



Local authority Direct Provision of Housing: Third Research Report



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Executive Summary

The ‘housing crisis’ in England shows no sign of disappearing, and housing development and delivery remain important and high-profile topics. Whilst central government have remained focussed on market-led housing activity and the relationship between that and planning reform, the activity of local authorities across the country in directly delivering housing appears to be continuing to grow. In 2017 and 2019 we published reports charting the way that council-led housing development was gathering pace, led by many local authorities wanting to resolve a variety of different challenges.

Much has happened since 2019 in relation to housing and planning. These various developments have meant we felt further research to track the expanding activity of local authorities in housing provision was needed. Two years after our last report, we have utilised the same mixed-methods approach to investigate how that activity has continued to expand. We have also considered additional topical questions, such as the impact of the Covid-19 pandemic on local authority activity, the growing focus on environmental standards in the face of climate change, and the possibility of Modern Methods of Construction (MMC).

Given that we have utilised an identical methodological approach (to allow ready comparison of activity between 2017, 2019 and 2021), we are referring to this as the ‘third wave’ of research into local authority direct delivery of housing. Our approach included a desk survey of publicly available information on the strategy and approach

of every local authority in England to direct delivery of housing, a direct survey sent by email to officers in all 343 authorities (to which we received responses from 282 individuals working in 194 different local authorities across England), twelve roundtable discussions with local government officers held across all regions and nine case studies each involving an interview with one or two officers each (the case studies being Bolsover, Brent, Cambridge, Cheltenham, Cornwall, Derbyshire Dales, Gravesham, Wigan and York).

From the desk survey, we found that in comparison with 2017 and 2019, the number of councils with companies, which may include housing companies and property companies of various forms and objectives, has increased from 58% in 2017, 78% in 2019 to 83% in 2021. Within these figures, there is an amount of churn with council companies, opening, closing and re-opening. This increase in the number of council companies may relate to the increasing use of JVs to deliver housing and this has increased from 57% in 2019 to 72% in 2021. Some councils have multiple JV arrangements for housing delivery, and these appear to be focused on specific sites or locations. In the past, more JVs appear to have been established with a more general agreement to find development opportunities jointly, but the JV focus is now narrowing to a specific number of identified sites.

Not all councils have a corporate plan, business plan or wider organisational strategy but the majority do. We have found that many of these have been reviewed and updated since 2020 in response to the pandemic whereas others were reviewed in 2019 as part of the political cycle. The review of each council corporate strategy found that of that 80% councils had some indication of a priority for the provision of affordable housing in their areas. Councils are continuing to diversify the way in which they are providing housing.

There is some evidence of a growing ambition to provide homes through the HRA in some councils as evidenced here, although this is by no means universal. Similarly, there is evidence that councils are more systematically reviewing their own land holdings and using them as a means of providing more homes. The different funding system for London Boroughs means that all these councils are providing homes and at numbers larger than elsewhere.

From the direct survey, we have found that 80% of local authorities now self-report that they are directly engaged in the provision of housing, a notable increase from the 69% of authorities reporting in our survey published in 2019 that they were directly engaged and the 65% from the 2017 survey answering similarly. Meeting housing requirements, tackling homelessness and improving design quality remain the top motivators for this activity, with income generation having dropped slightly as a factor driving this increased activity. 55% of authorities now report having a local housing company, up from 42% previously, but with evidence of a variety of other types of activity including some authorities having increased delivery following the HRA debt cap having been lifted.

For those not engaging, lack of funding, lack of land and lack of expertise have been joined by not being a stock owning authority as perceived barriers. However, even for those engaging, there are still barriers to delivering any more, reported first and foremost as a lack of land (with 95% of local authority housing development being on their own land) followed by a lack of suitable sites, and viability concerns (particularly the need for grant funding to support truly affordable housing). There were concerns around some recent government policies, such as the Right to Regenerate, as potentially hindering rather than helping local authority direct delivery of housing.

Despite the barriers, survey respondents were more optimistic than pessimistic about the future. There was increased corporate priority around housing development, particularly around maximising affordable housing delivery, in many councils and a growing sense of momentum.

From both the desk and direct surveys, it is clear that failure of councils to 'claim' the homes that are being delivered through their investment including regeneration is leading to a general underreporting of their housing delivery activity to their local communities, the government and the wider commentariat. While it is not possible to aggregate the total number of homes that councils are providing, we have found evidence that the numbers of homes being provided by councils is continuing to grow each year, with evidence that the number of new homes delivered by local authorities directly over the last year (from all means, and of all tenures), being a total of 20,249 homes in our 2021 direct survey, which is considerably higher than the 8,992 homes reported in the 2018 survey (published in 2019).

The roundtables and case studies provide further detail on the issues raised in the desk and direct surveys as well as having given an opportunity for practitioners to reflect on their current and future expected concerns. There was considerable discussion about negotiation for the development of affordable homes through the planning system, the design and onward management for these homes and the continuing role of the planning system to be able to support the provision of the scale and type of social and family housing needed in specific areas. These included detail on the mechanisms being used to manage these negotiations, the changing content of planning policy, the movement of staff within councils to reinforce these negotiations and upskilling of staff all feature here as reported by different councils.

Other issues discussed includes responses to the use of MMC in delivery of homes and the issues related to the application of higher environmental planning standards both through planning and the council's own development. In the planning context, one of the main concerns expressed was that the planning system is not strong enough nor keeping pace with what is required to achieve carbon neutral targets through new build. There was also growing interest and concern about management of the newly acquired and growing stock. While councils may consider tenure blind development to be preferable, from cross subsidy or other policy objectives, the design and onward management costs of such buildings are emerging as critical issues.

In drawing together the findings for all four parts of this research, we found that:

- Councils are increasing their levels of housing delivery in all ways including development, acquisition, regeneration and joint working;
- Council are now regarding the provision of affordable housing as a corporate priority in their areas;
- The pandemic has led to more housing delivery and the increase in local authority capital expenditure for 2021-2022 confirms this;
- Many councils that were not active in housing delivery in 2017 and 2019 are active now;
- There is a greater recognition of the role of housing in regeneration and town centre schemes to bring life to these areas and to anchor other uses;
- MMC is being increasingly used by councils and this is expected to grow as skills shortages continue;
- Councils are becoming more active in estate regeneration particularly through JVs and there are best practices emerging that are worth considering e.g., maintaining the long term freehold of the estate even where tenures are mixed and improved approaches to work with existing residents;
- There is growing experience of managing different types of housing tenures and development and councils can learn from each other;
- The planning system needs to include more active policies for promoting the delivery of net zero;
- Higher environmental standards in development may cost more but they may result in fewer arrears and lower maintenance costs;
- There will be major considerations about the extent housing budget should be used for new build or to improve existing dwellings through retrofitting;
- Where more funding for housing is provided to councils in five year programmes, as in London, then more housing is delivered, and such funding is vital for truly affordable housing to be delivered at scale;
- Councils now regard housing delivery as a central priority to meet housing, planning, regeneration and community objectives

