

Department for Communities and Local Government

Housing Green Paper - *Homes for the future: more affordable, more sustainable*

Submission by the Joseph Rowntree Foundation

October 2007

The Joseph Rowntree Foundation (JRF) is delighted to submit the following submission to the department's consultation on the housing Green Paper. We would be happy to supply any further information as required.

Contact:

Roger Harding
Senior Policy and Public Affairs Manager
Caledonia House
5th Floor
223 Pentonville Road
London, N1 9NG
Roger.harding@jrf.org.uk
Tel: 020 7833 2997

About the JRF

The Joseph Rowntree Foundation (JRF) is one of the largest social policy research and development charities in the UK. It supports a research and development programme that seeks to understand the causes of social difficulties and explore ways of overcoming them. This is combined with extensive practical experience of housing and care provision through the Joseph Rowntree Housing Trust (JRHT). We are a strictly apolitical organisation. Our research is made freely available to all through our website (www.jrf.org.uk).

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Attached Documents:

Attached Paper 1 – Planning

New research and analysis on planning gain agreements and charges

Attached Paper 2 – Shared Equity

The Future of Shared Equity Seminar – Discussion Summary

Introduction

The JRF would firstly like to welcome the government's renewed focus on housing and particularly the supply of affordable housing for rent and sale. JRF research has highlighted that housing supply has not been responsive to rising demand and that this has had the effect of rising social housing waiting lists, overcrowding and un-affordability for first-time buyers.

The green paper focuses very much on the issue of supply, and therefore so does the JRF submission below – including some specially commissioned updates to previous JRF work on planning gain agreements and charges. However, not all supply is good supply and it is important that quality of housing and social sustainability is not jeopardised by the need for more homes. Therefore the submission below highlights a number of areas that need continual consideration in this debate, like mixed communities, public spaces, lifetime homes and halting any rise in wealth inequality. Much of the non-planning/supply based work mentioned below has been fed into the department at various stages over the last year, but is summarised and sign-posted to here to help maintain its consideration.

The JRF understands that further details about the department's housing and planning reforms will be announced throughout the rest of the year and we would welcome further opportunities to comment on these – particularly where specific policy details might allow submissions from more specific parts of our research and policy development back catalogue.

Housing supply and planning gain agreements and charges

As is mentioned above, the JRF specially commissioned a team of academics from Cambridge and Sheffield Universities to update previous JRF research on Section 106 (S106) Agreements through interviews with Local Authorities. This piece also comments on the previous JRF research in light of the recent announcements on the options for planning gain reform, both in the Green Paper and the Comprehensive Spending Review 2007 (CSR 07). It therefore covers the following areas:

- New evidence on the working of current S106 Agreements;
- funding issues;
- mixed tenure outcomes;
- the relationship between S106 Agreements and other planning obligations;
- land availability;
- Planning Delivery Grant;
- Governance; and,
- the implications from these for planning gain reform.

Please find this update attached to the submission.

In addition to this paper, the following areas below on the supply of public land, location and densities, mixed communities and public spaces should be considered regarding overall housing supply.

The supply of public land

The JRF welcomes the number of reforms mentioned in the Green Paper to ensure that surplus public sector land is used to deliver further affordable housing. Many of these were highlighted in the JRF funded TCPA (together with Entec) report on this issue (TCPA, 2007).

The JRF supports the increase of the target to deliver 200,000 new homes on surplus public sector land by 2016, up from 130,000; the reconvening of the Surplus Public Sector Land Taskforce; and, desire that all disposals of land are in accordance with government house building aims. However, there are two areas where the JRF would urge the department to give further consideration.

While the extension of the Register of Surplus Public Sector Land to give details of land for disposal to cover all Central Government Departments and organisations, such as NHS Trusts, is to be welcomed, this could potentially go further. One of the barriers JRF research highlighted to the use of more surplus public land was the lack of consolidated information available to potential developers. It is therefore asked that the department consider merging the Register with the National Land Use Database to provide comprehensive information in relation to both greenfield and brownfield land, including an indication of development potential on a site-by-site basis. The new register could then be made publicly and widely available to stakeholders to increase the likelihood of the land being used.

To be further welcomed is the department's desire to see all disposals done in accordance with government house building aims. However, it is not clear how this will be enforced. JRF research highlighted that one of the main barriers to this occurring was the Treasury requirement that all disposals achieve 'best value'. The impact of this definition of best value is that land tends to be sold to the highest bidder, rather than the bidder whose plans would most benefit the public interest. This affects housing associations' ability to compete with private developers for land, and also affects those private developers willing to build higher percentages of, or better quality, affordable housing. Therefore it is urged that the department consult the Treasury on whether the definition of 'best value' should be widened beyond monetary considerations to something that could encompass 'best value for the public interest', in the case for land for developments. This would include considerations of both publicly valuable developments and the public purse, and compel other departments and government organisations to consider government housing aims.

The location of new build and housing densities

JRF research on housing investment and neighbourhood market change (Bramley et al 2007) highlighted a number of factors in relation to housing investment's impact on neighbourhoods that it is urged the department consider in its policy development:

- New social house building has been concentrated in more deprived neighbourhoods which tended to increase poverty even while other

factors such as job availability were reducing it. However, aligned with this there has been an increase in new private house building in deprived neighbourhoods partly reflecting its profitability to the developer.

