1 How many need to be “affordable”?

3.1.1 We feel that the drive for homeownership can be overemphasised and that a robust and flexible rented market should continue to be encouraged. In our view, affordable housing quotas should continue to be responsive to locality housing need in the application of local planning policy and fall in the range of 20%–40%.

3.1.2 Places for People also feels strongly that “affordable” housing no longer applies merely to fully subsidised homes (“social” housing). Affordability levels are set to be just as tight as before the 2008 crash, due to the combination of a continued gap between demand and supply, as well as a drop in personal disposable incomes as tax and National Insurance rise. Higher deposits and lower mortgage availability will also have an impact. The South East, along with London, is particularly prone to these affordability issues, and many people except those on the highest incomes will need access to subsidised housing. We are therefore strong advocates of housing provision in a range of intermediate tenures, including affordable sale and rent.

3.1.3 Places for People is continually working to develop new products and services to improve access to housing. Recent examples include Renting to Owning, which allows tenants in affordable rented homes to buy their home with a mortgage of only 60 or 70% of its value with an equity loan on the remaining amount, and Try before you Buy, which allows people to convert their rent into a deposit should they wish to purchase their home.

3.2 Is housing provided for older people in the South East fit for purpose?

3.2.1 Many older people are owner-occupiers and would prefer to remain in their homes as long as they can. As the population is ageing, we feel that it will become more important to ensure that new homes are adaptable for changing needs and lifestyles. In order to enable people to live independently for as long as possible, at-home care provision will also become increasingly important.

3.2.2 Places for People has a long track record of providing homes and services for older people, including cutting-edge Assistive Technology solutions which are built into new homes or installed into existing ones. In this, flexibility is paramount as care standards change as well as people’s individual needs.

3.3 Should all new homes meet the necessary energy efficiency requirements?

3.3.1 Places for People feels that all homes should meet minimum energy efficiency criteria. However, some discussion is needed over how these are set. Setting unachievable standards damages confidence the financial viability of schemes should not be jeopardised as a result of energy efficiency targets. With regards to the Code for Sustainable Homes (CSH) in particular, there is a danger that Code Level 6 will not be achievable by 2016 if the rate of current progress is maintained. We also feel that essentially, Code Level 6 is not achievable without the use of off-site renewable energy.

3.3.2 We are also concerned that whilst a developer can build in advanced technologies to ensure energy efficiency, they cannot ultimately control the behaviour of the household. It is important to acknowledge that measures have to work for ordinary householders, and that people will need to be informed appropriately about how to maximise the performance of their home both now and in the future (eg if they should choose to adapt it to suit lifestyle changes). Places for People carried out an innovative pilot scheme at Whitechapel near Preston, where we retro-fitted five ordinary bungalows with practical technologies to reduce energy consumption by 74%. Further details can be found on our website: http://www.placesforpeople.co.uk/pdf/Whitechapel_twentyFifty_Report.pdf. Schemes like Whitechapel show that these measures can work very effectively if they are financially viable and user-friendly.
4. What are the consequences of the increased number of multiple occupancy houses in the South East?

Without effective estate management, there is the potential for a breakdown in neighbourhood integrity with large concentrations of homes in multiple occupancy (HMOs). However, we recognise that HMOs provide a cost-effective source of housing for a large proportion of the population.

4.1 What effect does this have on the ageing housing stock in historic areas?

4.1.1 HMO landlords often target housing nearing the end of its economic life, i.e., large houses in relatively poor condition which are easy to sub-divide into flats or bed-sits. The increased intensity of use for these buildings can result in antisocial behaviour such as noise nuisance and refuse, as well as high maintenance requirements. Coupled with low investment and largely inadequate enforcement, this can lead to neighbour nuisance and accelerated displacement of established communities. HMOs can exacerbate the decline of these communities.

5. Are the new houses being built creating "sustainable communities", covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

5.1 Places for People feels strongly that new communities need to be sustainable. Our approach is based on long-term management and investment, and we create mixed-tenure and mixed-income communities. A good example of our approach is Wolverton Park in Milton Keynes, a historic railway site that has been redeveloped by Places for People to provide 300 new homes alongside shops, restaurants and bars. Wolverton Park has a “Very Good” EcoHomes rating and was recently awarded with a What House? award for Best Mixed-Use Development. More information can be found on http://www.wolvertonpark.co.uk/.