As a result of our findings, we make the following recommendations:

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- That there should be some means of collecting data on all housing completions which credits local authorities with the contribution and added value they are making to the delivery of these homes through negotiation, master planning, advocacy, finance and land
- That outside London, Homes England should provide five year funding for councils to support their housing programmes in ways analogous to the Mayor of London and this should be supported by direct funding for skills training to support this housing delivery again as in London;
- Local plans need to be able to identify sites for social housing, family housing and housing for older people to support their local economies;

- Councils need to be able to acquire land for housing delivery and there should be reversal of the CPO provisions in the 1961 Land Compensation Act to acquire land at existing use value;
- There is no policy or international obligation for competition to continue the requirements for Right to Buy policies in England and these should be halted given the continued net loss of social housing across the country this is causing, despite the best efforts of many local authorities;
- The integrated approaches to planning for places, neighbourhoods and housing and Scotland and Wales should be applied in England;
- Local plans need to be able to adopt policies that will enable development at net zero more rapidly than through the local plan system.

Local authorities

- Local authorities are undertaking housing delivery in a number of ways including regeneration – this needs to be considered in a more integrated way so that councils have the recognition for their total housing delivery programme;
- While planning and housing appear to be working together more corporately, there is less evidence of the role of the council's role in direct delivery in local plans although some councils are now developing local plan delivery plans – this could be a more widespread practice and link with the 10-20 year local levelling up plans to be required by government;
- Many councils are now regarding housing delivery as part of placemaking with happiness, health and wellbeing as primary objectives and this could be extended in post-pandemic recovery plans;
- Opportunities for up-skilling staff inside local authorities is reported as being an effective way of meeting some skills gaps. These could be more widely applied within and between councils.



Introduction

The ‘housing crisis’ in England shows no sign of disappearing, and housing development and delivery remain important and high-profile topics. Whilst central government have remained focussed on market-led housing activity and the relationship between that and planning reform, the activity of local authorities across the country in directly delivering housing appears to be continuing to grow, with acknowledgement of their potential role emerging.¹

In 2017 and 2019 we published reports charting the way that council-led housing development was gathering pace, led by many local authorities wanting to resolve a variety of different challenges. Much has happened since 2019. There has been some increased support and facilitation from central government for local authority housebuilding activity, for example changes to debt rules around the Housing Revenue Account (HRA) and easing of restrictions around the spending of Right to Buy (RTB) receipts. This takes place against a backdrop of further issues around rising house prices and housing affordability and planning reform (with controversies over housing targets in particular). Homes England and the Mayor of London have acted to support affordable housing provision and local authority capacity. There have also been concerns around social housing supply, regeneration of existing social housing and the relationship between housing and climate change.

1. <https://www.gov.uk/government/speeches/local-government-association-annual-conference-2021-secretary-of-states-speech>

We have also, of course, had the ongoing Covid-19 pandemic. This has highlighted the importance of issues of housing quality and the way we deal with homelessness. Given the increased responsibilities of local authorities for homelessness, it is perhaps unsurprising the costs of temporary accommodation have risen dramatically over the last decade, but this continues to be a pressing issue for local government.

These various developments have meant we felt further research to track the expanding activity of local authorities in housing provision was needed. Two years after our last report, we have utilised the same mixed-methods approach to investigate how that activity has continued to expand. We have also considered additional topical questions, such as the impact of the Covid-19 pandemic on local authority activity, the growing focus on environmental standards in the face of climate change, and the possibility of Modern Methods of Construction (MMC).

Given that we have utilised an identical methodological approach (to allow ready comparison of activity between 2017, 2019 and 2021), we are referring to this as the ‘third wave’ of research into local authority direct delivery of housing. In the next section we consider the context for housing development and what has changed since our 2019 report, before explaining our research approach. We then consider the results from our desk survey, direct survey, roundtable discussions and case study interviews in turn. Our conclusions from this rich data lead us to make some further recommendations.



Context – what has changed since 2019?

Before reporting on the research undertaken in 2021, we first review some of the changes in policy and funding together with specific initiatives that have occurred to frame and influence the direct delivery of local authority housing since 2019.

International context

Since 2019, the international institutional context has been primarily concerned with two issues in relation to housing: affordability and the need to prepare for climate change. These are reflected in the policy development and research by the UN, OECD and the EU. In this period, it is also possible to see that housing is becoming a more important component of the European property investment market.

The adoption of the UN's Sustainable Development Goals (SDGs) particularly, but not exclusively, SDG 11 on the New Urban Agenda, has started to permeate the financial and operational decision making of housing associations as part of their need to demonstrate their environmental and social governance (ESG) principles and practices that support their access to funding in the markets. Lower interest rates could be conditional on endorsement of ESG principles, according to the newly formed group of housing bodies to support the adoption of these principles. This is particularly an issue in the capital markets that housing associations are using to raise funding for their developments. In the housing context, the objectives of ESG are to set consistent, comparable standards as a benchmark for raising private finance for housing providers.

There are three key components: environmental objectives including carbon reduction; transparency of governance; social purpose and social value. One standard based on ‘Good Economy’ principles, launched in November 2020 had been adopted by diverse sized organisations in the sector including housing associations, lenders and investors. It is used by small and medium as well as by large housing associations. 69 providers have so far signed up to the Good Economy Standard. An “independent” Sustainable Development reporting board has been established – chaired by ex-Peabody Trust CEO Brendan Sarsfield.² The initiative is supported by the Housing Regulator, Homes England and the National Housing Federation. The Good Economy’s Sustainability Reporting Standard for Social Housing with the 12 core themes and 48 criteria align with UN SDGs.³ This is not yet influencing local authorities in the same way as most funding for housing provision derives from councils’ own funds or from the Public Works Loans Board (PWLb), which does not apply these tests to its lending.

The OECD has launched a major policy programme for its members in relation to the delivery of housing supported by a programme of research on topics and in its members. This is found in its housing gateway.⁴ It is focussing on three topics – affordable housing, housing and the economy and sustainable urban development. In its policy tools section, the OECD includes a housing policy snapshot on the UK which criticises planning policy as a mechanism for restricting supply without examining the more specific context for the operation of planning policies in England.⁵ The report does not differentiate between policies across the four nations. There is also a policy action tool⁶ which allows some consideration of the effects of different policies on housing supply that is derived from comparative research across OECD members⁷ and this focuses primarily on affordable housing. To achieve more affordable housing, the report recommends that housing supply is managed across the whole of an urban area rather than within specific jurisdictions and its should be managed in a single layer of government. There are also other policy and data resources on the Housing Gateway.