- The economy and employment opportunities have a strong influence on the housing market at the wider area level. At the neighbourhood level it is access, urban form, neighbourhood quality and social status that are particularly significant.
- The effects of new social house building are mixed, particularly when account is taken of an increase in the overall proportion of social housing and an increase in the proportion of poverty in an area. However the evidence suggests that in some time periods the effects on house price change can be positive, indicating that physical improvements in an area may outweigh social impacts.

Emerging evidence from a JRF study on residents' views in high density affordable housing conducted by Jo Bretherton and Nicholas Pleace at York University suggests that the Green Paper's objectives of more affordable housing in mixed communities is only achievable if careful attention is paid to the management of developments, the real extent of 'affordability' for low cost home owners and the placement of affordable properties within the scheme. The findings also suggest that careful consideration needs to be given to how well the development is integrated into the wider area as residents from schemes reported feeling 'separate' from the wider neighbourhood. This is particularly important where developments are situated in areas of wider deprivation. However residents were positive about the design of their individual homes feeling that they did not live at 'high densities' and reporting a sense of light and space within their homes. (Bretherton and Pleace, forthcoming, February 2008)

Taken together this evidence suggests that careful consideration needs to be given to where new developments are situated and how they are managed.

Mixed Communities

The JRF welcomes the Green Paper's continued support for mixed communities and the department's updated planning guidance in this area. As was highlighted in the department's review of social housing by Professor John Hills, social housing has a key role in aiding the

development of mixed income communities and that it is vital that previous mistakes of not considering economic and social sustainability are not repeated,

The first attached paper to this submission discusses mixed communities in relation to new developments and the role of the planning gain in delivering them. Further, more information on the JRF's research in this area could be found in the *Mixed Communities Foundations* (JRF 2007).

However, as the Hills report also highlighted, focus should not be monopolised by new build; 90% of social stock in ten years time is already built and being used. Therefore, the mixed communities agenda is as, if not more, important regarding current mono-tenure estates than new build. The department is urged, in its response to the Cave Review, to consider means by which social landlords can become more active asset managers of their stock to allow them to mix the tenure of their estates and use the proceeds to contribute to the cost of new build (Maclennan 2007). The JRF understands that in certain instances this may mean the diversion of some funds away from new supply and/or the need for political leadership in areas where social housing sales are contentious, but a longer-term view on this issue requires it.

One very particular example of this is the JRHT scheme of selling alternate vacants on estates (SAVE) (see Martin and Watkinson 2003).

Public spaces and neighbourhood identity

The JRF welcomes the Government focus on public space in new growth areas, including green space. The JRF recently completed a programme of research examining how people use and value public spaces and found that these play a vital role in the social and economic life of communities, acting as a 'self organising public service'. See our micro-site <http://www.jrf.org.uk/public-spaces/> and the summary of key messages Worpole and Knox, 2007.

Public space will be an important element of new growth areas and consideration needs to go into the wider neighbourhood set up beyond any housing development. It is important to note that the value of public spaces goes beyond traditional green spaces, including other well used local areas such as markets, shopping areas and less traditional spaces like allotments and car boot sales where local communities can meet and

interact. Problems can arise when public spaces are overlooked or their social value undermined by attempts to regenerate places, address antisocial behaviour and design out crime. There has been a tendency to focus on design and management issues rather than to consider what people value about public space or how they use different spaces. The JRF's research found that the success of a particular public space is not 'in the gift' of the architect, urban designer or town planner, but relies on its adoption and use by people. Successful public spaces are 'co-produced' by the people using them and those who own and manage them. Anti-social behaviour strategies that seek to solve the problem by relocating it are likely to be ineffective and can in fact risk worsening existing local tensions. Successful public spaces encourage inclusivity, provide opportunities for exchange, and give those using the space the chance to influence what happens there.

The programme identified a number of key features to successful social spaces which should be considered in the design of new spaces:

- access and availability – good physical access, welcoming spaces and extended opening hours;
- invitations by peers and others – embedded in social networks to encourage use;
- exchange-based relationships – moving beyond consumerism to participation in the exchange of goods and services;
- choreography of spaces by discreet good management, while also leaving room for self-organisation by users of the space;
- moving beyond mono-cultures – encouraging diverse groups and activities to share common spaces; and
- avoiding over-regulation of design and space; security and well-being are more likely to grow out of active use.

Further forthcoming work also highlights how neighbourhood identities can be very resilient to change and the importance of considering housing, design, style and type and the social mix in establishing new communities – social class and status can be enduring in the identity of an area. Friends, families and neighbours play different roles for different people in creating a sense of attachment to place and sense of community – but this notion of community is often rooted in familiar, often mundane and everyday, interactions between people within their locality

– chatting at the Post Office, school or hairdressers, etc. These intangible, fleeting, and routine interactions in local settings are important in giving people a powerful sense of attachment and belonging to their neighbourhood and should be considered in designing new areas. This sense of community is fragile and can be lost or gained with very subtle changes to how residents perceive changes to their surroundings. (See Douglas Robertson, *Neighbourhood identity over time and place* – title TBC, forthcoming January 2008).