6. Why are we failing to meet targets for completion of new houses?

6.1 We feel that the failure to deliver enough new homes is due to a number of factors, including not least the current economic climate which has had a far-reaching impact on housing supply across the country. Other contributing factors include delays in the planning system, political uncertainty (at both a local and national level) and future resource rationing. A lack of affordable finance for purchasers, as well as expensive borrowing for developers, is also a significant contributor.

6.2 Places for People believes that the current recession has exposed fundamental weaknesses in the way affordable housing is funded in the UK. The change we advocate in the funding system for affordable housing relates in particular to changing from social housing grant, which is focused on the production of affordable housing only, to gap and equity funding, focused on producing mixed-income communities, as well as private investment.

6.3 Places for People is exploring several models which would encourage private investment, such as the creation of a Residential Property Trust into which long-term institutional investors would invest equity. Builders would then contribute land and/or unsold stock in return for an immediate, below-market value payment. The fund would be underwritten by an initial rent guarantee from the Government, mainly for the affordable housing elements of the scheme. Places for People would develop homes in a variety of tenures including market rent, intermediate rent, outright sale, affordable homeownership and social rent. The sales and rental income generated by the fund would provide a return for the fund’s investors as well as repaying any interest on debt financing.

6.4 Whilst the model briefly outlined above would work particularly well in London, there is some scope to explore similar models in the South East, where affordability levels are set to be similarly stretched. We feel that new funding models are essential to ensure a sustainable supply of housing that meets both current and future demand.

7. What impact will the recession have on the provision of housing, and the associated infrastructure, in the South East?

7.1 As stated above, we feel the recession has had a far-reaching impact on housing delivery in the South East as well as the rest of the UK.

7.2 We are also concerned that the “new” construction skills and production capacity required to deliver environmentally sustainable housing are not available in sufficient quantity to achieve sustainability targets at present. The slow-down in the construction sector means that training of existing workers, as well as investment in new capacity, will be delayed. This is putting further pressure on achieving sustainability targets.

7.3 Places for People believes that one way Government can help stimulate housing development is by investing in new infrastructure, which can be just as effective as housing grant.
8. What are the social and economic consequences of a shortage in housing supply in the South East?

8.1 The long-term consequences of a shortage in housing supply, and especially in the supply of affordable homes, are significant. A mixed supply of homes is crucial in retaining and attracting a diverse workforce, and a failure to do so could result in employers moving elsewhere, which would have a significant impact on the region’s economic prosperity.

8.2 A large proportion of the housing in the South East is along the coastal strip and significant changes to sea level over the next century could have a rather more devastating effect on regional housing demand if there is a migration inland. We feel that scenario modelling should factor in the location of future growth areas, to assure reasonable longevity of stock.

9. What are the roles of regional bodies, such as the Government Office for the South East and the Homes and Communities Agency, in providing housing in the South East?

9.1 Currently a significant amount of new homes are delivered by the private sector in types, values and places of its choosing. However regional and national bodies can play a crucial part especially in supporting the supply of affordable homes, as we have outlined above.

10. Are the governance and partnership relationships between central government, regional agencies, local government, neighbouring regions and the private sector working effectively to deliver housing in the South East?

10.1 The introduction of Strategic Housing Market Assessments (SHMAs) has helped to focus on larger market units, which has encouraged greater strategic coordination in the region and the delivery of common housing targets. Resource allocation through the Single Conversation, coupled with changes in the planning regime, should further help to deliver overarching strategic aims.

10.2 We also feel that the Homes and Communities Agency is in a strong position to use its collective resources to target new provision and equalise housing provision across the region.

APPENDIX 1

ABOUT PLACES FOR PEOPLE

Places for People is one of the largest property development and management companies in the UK, with more than 61,000 homes either owned or managed in a mixture of different tenures. With over 2,000 employees, it is a unique organisation that provides a diverse range of products and services to build quality, safe and sustainable communities. Places for People is active in 230 local authorities.