While the UK has left the EU, there are still unresolved issues on standards for the environment for example together with issues such as the supply of a skilled labour force and building materials to consider. The EU is now also taking some policy leadership on the provision of housing⁸ as part of its policies to deliver the SDGs. There is also an affordable housing initiative led by the City of Vienna within this programme.⁹

English context

While financial policy is set at the level of the UK by HM Treasury, housing policy, as part of this, is devolved. Both Scotland and Wales have now abolished the Right to Buy

2. <https://www.insidehousing.co.uk/news/news/g15-landlord-chief-to-oversee-sectors-sustainability-standard-70518> ; <https://esgsocialhousing.co.uk/>

3. https://esgsocialhousing.co.uk/wpcontent/uploads/2020/11/SRS_final-report-2.pdf

4. <https://www.oecd.org/housing/>

5. <https://www.oecd.org/housing/policy-toolkit/country-snapshots/housing-policy-united-kingdom.pdf>

6. <https://www.oecd.org/housing/policy-toolkit/policy-action-tool/>

7. https://read.oecd-ilibrary.org/economics/brick-by-brick_b453b043-en#page1

8. https://ec.europa.eu/info/eu-regional-and-urban-development/topics/cities-and-urban-development/priority-themes-eu-cities/housing-cities_en

9. <https://futurium.ec.europa.eu/en/urban-agenda/housing/news/eu-affordable-housing-initiative-how-can-we-bring-it-ground>

(RTB) for council homes and, in both nations, local authorities have regular housing budget provision from the government to support direct delivery programmes for social rent housing.¹⁰ In England, the policy for council tenant's right to buy (RTB) their social rented council homes continues. The provision of social rent housing has, until recently, been mostly expressed through small council HRA programmes and developer contributions associated with planning applications. The housing association sector was the primary provider of social rent housing following the removal of council funding allocations in the 1980s, but now as a deregulated sector, there seems much greater focus is on the delivery of market housing in the same way as private housing developers. This is not the case for all HAs, of course, given the diversity in a sector that comprises over 1,300 providers. Indeed, as shown in a recent article, the major associations are still providing some social rent accommodation, with 11 of the top 50 associations (in terms of completions last year) having more than 25% of their completed new homes being social rent.¹¹ There is also a continued provision of special needs housing for older and disabled people. However, for a significant number of housing associations, focus on new development appears to be increasingly about housing for sale (this can be to cross-subsidise affordable housing) and there appears to be a growing unwillingness of housing associations to take on social rent and affordable homes across England when provided through developer contributions in the planning system.

When we undertook our last research in 2019, the government had recently lifted the debt cap on the Housing Revenue Account (HRA) and it was then not possible to see any immediate outcomes of this change. There is some evidence of the effects of that change in this year's research. While undertaking the 2021 research, the Government changed its policy on the way in which councils can spend their RTB receipts, extending the period so that they can be used for up to five years. In our previous research, we found that a number of local authorities had returned these receipts to the government as the time available to spend them was too short. In London, these unspent receipts are returned to the Mayor and he has set up a mechanism whereby they can be retained for use by the Borough council if they are not spent within the defined period. The government anticipates that this extension of the time limit for the use of RTB receipts will have a significant impact on the provision of new homes. As this was introduced during the period of the survey, we received some feedback that was positive about the change, but it was not possible to find any information of the linked longer term direct effects. In a further change as part of this reform package, the government now allows RTB receipts to be used for shared ownership and the provision of First Homes and not only for the replacement of RTB social rent properties.¹²

10. <https://www.insidehousing.co.uk/news/news/scottish-government-allocates-32bn-in-affordable-housing-grant-to-local-authorities-71638>.

11. <https://www.insidehousing.co.uk/insight/insight/top-50-biggest-builders-2021-71127>

12. <https://www.gov.uk/government/consultations/use-of-receipts-from-right-to-buy-sales/outcome/use-of-receipts-from-right-to-buy-sales-government-response-to-the-consultation>

Housing associations or registered providers? What is in a name?

In current common practice what were generally called housing associations are now generally referred to as registered providers (RPs). This is causing some confusion in practice, as those local authorities with an HRA are also RPs but do not generally receive the same programmed multi-year grant funding support from Homes England unless the housing stock is managed by an ALMO. Councils with or without an HRA can also establish a housing association as in Lambeth (with an HRA), Salford (with a PFI HRA) and Derbyshire Dales (without an HRA). We have kept the distinction between Housing Associations and RPs in this report for sake of reader clarity.

Housing demand and need

There has been and remains a considerable demand for all types of housing across the country. The demand for affordable housing, particularly with social rent is exacerbated by a loss from this type of tenure from continuing RTB policies in England. The Affordable Housing Commission reported on this issue in 2021, when it recommended that there should be a national conversion fund that would allow local authorities to buy private rented properties to use for those in need of social rent housing.¹³ The Mayor of London has announced in 2021 that he will be providing financial support to London Boroughs to purchase RTB properties to reinstate them into the Council's stock.

There are also other types of housing need. The pandemic has seen the reintroduction of key worker housing in some local authorities particularly for those in the NHS and schools as they are priced out of other parts of the housing market.¹⁴ While some locations have market housing that is affordable, there are other locations where price to income ratios are too high for most people to consider buying a property and these purchases are occurring later in life – perhaps when parents die or a large enough deposit has been secured, although this is difficult to achieve if private rent is also being paid. In our research, one council mentioned that they calculated that the vast majority of the council's own staff would not have incomes that would make them eligible for shared ownership housing, deemed 'affordable' by the government that the council was negotiating through its planning application processes.

During the pandemic, it is estimated that despite tenant protection being implemented by the government, over 130,000 households were made homeless.¹⁵ The LGA (2021) has called for the government to give councils powers to use empty properties for the homeless.¹⁶ In order to meet housing needs during the pandemic, councils have been reviewing a range of housing solutions including purchasing property and converted containers for single person housing as in Reading¹⁷ and Cornwall.¹⁸ Other councils like Bristol are providing micro homes on their garage sites delivered though off site

13. <https://www.affordablehousingcommission.org/>

14. <https://www.theguardian.com/uk-news/2021/mar/30/covid-frontline-workers-priced-out-of-homeowning-in-98-of-great-britain>

15. <https://www.theguardian.com/society/2021/jun/13/at-least-130000-households-in-england-made-homeless-in-pandemic>

16. <https://www.localgov.co.uk/Call-for-powers-to-use-empty-properties-for-homeless-families/52433>

17. <https://www.reading.gov.uk/news/new-modular-homes-set-to-transform-lives-of-40-homeless-people-in-reading/>