Housing markets, immigration and ethnicity

The JRF would urge the department to continue to pay particular attention to effect on housing markets by recent immigration and the effect housing markets have on meeting the aspirations of ethnic groups. A JRF study to be published later this year explores the impact of new immigrants on local housing markets identifying that new arrivals were often filling voids left in housing stock vacated or avoided by others such as economic migrants filling private rented sector properties that had been vacated by students and refugees filling voids on social rented estates that had not traditionally been used to accommodating diversity (Robinson et al, forthcoming 2007)¹. This study forms part of a programme of JRF work on housing markets and ethnicity which will be reporting in summer 2008. The remaining two studies are exploring the housing aspirations of various different ethnic groups. Our previous work on understanding housing markets (Cole 2007) highlighted the importance of considering a more ‘aspirations’ orientated model of housing provision rather than the current deficit model of meeting housing needs.

Rural housing

The JRF welcomes the additional investment being made by the Housing Corporation to deliver around 6,300 homes in small towns and villages through its 2006–08 affordable housing programme, mentioned in the Green Paper. This is in line with the recommendations made by the JRF Rural Housing Policy Forum in 2005 (Best and Shucksmith, 2005).

Further, the JRF also notes with interest the piloting of Community Land Trusts and would welcome further discussion with the department about

¹ JRF will be presenting this study at a seminar with the department on 30 January 2008 and plans to provide pre-publication briefing to department officials on the detailed messages from the study.

this in light of potential further work by the Foundation around community assets.

The role of regional bodies

The JRF notes the reconsideration of the regional strategic framework for guiding economic and spatial planning and welcomes the interest in greater coherence of strategic planning at this level. This needs considering in light of the wider overall governance arrangements at regional and sub-regional scale for addressing the economic needs of deprived localities and the role of RDAs – forthcoming research shows continuing problems with this and a disjuncture between economic competitiveness and social inclusion agendas (North et al, *Devolution And Regional Governance: Tackling The Economic Needs Of Deprived Localities* – title TBC- forthcoming, 29 October 2007).

Housing finance

Sustainability

The JRF welcomes the current Treasury review of housing finance mentioned in the Green Paper, and would welcome any moves that aid greater housing cost stability for those vulnerable to mortgage arrears and repossession.

While it right that the department and the Treasury are looking at means to enable people to fulfil their aspiration to own a home, it must be cautioned that home ownership is not risk free and that home ownership policies and targets should be closely examined to ensure that they do not create unsustainable financial arrangements for people.

This is particularly the case given the current level of safety nets available to or taken up by mortgages borrowers. Research for the JRF in 2005 (Wilcox, 2005) highlighted that since the housing market downturn in the early nineties the state safety net, mainly though ISMI, had declined in its coverage, while the private insurance market had grown, but not sufficiently to make up the difference. This meant that when the current safety is 'stress-tested' against the conditions of the early nineties we find that repossessions go up by 20%. This figure is likely to be even higher now following declines in the purchase of private insurance since.

The JRF would urge the department to work with the Treasury to review the current safety net and the options for reform. The JRF is currently funding work by York University (Stephens et al, due for publication in January 2008) into one particular option. This would be a form of comprehensive insurance partnership between borrowers, lenders and government. JRF would welcome the opportunity to discuss this with the department and the Treasury in due course.

Shared Equity

The JRF welcomes the commitment given in the green paper that the department will continue to look into the means of increasing the availability of shared equity home ownership options, and that Brian Pomeroy, has been asked to follow up on the Shared Equity Task Force report which the JRF was a member of.

The JRF continues to engage in this policy, not least because JRHT is both a HomeBuy Agent and a provider of Shared Ownership solutions. But, further because of the worrying trend that home ownership for first-time buyers is increasingly only available to those able to rely on the financial assistance of family or friends. As the Hills Report highlighted, in 2005 nearly half of all first time buyers were receiving financial help from family or friends. For those who were assisted, the average deposit was £34,000, compared to only £7,000 for those who were unassisted.

The JRF is concerned that these trends may entail home ownership becoming a hereditary tenure and have very worrying repercussions for wealth inequality. As shared equity may be one means of countenancing this trend, the JRF recently held a round table Chatham house rule discussion on the topic of increasing the availability of such products. The event was attended by a range a stakeholders across varying sectors and a summary of the key points arising are included within the second attached document to this submission.

Additional care services and equity release

The JRF looks forward to the publication of the department's National Strategy for Housing in an Ageing Society. Given the demographic changes and therefore challenges facing society it is important that government policy and service delivery adapts to face them.

The JRF hopes that the National Strategy includes reference to the need more provision of additional care services in the home for older people. This is vital for both for increasing independent living and ensuring that state residential care services are not overburdened.

The JRF looks forward to engaging in the National Strategy and would at this stage just highlight some work that has already been done to consider the options for local government becoming more actively involved in the process of helping elderly low-income home owners access and fund additional care services. See Gibson and Terry, 2007.

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