Places for People regards itself as a housing and regeneration organisation that puts people first. We provide solutions that not only cover a range of different housing tenures but also offer a range of support services including affordable childcare, elderly care and financial services—all the things that contribute to making neighbourhoods of choice; prosperous, popular and truly sustainable.

Places for People currently has 40,036 affordable rented properties, 5,104 properties available for market rent and 9,604 properties where we retain a freehold stake as part of either shared ownership or “right to buy” arrangements in a number of developments throughout the UK.

Our portfolio is designed to “Create neighbourhoods of choice for all” and covers the following broad mix of products:

— Places for People Neighbourhoods—investment, regeneration and placemaking.
— Places for People Homes—neighbourhood and property management.
— Places for People Individual Support—support for independent living.
— Places for People Property Services—in-house maintenance services.
— Places for People Development—master planning and building new developments.
— Places for People Financial Services—financial products for customers.
— Places for Children—early years childcare.
— Emblem Homes and Blueroom Properties—homes for sale and rent.

We want all our neighbourhoods to be places where people are proud to live. To do this, our developments need a mix of homes, easy access to shops, schools, healthcare and leisure activities, safe public spaces, good transport links and job opportunities.

When we create new places for people to live we plan a mix of tenures and house types designed for communities that have people from different social backgrounds. All of our homes whether for sale or for rent are designed and built to the same high standards with the same specification, making different tenures indistinguishable.

1 February 2010
The Homes and Communities Agency (HCA)

1.1 The HCA is the housing and regeneration delivery agency for England, and was established in December 2009. It combines the functions of English Partnerships and the Housing Corporation; various Communities and Local Government programmes including Growth Areas/Points, Decent Homes, ALMOs, PFI and Gypsies & Travellers, and incorporates the Academy for Sustainable Communities providing skills and training to support the creation of high quality sustainable places.

1.2 The HCA’s vision is to create opportunities for people and places:

— for people, a home they can afford and a place they want to live in; and
— for places, fulfilling local needs, aspirations and ambitions

1.3 The HCA’s objective is the delivery of national targets and the achievement of local ambitions for areas and places. This is done through harnessing the resources of the public, private and voluntary sectors to provide a single focus in helping communities to thrive.

1.4 The HCA South East team works with a wide range of partners, including: regional organisations and agencies, sub-regional partnerships, Local Authorities, developers, and affordable housing providers. The HCA South East’s programmes are summarised in the appendix.

2. Housing Supply

How many new houses would be needed to support the economy and the social needs of the South East?

2.1 The amount of new housing to be built in the South East has been the subject of much debate before, during, and after the approval of the South East Plan. The HCA focus is on helping to deliver the provisions of the Plan.

2.2 The South East Plan identifies a requirement for 32,700 new homes per year on average, of which 35% (11,600 homes) should be affordable, either for rent or intermediate tenures. There are significant sections of society in the region for whom housing is not affordable or accessible, but who contribute to the region’s
2.3 The social consequences of a lack of suitable housing include links to poor health, lower educational attainment and less opportunity generally. Access to housing is critical to achieving social inclusion and sustainable diverse communities.

2.4 The HCA South East expects to exceed the Government’s programme target of 10,000 affordable homes in the South East for 2009–10, despite a very difficult economic and market environment. The programme target is below the South East Plan target of 11,600 affordable homes. By far the greater proportion will be new homes which are additional to stock, but it does include a small proportion existing properties, through its Open Market Homebuy programme. The latest figures exceed the 8,000 affordable homes delivered in 2007–08 under the former Housing Corporation’s programmes. There is progress is the right direction, but to reach South East Plan levels was expected to be a gradual process.

2.5 Housing provision overall, including affordable housing provision, has been affected by the economic downturn, where development in many locations has become unviable and access to funding for development and house purchase has been severely limited. In recent months we have seen stability return to the housing market, but output remains at low levels. A significant proportion of affordable homes would have been delivered previously through Section 106 planning obligations linked to market housing development; but, this has now been offset by increased direct development by housing associations.