18. <https://www.localgov.co.uk/Council-to-buy-Bunkabins-and-park-homes-to-house-homeless-people/52507>

construction.¹⁹ The government is also working directly with a social impact investor Big Society capital to implement schemes for the homeless.²⁰

For those homes available to buy then the new homes that are being added to the stock are not necessarily best suited to local housing need in terms of the number of bedrooms provided – some families need at least three bedrooms. As people live longer and there are fewer opportunities to downsize, the larger capacity of existing homes in the secondary market is more difficult to realise. There are also differences in need in different locations or in different social economic groups. A new coalition for housing associations, Homes for the South West, has made a case to the government for an additional £1bn funding which will help the associations to attract another £3bn to deliver affordable housing in the next five years or 45,000 homes to add to the 245,000 homes that they already own as part of the government's levelling up strategy.²¹ Shelter has shown that black, Asian and disabled tenants are likely to suffer more discrimination than others.²²

Homelessness also remains a key indicator of housing need. In the period 2011-2021, the costs to councils of providing temporary accommodation has increased by 430%.²³ Research also shows that fewer landlords are willing to let property to tenants who are in receipt of universal credit although many will be in work.²⁴ This is a particular issue in some councils where more than 55% of council tenants receive housing benefit including East Northamptonshire, Blackpool, Redcar and Cleveland, Enfield and Tendring. Some councils like Cheltenham and Mendip are engaging more directly in private rented lettings to help to meet local housing need. There is also a rise in multi-occupation and overcrowding in homes that have not been converted into separate dwellings so more action is now required on HMOs.

Housing supply

Overall housing provision continues to grow in the UK with the OECD projecting that between 2020 and 2050 UK housing stock will increase by 16%, with house prices increasing 52% in real terms.²⁵ There are pressures to increase housing supply through the release of public land such as through the defence estates²⁶ and One Public Estate initiatives, where the government allocated £17m for 160 projects to deliver 17,000 homes in June 2021.²⁷ However, there is more work that could be done here to make land available. In London, Transport for London has announced the establishment of a housing company that is proposed to develop 46,000 homes.²⁸

19.) <https://www.theguardian.com/uk-news/2021/jun/16/bristol-to-build-gap-homes-on-garage-sites-to-tackle-housing-crisis>

20. <https://www.insidehousing.co.uk/news/news/government-partners-with-private-investors-to-buy-30m-homelessness-accommodation-71111>

21. <https://www.insidehousing.co.uk/news/news/homes-for-the-south-west-call-for-1bn-to-level-up-region-70760>

22. <https://www.theguardian.com/society/2021/may/26/black-asian-disabled-tenants-more-likely-face-housing-discrimination>

23. https://www.insidehousing.co.uk/news/council-spending-on-bbs-for-homeless-increased-by-430-over-last-decade-research-shows-71412?utm_sou

24. <https://www.localgov.co.uk/Study-warns-private-landlords-are-reducing-their-housing-benefit-lettings/52520>

25. <https://www.oecd.org/newsroom/oecd-focus-on-housing-14-18-june-2021.htm>

26. <https://www.nao.org.uk/report/optimising-the-defence-estate/>

27. <https://www.insidehousing.co.uk/news/news/government-allocates-30m-of-one-public-estate-cash-to-deliver-17000-new-homes-70985>

28. <https://www.built-environment-networking.com/news/transport-for-london-plans-property-company-to-develop-46000-homes/>

While the number of starts on all new homes increased in 2020-2021 to 244,000, the largest for some time, the Local Government Association (LGA) has estimated that there are over 1.1m homes with planning consent that have not yet started on site.²⁹ In response to this issue, the right of centre think tank, the Centre for Policy Studies has proposed that instead of a planning consent there should be a delivery contract where the developers have to build out their proposed and approved development within an agreed timeframe.³⁰ The government has subsequently suggested that it is considering the challenges of slow delivery by house builders following the grant of planning consent but no details have yet been forthcoming.³¹ Any pressure for contractual delivery by the government may result in fewer planning applications for housing as developers will wish to modulate build out rates and price to market conditions. If there is a risk of financial loss through this type of contractual pre-agreement, developers may progress with smaller developments or not at all. The Centre for Policy Studies report has also recommended that SMEs should have more access to land supply – an issue also included in the recent government speech.³²

The supply of social rent housing has reduced by 210,000 homes since 2012.³³ This figure is made up of 280,000 sales and demolitions and 70,000 new build social rent homes that have been provided by local authorities and housing associations combined. The CIH annual survey found that 10,531 affordable homes of all types were started under grant-funded programmes in the first half of 2020/21, compared with 17,980 for the same period in 2019/20. The annual reduction in social rent homes is also compounded by switches in tenure through RTB.

The supply of market housing for older people has been a steady but small supply. This has been associated with the sales model, value on resale and service charges. However, there is now an increasing supply as developers view older people's housing as a key component in town centre regeneration. In April 2021, a French development group was said to be planning 40 retirement villages in town centres over the next ten years.³⁴ Legal and General are also planning 3,000 homes for older people in town centres as part of an initiative to support ailing high streets, where they also have property interests.

The trend for retail sites and buildings to be used to provide homes has continued. As part of its restructuring, John Lewis Partnership has announced that it intends to provide 10,000 rental homes, including affordable, through a range of means including building on car parks and converting/redeveloping its recently closed stores³⁵ with an

29. <https://www.localgov.co.uk/Over-1.1-million-homes-with-planning-permission-waiting-to-be-built-LGA-finds/52290>

30. <https://www.insidehousing.co.uk/news/news/pincher-backs-thinktanks-call-to-replace-planning-consent-with-delivery-contracts-70409>

31. <https://www.gov.uk/government/speeches/local-government-association-annual-conference-2021-secretary-of-states-speech>

32. <https://www.gov.uk/government/speeches/local-government-association-annual-conference-2021-secretary-of-states-speech>

33. <https://www.insidehousing.co.uk/news/news/number-of-social-rent-homes-falls-by-more-than-200000-since-2012-uk-housing-review-reveals-70193>

34. <https://www.theguardian.com/uk-news/2021/apr/12/property-developer-plans-5000-uk-retirement-homes-on-urban-sites>

35. <https://www.insidehousing.co.uk/news/john-lewis-to-build-10000-homes-for-rent-71432> ; <https://www.bbc.co.uk/news/business-57712618>

aim of producing 40% of its income from non-retail activities.³⁶ Other retailers have entered the housing provision market such as IKEA, which is negotiating a range of modular housing agreements with different local authorities.³⁷ Land available for new homes has also been provided from former industrial sites such as the Ford car plant in Dagenham that is to be redeveloped into 1,550 affordable homes by the Peabody Housing Association, which has been given support from the Mayor of London.³⁸ There will eventually be 3,000 new homes on the site together with other facilities. Elsewhere, such as the Black Country, the level of housing land expected to be provided through a reuse of employment land has been less than anticipated. This is because businesses have maintained or grown in the recent period and wish to remain on their current sites. There is also a concern that existing housing stock needs to be retrofitted to help the country meet its net zero obligations. The government has provided housing associations with £10bn to undertake this retrofitting of which £5bn will be spent by the Mayor of London.³⁹

During the period since 2019, there has been considerable public concern and government action on housing developers providing homes on a leasehold basis with increasing ground rents over the leasehold period. The government is proposing to remove this option for house builders and Persimmon and Aviva have refunded the payments made by their leaseholders.⁴⁰ The housing developer model is also in the process of change which has been associated with shareholder pressure. One housing developer that is changing its business model is Countryside, which in future will only deliver housing in partnership with local authorities and housing associations such as Places for People for 800 homes.⁴¹ There are also signs that the property industry has concerns about the supply of affordable housing with the British Property Federation having established its own affordable housing committee in 2021⁴² and the *Financial Times* has expressed strong support for the provision of more affordable housing.⁴³

The issue of market housing supply and affordability has continued to dominate government policy through initiatives such as Help to Buy and First Homes. Many councils are concerned that First Homes will reduce the funding available to provide affordable homes negotiated through Section 106 (s106) planning agreements. The First Homes scheme was launched in June 2021 with councils able to include local connections and key worker tests and potential homeowners being offered a 50% discount.⁴⁴ This discount will be passed on with the property in future. The government is also supported and lobbied by the housing development industry to a point that

36. <https://www.insidehousing.co.uk/news/john-lewis-eyes-affordable-housing-as-revenue-earner-as-it-aims-for-40-profits-from-non-retail-activities-70036>

37. <https://www.insidehousing.co.uk/news/news/ikea-owned-modular-builder-in-talks-with-multiple-councils-over-deals-69614>

38. <https://www.insidehousing.co.uk/home/home/peabody-agrees-deal-to-build-1550-affordable-homes-on-former-dagenham-car-plant-site-70005>

39. <https://www.insidehousing.co.uk/news/sadiq-khan-aims-to-help-social-landlords-with-10bn-retrofit-revolution-70968>

40. <https://www.theguardian.com/business/2021/jun/23/persimmon-aviva-refund-leaseholders-rent-inquiry>

41. <https://www.insidehousing.co.uk/news/news/places-for-people-and-countryside-agree-800-home-development-under-new-framework-70445> ; https://investors.countrysideproperties.com/application/files/5116/2564/6890/Countryside_Properties_Strategy_Update.pdf

42. <https://www.insidehousing.co.uk/news/british-property-federation-launches-affordable-housing-committee-70984>

43. <https://www.ft.com/content/6a7205bc-6a0b-4279-90e0-ff72f627454e>

44. <https://www.theguardian.com/money/2021/jun/04/first-time-buyers-in-england-offered-new-homes-at-up-to-50-off>

Transparency International argues that this may be influencing housing supply policy.⁴⁵ This has also included housebuilder lobbying on specific issues such as Taylor Wimpey on cuts to new homes emissions.⁴⁶

For housing associations, their greatest focus on supply has been through market housing and there is some early evidence that they are selling on their shared ownership stock to the private sector in order to offset potential costs for fire safety works and achieving net zero.⁴⁷ However, the government is proposing to reform the way in which shared ownership works as set out in a consultation paper issued in November 2020. A survey undertaken in May 2021 found that 57% of councils and housing associations opposed these proposed changes as they would lead to a loss of affordable housing in their opinion.⁴⁸ The government has started an Affordable Homes Guarantee scheme which enables housing associations to obtain low-cost loans to deliver affordable housing. There is a guaranteed pot of £3bn of which £1bn is also already in an active bidding process.⁴⁹ The £3bn guarantee is expected to provide over 17,000 homes over a three-year period.

The period since 2019 has also seen an increasing role of organisations such as Legal and General in their provision of affordable homes. Legal and General has a 'with profits' registered affordable housing arm, which has a pipeline of 6,000 homes, of which 1,000 are in London.⁵⁰ In April 2021, the Man group announced that it was setting up Habitare Homes, a wholly owned subsidiary Community Housing Fund, registered as a 'for profit' housing association with the aim of providing 3,500 mixed-tenure homes by 2026.⁵¹ In May 2021, the Housing Regulator indicated that there were over 50 current applications for organisations to become 'for profit' housing associations and that this is likely to be a major growth area in the future. In 2020, 'for profit' housing associations owned 10,000 homes, compared with 5,000 in 2019⁵² and they have also been invited to become strategic partners by Homes England, which would guarantee funding over fixed period of time.⁵³

Councils are also increasing their activities in the provision of new homes through estate regeneration. In London this is supported by the Mayor and is resulting in major schemes in Kingston upon Thames and Havering, where 1,400 homes are being implemented including 550 affordable and 146 for low cost home ownership.⁵⁴ In Enfield, the council is delivering 10,000 homes as a master developer in Meridian

45. <https://www.transparency.org.uk/house-of-cards-UK-housing-policy-influence-Conservative-party-donations-lobbying-press-release>

46. <https://www.theguardian.com/business/2021/jul/05/housebuilder-taylor-wimpey-opposed-plans-cut-new-home-emissions>
47. <https://www.insidehousing.co.uk/news/housing-associations-eye-bulk-sales-of-shared-ownership-stock-to-private-investors-to-boost-cash-71153>

48. <https://www.localgov.co.uk/Shared-ownership-reforms-could-lead-to-loss-of-affordable-homes-providers-warn/52347>

49. <https://www.insidehousing.co.uk/news/news/affordable-homes-guarantee-scheme-demand-tops-1bn-70638>

50. <https://www.insidehousing.co.uk/news/news/lg-affordable-homes-pipeline-exceeds-6000-homes-with-largest-acquisition-yet-71245>

51. <https://www.insidehousing.co.uk/news/news/investment-giant-registers-for-profit-registered-provider-70452>

52. <https://www.insidehousing.co.uk/news/news/around-50-organisations-currently-applying-to-become-for-profit-providers-says-regulator-70783>

53. <https://www.insidehousing.co.uk/news/news/councils-and-for-profits-invited-to-become-homes-england-strategic-partners-as-new-programme-details-revealed-69664>

54. <https://www.insidehousing.co.uk/news/news/london-council-approves-1400-home-estate-regeneration-scheme-71224>

Water with the first 300 homes now given planning permission.⁵⁵ There is also a concern to improve the maintenance of the existing housing stock and Newham has launched a three year £96m programme for this purpose, starting with a stock condition survey.⁵⁶ The council will also have started over 1782 new homes by 2022 against a target of 1,000 of which 1056 will be for social rent.