2.6 At its inception at the onset of the “credit crunch” the HCA South East took active steps to respond swiftly to provide market support, and also to seek to diversify the supply of new housing. This includes:

- National Affordable Homes Programme: flexing grant levels and payments to stabilise the market and enable development to proceed.
- Kickstart Programme: developed and piloted in the region to support development which was close to market but required lending, equity or gap funding.
- Low Carbon Challenge: funding low carbon infrastructure, such as district heating.
- Local Authority New Build: supporting Local Authorities to bring forward housing sites.
- Public Land Initiative: bringing forward land in public ownership for housing development and working with a broader range of developers, including introducing major contractors from outside the housing market.
- Private Rented Sector: working with housebuilders and financial institutions to re-establish an institutional investment market for rented housing.

3. LOCATION OF NEW HOMES

Where should these houses be built to satisfy needs in the most sustainable way?

3.1 The South East Plan divides the regional housing target into allocations for sub-regions and for individual Local Authorities. The HCA affordable homes programme seeks to ensure a close alignment with the sub-regional allocations.

3.2 Working at a sub-regional level allows flexibility in the availability and deliverability of sites where housing markets and solutions may not always follow Local Authority boundaries.

3.3 The Agency works closely with the Government Office for the South East, and Local Authorities who set the sustainable framework through their Core Strategies and Local Development Frameworks. These are supported by the Strategic Housing Land Availability Assessments and complement the needs and priorities of their areas as identified in Local Area Agreements, Multi-Area Agreements, Strategic Housing Market Assessments, and other policy statements.

3.4 The Agency also works closely with Central Government in the delivery of housing through the Growth Areas programme (3 Growth Areas and 9 Growth Points) as well as addressing wider regional issues such as rural housing, coastal towns and estate regeneration.

3.5 The Agency attaches importance to sustainability both at the strategic and the project level. The HCA’s Quality Standards provide the (minimum) standards required for funding and development of its sites (such as Level 3 for the Code for Sustainable Homes, Building for Life and Lifetime Homes) that will create homes and places where people will want to live, but also in ensuring that housing is developed
alongside other key infrastructure, health, educational, employment and community facilities to create sustainable places. Importantly, the Agency seeks to promote higher levels of sustainability where appropriate, and supports schemes achieving Levels 4–6 for the Code for Sustainable Homes, and net zero-carbon developments.

4. **Type and Tenure of Homes**

*What types of tenure of new houses should be built?*

4.1 The South East Plan divides the 35% affordable housing requirement in the proportions of 71% for rent (8,300 homes) and 29% (3,300 homes) for intermediate tenures which include shared ownership, shared equity and intermediate rent.

4.2 The HCA South East seeks to align its programmes with this apportionment. For 2009–10 the forecast is 65% rent: 35% intermediate in the provision of new homes, compared with 60%:40% in 2007–08. The South East Plan target has been more difficult in the recent economic circumstances, because there has needed to be an increase in shared ownership programming (Homebuy Direct) in response to the volume of unsold open market properties.

4.3 Affordability, the ability to access housing on the open market, is defined in different ways. Households which cannot purchase on the open market may afford one of the low cost home ownership (shared equity) products available. There are other households whose income or circumstances make home ownership impractical, so renting is the only option, at various rental levels: market, intermediate or social. Individuals housing choices and economic circumstances may change over time, and so there is also the need for a range of choices and flexibility to change tenures.

4.4 The HCA supports the range of affordable tenures, as well as the flexibility to change tenures, for example through its Rent to Homebuy product. The HCA is also promoting through its Private Rented Sector Initiative, institutional investment in the private rented market to offer an alternative to affordable social housing.

*Is housing provided for older persons in the South East fit for purpose?*

4.5 Tenure requirements at a sub-regional or local level need to be determined locally. The HCA, through its engagement with sub-regions and local authorities, is keen to ensure that mixed tenure, mixed income communities are created to enable places to be sustainable. This includes the provision of housing for elderly persons and for vulnerable households where there is a minimum target for HCA investment of 5% in the region.

4.6 All newbuild homes funded by the HCA are required to meet the Code for Sustainable Homes Level 3 as a minimum, in addition to the minimum Building for Life criteria. We are also working with housing providers to increase the provision of Lifetime Homes to reflect the longer term needs of households and an ageing population.

*Should all new homes meet the energy efficiency targets?*

4.7 Improving the existing housing stock is also important. HCA was given the responsibility for oversight of the Decent Homes programme, where over 90% of homes covered are forecast to meet the minimum standards by 2012. The agency also secured new funding from Government to assist reduction in carbon emissions and improve the energy efficiency. Over £4 million through the Low Carbon Infrastructure programme has been provided to enable developments in Southampton and Gosport to proceed using improved heating and power systems through combined heat and power. In addition, over 2,500 homes in the South East will benefit from improved cavity wall insulation to reduce energy consumption.

*What are the consequences of the increased number of multiple occupancy of houses in the South East?*

4.8 Homes in multiple occupation (HMOs) provide some of the cheapest accommodation for those on low income or Housing Benefit. The problems may arise where the properties are poorly maintained and where the increase in HMO’s may result in a concentration of economic and social problems that can undermine the diversity and viability of local communities. This is evidenced for example in some of the region’s coastal towns. HCA is working with Local Authorities to develop an holistic approach to regeneration and redressing market failure in these areas.

*How is this affected by the enforcement of greenbelt areas?*

4.9 The HCA has not seen evidence that there is a direct link between HMOs and the enforcement of Green Belt areas.
What effect does this have on the aging housing stock in historic areas?

4.10 The sub-division of older properties, or conversion of hotel and boarding houses in historic areas for HMO’s can lead to a concentration of poorly maintained properties and a focus for social and economic problems which undermine the sustainability of local areas and communities. This is the experience in some of the region’s coastal towns.

5. Delivery of Sustainable Communities

Are the new houses built creating sustainable communities; covering issues including affordability, eco-ratings, mix of housing types, and whether adequate social and environmental infrastructure is being provided?

5.1 The HCA Quality Standards are a condition of funding for most of the agency’s programmes and set requirements for affordability, eco-ratings and as well as making provision for social and environmental infrastructure. These standards are often higher than those for market housing.

5.2 The agency seeks continuous improvement in standards. For example, since the introduction of the Code for Sustainable Homes in April 2008 we have funded an increasing proportion of homes that go beyond the minimum requirement of Level 3, to Level 4 and above. Almost 5% of homes funded (over 500 homes) meet at least Code Level 4.

5.3 We support exemplar projects and organisations across the region to develop and apply good practice. For example, Greenoak Housing Association has shown for some years the high environmental standards that can be achieved in rural areas, and the Greylingwell project (over 800 homes) in Chichester with housebuilders Galliford-Try exemplifies the use of zero carbon technology.

5.4 Successful sustainable communities require appropriate social and environmental infrastructure. This is particularly relevant for the key areas of growth in the region where new communities are being created, and for other large sites across the region. For example the agency supported Rushmoor Council in developing the adopted Supplementary Planning Guidance for Aldershot Urban Extension for the re-development of the surplus military estate to provide over 4,500 new homes, including social and environmental infrastructure.

5.5 The recent economic downturn has put pressure on development viability, planning requirements and Section 106 negotiations to fund infrastructure and other priorities whilst still providing sufficient levels of housing, and affordable housing in particular.

6. Delivery of New Homes

Why are we failing to meet the targets for completion of new houses?

6.1 The HCA is meeting the Government’s principal funding targets for its affordable homes programme. The South East region overall is not meeting the targets set in the South East Plan. The failure to meet the target may be attributed to a range of factors, which are interlinked:

— There are significant housing growth and development pressures across most of the region and these are resisted in many areas, although the debate on these issues has become more balanced.

— Growth places additional pressure on infrastructure, and capacity and funding for new investment is limited.

— Greater sensitivity to environmental and planning needs and increased complexity in regulation.

— Some Local Authorities do not have the capacity to meet the increasing demands and complexity of the planning system.