There have also been concerns about the ways in which new and existing homes are going to meet net zero standards. As noted, housing associations are now adopting environmental and social reporting standards that are increasingly required in the financial sector. The government has indicated that it will publish new homes standards but these are not yet available.

The role of Homes England in supporting housing supply has increasingly been through more direct action and intervention. It continues to purchase land for housing development.⁵⁷ The government has expressed concern about the increase of local authority wholly owned and JV housing companies and as a consequence CIPFA has issued new guidance as to how council companies should be operating.⁵⁸

The issues of quality in the supply of housing have remained a national concern. The quality of homes provided by private sector housebuilders remains an issue in a number of ways including the right of redress to home purchasers from housebuilders. The government is proposing to introduce a new homes regulator to oversee these quality issues. The provision of homes provided by developers through s106 agreements is also criticised and we have found continuing and increasing evidence of housing associations beginning to refuse take on volume housebuilders homes. The New Homes Quality Board was established in 2020 as an independent body and will be issuing standards in due course.⁵⁹ There are also continuing concerns about building construction in the wake of the Grenfell fire and housebuilders Persimmon have decided to set aside £75m for claims and works, which is the same amount which they paid their chief executive as a bonus.⁶⁰ This approach has also brought condemnation from the Conservative party's supporters⁶¹ and the Secretary of State for housing communities and local government.⁶²

55. <https://www.insidehousing.co.uk/news/news/first-300-homes-of-huge-london-regeneration-scheme-given-green-light-70791>

56. <https://www.insidehousing.co.uk/news/newham-council-agrees-96m-three-year-council-housing-investment-programme-70687>

57. <https://www.insidehousing.co.uk/news/homes-england-spends-175m-acquiring-sites-for-7400-homes-71357>

58. <https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/cipfa-to-issue-new-sector-guidance-on-council-owned-companies>

59. <https://www.nhqb.org.uk/>

60. <https://www.theguardian.com/business/2021/jul/08/housing-boom-takes-persimmon-sales-past-pre-pandemic-levels>

61. <https://www.spectator.co.uk/article/the-house-mafia-the-scandal-of-new-builds>

62. <https://www.gov.uk/government/speeches/local-government-association-annual-conference-2021-secretary-of-states-speech>

Planning reforms

In August 2020, the government published their planning reform white paper, *Planning for the Future*.⁶³ The white paper contained headline proposals to divide all of England into three zones: growth, renewal and protection, with these designated by local authorities through local plans and more automatic planning consent in the growth and renewal zones, removing case-by-case planning applications and their associated democratic processes. There were also proposals around improving design in the system with a focus on 'beauty', a new national infrastructure levy and greater use of digital engagement in the system.

Responses to the core proposals of the white paper have been mixed, with concerns about the focus on market housing to the exclusion of social housing (not mentioned once) and broader social and environmental concerns.⁶⁴ The pressure for planning legislative changes appears to be potentially subject to influence by property developers who remain the largest sectoral donors to the conservative party with £891,000 being donated in the first quarter of 2021.⁶⁵ There have already been signs of some political backlash over the reform proposals.⁶⁶

The House of Commons Select Committee on Housing, Planning and Local Government is unconvinced that the Government's proposes for planning reform in the Green paper will result in more housing being delivered and before this the National Audit Office.⁶⁷

Whilst awaiting the bill to enact the main white paper proposals, the government has pressed ahead with a series of other reforms. Following the focus on design, in May 2021 14 councils were chosen to pilot a new design code.⁶⁸ Other councils have prepared small site design guidance such as Lewisham⁶⁹ and Merton.⁷⁰ The government have also revised the National Planning Policy Framework (NPPF), with a main revision in 2019 and some further minor edits in 2021.⁷¹

The government have also taken action on devising centrally imposed housing targets for each local authority, to form the basis of their plan-making (including five-year housing land supply) and the Housing Delivery Test. The initial proposed allocation caused some controversy, with arguments that it increased supply targets too heavily for the south of England, and a revised formula now privileges increased supply in urban areas across England.⁷² Alongside these changes, and somewhat in contrast to

63. <https://www.gov.uk/government/consultations/planning-for-the-future>

64. <https://theconversation.com/england-planning-proposals-aim-to-tackle-housing-crisis-but-overlook-key-issues-144099> and <https://blog.geographydirections.com/2020/08/24/planning-reforms-flow-from-a-market-utopian-view-of-housing-and-raise-concerns-about-impacts-for-society-and-the-environment/>

65. <https://www.nhqg.org.uk/>

66. <https://inews.co.uk/news/politics/chesham-amersham-by-election-loss-shows-planning-law-could-be-political-suicide-boris-johnson-is-warned-1060884>

67. <https://www.localgov.co.uk/MPs-call-for-councils-to-be-given-more-powers-to-tackle-land-banking-/52451>

68. <https://www.insidehousing.co.uk/news/news/government-launches-design-code-testing-programme-with-14-councils-70797>

69. <https://lewisham.gov.uk/myservices/planning/policy/adopted-local-plan/spds/small-sites-spd>

70. <https://www.merton.gov.uk/planning-and-buildings/planning/supplementary-planning-documents/small-sites>

71. <https://www.planningresource.co.uk/article/1722768/national-planning-policy-framework-july-2021-update>

72. <https://www.bbc.co.uk/news/uk-politics-55322993> and <http://www.local.gov.uk/about/news/new-housing-targets-jeopardise-any-ambition-level-country>

the increased focus on design-quality, the government has also continued to loosen planning regulations around change of use through the expansion of permitted development rights. Deregulated permitted development rights to convert offices into housing have existed in England since 2013, joined by retail and associated uses in 2015 (but subject to a size limit of 150m² to be converted) and light industrial units. A government funded independent review published in 2020 found that these permitted development units were producing lower quality housing than that governed through traditional permitted development, to the detriment of the health and wellbeing of occupiers.⁷³

In response to the report, the government introduced requirements that homes created through permitted development comply with the Nationally Described Space Standards (NDSS) and had adequate natural light.⁷⁴ Nevertheless, a number of concerns about such permitted development housing remain. Despite these, the government have announced a major expansion of permitted development to take effect on 1 August 2021, incorporating a much wider range of business, commercial and service premises being able to convert to residential use (subject to 1,500m² limit per unit). The government's rationale is that this would provide more economic support for town centres and also use buildings no longer required for retail uses in particular. However, there have been critics of this approach including the British Property Federation. The Local Government Association has argued strongly against this approach to the government.⁷⁵ The government has also reduced the ability of councils to manage these changes through the legal means of article 4 directions.⁷⁶ This has prompted the Housing, Communities and Local Government select committee to call on the government to pause this expansion of permitted development and consider additional reviews and safeguards.⁷⁷