— The quality of design and construction of new homes has been poor in some cases.

— Land supply for development has been constrained as a consequence of the above factors.

The agency has worked with Local Authorities to assist with technical support and funding for infrastructure.

6.2 The constraints on housing delivery overall in the region are also exhibited in areas of particular need, for example in rural areas. In the order of a third of the region’s population is in areas designated as rural, and the pattern of affordable rural housing delivery is mixed. In some areas, such as Oxfordshire, significant numbers of rural affordable homes continue to be provided, but overall the performance is weak, with higher costs and limited economies of scale associated with rural housing.
What impact will the recession have on the provision of housing and the associated infrastructure in the South East?

6.3 The economic downturn and banking crisis have resulted in a significant reduction in the capacity of the housebuilding industry, and the availability of mortgage and development finance which will reduce housing supply and completions.

6.4 The recession will also have a significant impact on the availability of public finance, including funding for affordable homes and supporting infrastructure. This will require the agency to continue to pursue innovation in bringing a wider range of developers into the housing market and a broader range of funding including private sector investment to support more diversity in housing choice and delivery.

What are the social and economic consequences of a shortage of housing supply in the South East?

6.5 The scale of the requirement for housing growth in the region gives an indication of the significant social and economic consequences. First the shortage of housing supply impacts on those sections of society who would normally expect to access market housing, but are unable to do so creating potential increased pressure on affordable and social housing. An example is first time buyers who would have been able to access the market with a mortgage. The reduction in mortgage availability linked to a shortage of housing supply will reduce their ability to find a home. The economic consequences are significant unemployment in the sector, a loss of capital and skills, and in the wider economy the shortage of housing will impact on labour supply and mobility for individuals and employers.

6.6 A reduction in housing supply will also impact on those seeking social housing, as in the past much of this housing has been supplied, and subsidised by market housing through planning obligations. Poor or inadequate housing impacts on educational attainment, health and choices and opportunities generally. Overcrowding and lack of affordability and choice will in turn increase homelessness and attendant social problems.

7. Regional Bodies, Governance and Relationships

What are the roles of the regional bodies, such as the Government Office for the South East and the Homes and Communities Agency in providing housing in the South East?

7.1 The Government Office is responsible for overseeing the development planning system and the linkage between Regional and Local Plans and Central Government and the effective planning for housing delivery across the region. The efficiency and effectiveness of the planning system is an important factor in the delivery of housing in the region.

7.2 The HCA’s role is to work with our partners to improve the choice and affordability of homes across the South East, and to enhance people’s quality of life in our towns, cities and rural communities. This is achieved through delivery of our programmes which include the National Affordable Homes, Property and Regeneration, and Growth Areas/Points, Thames Gateway, Decent Homes, ALMOs, PFI and Gypsies & Travellers, together with skills and training through the Academy for Sustainable Communities.

7.3 The agency works closely with partners at the regional and local level. At the regional level we are engaged with the South East Leaders Board and the Regional Hosing and Regeneration Board, as well as with GOSE and South East Regional Development Agency. The agency will have a role in the development of the Regional Strategy, as a key delivery agency. The agency is part of the major sub-regional partnerships such as Thames Gateway, Partnership for Urban South Hampshire, Ashford’s Future and Aylesbury Vantage. We have a continuing engagement with County, Unitary and District Councils across the region, together with leading developers and housing associations. We are also working with SEEDA to create a joint venture to bring forward their portfolio of sites.

Are the governance and partnership relationships between Central Government, regional agencies, local government, neighbouring regions, and the private sector working effectively to deliver housing in the South East?

7.4 The HCA seeks an open and effective engagement with all partners engaged in the delivery of housing in the region. The regional team has regular engagement with all its major stakeholders including central and local government, the affordable housing sector and the private sector. It also works across regional boundaries, particularly with neighbouring regions to seek to ensure effective operation.