The pandemic: need, economy, town centres

Since the introduction of national measures to deal with the pandemic, renters have had protection against eviction by landlords although those in private rented accommodation have reported more difficulty in keeping up with rent payments than those in social rent housing.⁷⁸ Further, a proportion of evictions are defined as 'unfair' placing the costs for homelessness on to local authorities.⁷⁹ As the English National Housing survey demonstrates, private sector renters are likely to live in more crowded conditions than other tenures and as this research also shows that this has been exacerbated during the pandemic.⁸⁰

73. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/902220/Research_report_quality_PDR_homes.pdf

74. <https://www.gov.uk/government/news/permitted-development-homes-to-meet-space-standards>

75. <https://www.localgov.co.uk/Scrap-permitted-development-rights-council-chiefs-say/52331>

76. https://www.lgcplus.com/services/regeneration-and-planning/fresh-limits-on-councils-ability-to-curtail-unwanted-pdr-development-05-07-2021/?eea=*EEA*&deliveryName=DM2205

77. <https://committees.parliament.uk/work/1131/permitted-development-rights/publications/>

78. <https://www.theguardian.com/politics/2021/jun/11/property-developers-gave-tories-891000-in-first-quarter-of-2021>

79. <https://www.localgov.co.uk/Unfair-evictions-cost-councils-161m-per-year/52382>

80. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000052/EHS_19-20_PRS_report.pdf

The pandemic has also generated more focus on town centres and regeneration and encouraged more councils to deliver housing in town centres. To some extent this was apparent before the pandemic as shown in Dover which has accelerated its housing delivery more recently.⁸¹

The level of local authority investment and development activity is proposed to increase following the pandemic. These programmes are for regeneration and housing together with other investment for income. In 2021-2022, the level of capital expenditure in English local government is predicted to increase by 29% from the previous year and stands at £30.7bn, the highest for five years.⁸²

The pandemic has affected the number of housing starts on site and affordable starts are down by 20% between 2020-2021⁸³ although it has been subsequently reported that affordable housing starts are expected to increase by the same amount in 2021-2022.⁸⁴ The pandemic, together with Brexit has affected the availability for housing materials and skilled workers to build housing while prices for these materials are also rising.⁸⁵

The pandemic has also brought an increased focus on the quality of internal space in homes, particularly but not exclusively those owned by councils. If people are going to spend part of their time working from home, then there needs to be some reflection of this in terms space design or retrofitting. It can also be an issue of social exclusion and lack of access to working space at home could exacerbate housing inequality.⁸⁶

The pandemic has meant that holidays are taken at home and there is evidence in coastal locations that private tenants have been forced from their homes to make them available for staycation customers.⁸⁷ As part of the economic stimulus package that the Chancellor implemented to support the economy during the pandemic was a stamp duty holiday for house purchases. This has stimulated demand and has also resulted in the fastest increase in house prices in 17 years,⁸⁸ which has raised concerns from the Bank of England.⁸⁹

The policies and programmes of the Mayor of London in comparison with Homes England

Unlike Mayoral combined authorities (MCA) the Mayor of London has direct powers over a housing funding in London that in the rest of England is managed for the

81. <https://avantiarchitects.co.uk/project/dover-housing/>

82. <https://www.lgcplus.com/finance/council-capital-spending-to-reach-five-year-high-in-post-covid-bounce-25-06-2021/>

83. <https://www.insidehousing.co.uk/news/news/affordable-housing-starts-fall-by-a-fifth-homes-england-data-shows-71250>

84. <https://www.insidehousing.co.uk/news/news/affordable-housing-starts-value-expected-to-increase-by-a-fifth-this-year-71498>

85. <https://www.bbc.co.uk/news/business-57247757>

86. Susannah Rustin (2021) https://www.theguardian.com/commentisfree/2021/jul/06/working-from-home-uk-inequality-housing-income?CMP=Share_AndroidApp_Other

87. Tapper J. and Bearne, S. (2021) https://www.theguardian.com/business/2021/may/30/staycation-boom-forces-tenants-out-of-seaside-resort-homes?CMP=Share_AndroidApp_Other

88. <https://www.bbc.co.uk/news/business-57648935>

89. P. Inman (2021) <https://www.theguardian.com/business/2021/jun/08/uk-housing-market-is-on-fire-warns-bank-of-england-chief-economist>

government by Homes England. Some of the MCA mayors have housing packages that cover specific issues such as the use of Modern Methods of Construction (MMC), stalled sites and stimulation of growth through housing this is still in close association with Homes England. Outside London, some LEPs support housing delivery with funding and others do not.

In the period since 2017, when we have been undertaking this research, there has been a growing difference between the policies and approaches being undertaken by the Mayor of London and Homes England and now in 2021, the effects of these policy differences in respect of affordable home provision, local authority skills and retrofitting homes to meet carbon neutral standards are widening. In the period 2017-2021, Homes England has offered local authorities a wide range of responsive grant and funding regimes that are available through bidding or pitching for scheme support. This can be exemplified through Housing Infrastructure funding (HIF) for which councils can bid although the decision periods can vary. Schemes such as that in Swindon for the new eastern villages development to provide 8,650 homes has been awarded £11.5m partly through HIF and other funding to come from the government through the Department of Transport.⁹⁰ Homes England also play a range of other roles at the local level including acting as a landowner, master developer or JV partner. These roles are accompanied by separate liaison and contact points between Homes England and each council, and it is not joined up at either end. In comparison, in London, the Mayor has established a housing support team and the London boroughs have been able to bid for five-year funding programmes that have been supported by skills development funding that has provided technical advice, training and development. Homes England has launched a support programme in 2021.

The government has an £11.5bn programme for affordable housing 2021-2026, of which £4bn has been given to the Mayor of London. In total, the Mayor is expected to deliver 82,000 homes by 2026 from the whole ten year programme. In its programme for 2021-2026, Homes England is adopting new standards for design and environmental performance of homes that is through its funding for procurement, grants and land trading activities and builds on its Building for a Healthy Life policy.⁹¹ In 2020-2021, there were 13,318 new affordable homes started in London and this was a reduction of 23% on the previous year 2019-2020 when it was 17,256.⁹²

The introduction of the London five-year programme 2017-2022, with a second programme 2021-2026 of the same budget size has had a range of significant outcomes for the provision of social housing. It has been taken up by 28 of the 32 London boroughs who are all now developing significant although different approaches to housing delivery. This programme is leading to more social rent homes being provided to help to meet London's need. It is helping boroughs to increase the size and skills of their housing delivery teams to those not seen since the late 1970s when social housing

90. <https://www.localgov.co.uk/Swindon-wins-again-on-Eastern-Village-infrastructure-cash/52332>

91. <https://www.building.co.uk/news/homes-england-unveils-plan-for-new-development-standards/5112547.article?s=03>