7.5 When the agency was established it set up the Single Conversation as its principal business model, which is an area based framework for agreeing priorities and investment with Local Authorities and other partners. Sixteen Single Conversation areas have been agreed covering the South East, arranged on Local Authority partnerships. Three Single Conversation pilots are due to complete their Local Investment Agreements later this year, and the remaining areas will be completed over the next eighteen months.
HOMES AND COMMUNITIES AGENCY SOUTH EAST PROGRAMMES

The table is for the years of 2008–09 and 2009–10. Budgets for each programme for the third year of the 2008–11 are yet to be finalised. The HCA’s budget for 2010–11 is expected to be lower than 2009–10 because funding was brought forward to stimulate the housing market and maintain activity in the construction industry, and this is also in the context of general reductions in public expenditure.

SUMMARY OF THE HCA’s PROGRAMMES FOR 2008–09 AND 2009–10

<table>
<thead>
<tr>
<th>Programme</th>
<th>2008–09</th>
<th>2009–10</th>
<th>Total</th>
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<tbody>
<tr>
<td>National Affordable Housing Programme (NAHP)</td>
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<tr>
<td>Expenditure</td>
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<td>£561.8m</td>
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<td>Completions</td>
<td>9,633</td>
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<td>Rent</td>
<td>5,019</td>
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<td>Intermediate</td>
<td>4,614</td>
<td>4,773</td>
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<td>Starts on Site</td>
<td>6,619</td>
<td>7,626</td>
<td>14,245</td>
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<td>Rent</td>
<td>4,681</td>
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<td>500</td>
<td>1,000</td>
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<td>Rural completions—settlements between 3,000 and 10,000 population</td>
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<td>Larger homes funding (rent):</td>
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<td>% total affordable</td>
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<td>15%</td>
<td>15%</td>
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<tr>
<td>Housing for vulnerable/older persons:</td>
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<td>min 5%</td>
<td>min 5%</td>
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<tr>
<td>% total affordable</td>
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<td>Housing Pledge Funding</td>
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<td>Local Authority Newbuild: total to 2012</td>
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<td>Property &amp; Regeneration Programme</td>
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<td>Brownfield land reclaimed (hectares)</td>
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<td>Other Programmes</td>
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<td>Community Infrastructure Fund</td>
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<td>Low Carbon Infrastructure</td>
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<td>£4.3m</td>
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<td>Places of Change</td>
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<td>£5.8m</td>
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<td>Decent Homes (ALMOs)</td>
<td>£22.4m</td>
<td>£29.4m</td>
<td>£51.8m</td>
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</table>

1 February 2010

Supplementary memorandum from the Campaign to Protect Rural England (SEH 39)

SOUTH EAST ENGLAND PARTNERSHIP BOARD ANNUAL MONITORING REPORTS

The main purpose of these reports is to monitor the implementation of the policies and objectives in the Regional Strategy and to assess their effectiveness.

ANNUAL MONITORING REPORT 2009

The 2009 monitoring report for the South East region is called the Annual Monitoring Report 2009, or AMR 2009. It was submitted to the Government on 26 February 2010.

This is the eighth monitoring report the South East has produced and will be the last to monitor the South East Plan independently of the Regional Economic Strategy. From 2011, the region’s annual monitoring report will cover both documents.

The AMR 2009 is divided into two sections: a statistical Data Report and an analytical Policy Report. Introducing both is an Executive Summary.
Regional Monitoring Report 2008

This is the seventh annual regional monitoring report (RMR). It was submitted to Government on 31 March 2009.

For the first time, the RMR monitors the proposed changes to the South East Plan (the Plan) and no longer relates to Regional Planning Guidance 9. The RMR also provides data necessary to monitor the Regional Sustainability Framework (RSF). Also for the first time, the data and policy elements have been produced as separate documents.

Executive Summary

Data Report

Policy Report

Housing Provision and Managed Delivery: There were 32,300 housing completions in 2008–09. This is 8.7% fewer than last year, when 35,400 homes were completed. The figures confirm that 2007–08 marked the highest level of delivery in the South East since the 1980s. The average over the last five years is 33,500. Whilst being 1% lower than the annual average level of provision planned for in the Plan (32,700) and below the number built in 2007–08 this is still a reasonable figure to achieve in a period experiencing an economic downturn.

24 March 2010