92. <https://www.insidehousing.co.uk/news/news/gla-affordable-starts-fell-by-23-during-pandemic-70690>

programmes were still in operation. This upskilling is also helping boroughs widen their housing delivery through other mechanisms including estate regeneration, joint ventures and wholly owned companies. These wider approaches are reflected in a report undertaken by London First.⁹³ However, the promotion of social rent homes that the Mayor can provide through the Affordable Homes Programme is limited to 53% by the government, with 47% having to be made available for intermediate tenures, most frequently through shared ownership.⁹⁴ In addition to the support provided for social rent housing development, the Mayor has also launched an initiative to help the London Boroughs buy back former RTB properties.⁹⁵ Homes England is able to provide major investment for loans for infrastructure in London, such as in Surrey Quays where it has provided £100m loan to support the delivery of 3,000 homes.⁹⁶

93. <https://www.londonfirst.co.uk/sites/default/files/documents/2021-06/HousingPartnerships.pdf>

94. <https://www.insidehousing.co.uk/news/news/gla-keen-to-flex-grant-programme-to-allow-more-social-rent-71407>

95. <https://www.insidehousing.co.uk/news/khan-promises-funding-to-help-london-boroughs-regain-homes-lost-to-right-to-buy-71566>

96. <https://www.insidehousing.co.uk/news/news/homes-england-to-provide-100m-loan-for-infrastructure-at-major-south-london-site-70844>



Research Methodology

We have approached this third wave of research into local authority direct delivery of housing using the mixed-methods approach as for the previous two waves of research, the first in 2017, and the second in 2018-19 (published in 2019). This allows a mix of desk based and primary research, with some elements incorporating a national picture across England whilst others allow for greater depth in relation to a few exemplar local authorities and some elements considering published research and others allowing local authority officers and councillors to directly share their views and experiences. Adopting the same methodological approach as the previous two iterations of the research also allows ample opportunity for comparability and charting progress and developments in local authority engagement over the last four years.

Desk survey

The methodology used to undertake this desk survey has been the same as in 2017 and 2019. Each council was searched using the same terms on Google. In 2021, the desk research was undertaken between January and April and new search terms were added to those undertaken before which were primarily concerned with whether the council had a company or a joint venture. In 2021, each council was also searched for the following:

- Whether the council's corporate plan or strategy included their need to provide affordable housing – those councils that did mention the need for affordable

housing have the link to this strategy included here. Those not mentioned either did not have any mention of affordable housing in their corporate strategy or plan or did not have one;

- The Council HRA business plan or equivalent where the council has an HRA;
- Where the council has a company or a JV, the name of the company and/or the JV partners have been identified and included as far as possible;
- The Council regeneration programmes that include housing – here the council may have a JV, some land ownership, or using advocacy to seek funding from government or its agencies for delivery;
- The number of homes that the council appeared to be directly involved in delivering through their HRA, company, a JV, partnerships with RPs, their own RP or regeneration programmes. These are shown as separate figures and not aggregated in the table; there has been an effort to avoid double counting as far as possible; the source of these figures will be in the weblinks provided; they should be regarded as a mosaic;
- The Council's investment strategy;
- The Council's commercialisation strategy; and
- Whether the council works with a Community Land Trust (CLT)

The information found and included on the table is the result of the best efforts exercised in the process. It must be noted that the information is generally hard to find and piece together. Where there are opportunities to bring together the council's approach to housing delivery, for example in the corporate plan, housing strategy or delivery plan, these omit much of the housing activity that councils are engaged upon. It is easy to find HRA new build budgets but not the associated capital programmes in many cases. Where councils have engaged in delivery with partners – JVs or RPs, councils do not appear to be 'claiming' this delivery although it is due to its direct investment in time, land, funding or advocacy.

Direct Survey

As with the 2017 and 2018/2019 surveys (the second survey was administered in late 2018 and published in 2019), an invitation to complete the survey online was sent out to the email addresses of Chief Executives and senior officers with responsibility for housing, finance and planning in each English authority (email addresses obtained from public directories). This survey was open for a six-week period from late March to early May 2021.

The 2021 used mostly the same questions as the previous two surveys to allow ease of comparability and capture developments over the previous four years. However, some additional questions were asked where it was considered that further information would be useful, such as in relation to whether the Covid-19 pandemic had impacted housing delivery plans, or whether the lifting of the HRA debt cap had helped increase supply of new housing.

In our analysis, some questions are analysed through a simple description of all 282 responses, particularly where the query is related to general opinions on challenges, barriers and prospects in relation to housing delivery. For other questions, we report our response in relation to the local authorities represented in the survey responses. This analysis was done by sorting all responses by local authority. Where there was only one response per authority, this was taken as the response for that authority. Where there were multiple responses from the same authority, all responses were then compared and where they were responses for which a unified response per authority would be useful, we compared the responses. If there was disagreement on a yes/no question between respondents from the same authority, unless there three or more different respondents and a majority had selected one option, then the answer to that question would be reported as 'not sure' for that question.

Roundtable discussions

There were nine regional roundtables delivered with the support of the RTPi through the group of regional coordinators that were undertaken in March 2021. These roundtables were attended by primarily local authority planning and housing officers who had been invited by the regional RTPi networks. The questions posed at each roundtable were the same and circulated in advance. They were also very similar to those used in the direct survey. This was the same approach as in 2017 and 2019.

There were also three specialist roundtables which were attended by local authority officers that had specific interest in these issues. One was run by the RICS Association of Council Estates Surveyors group (ACES) which focused on issues of small sites and council land and then issues of value and best consideration. The other roundtables focused more on the role of councils in market development including construction, sales, management and design. These issues also arose in regional roundtables. These specific roundtables were run by two of the research sponsors, Airey Miller and Red Loft. They were run on the same lines as the regional roundtables with pre-agreed questions and open discussion in response to them.

Case studies

The final element of our research approach was conducting case study interviews with nine local authorities to provide greater depth and understanding of their activity in relation to direct delivery of housing. As with the previous two rounds of research, these case studies were selected on the basis of inviting respondents to our direct survey to volunteer to be a case study and be interviewed about their authority's activity. This time, respondents from 37 different authorities volunteered to be case studies. As with previous waves, our resources allowing around 10 case study interviews to be conducted. We made a short list of these 37 on the basis of wanting a mix of authorities in terms of geographical location, type of authority, socio-economic and housing market context, and types and scale of housing of delivery activity. We also wanted to meet with different local authorities to the two previous rounds of research. From this, we ended up conducting nine case study interviews.

Our interviews were primarily with a senior housing authority officer from each case study authority, although some interviews included two officers, sometimes with both housing and planning represented. The interviews were conducted online using Teams and Zoom, and were semi-structured, with some common questions about activity, barriers and so on asked to all as well as some specific questions picking-up on things from the direct survey which we felt it would be interesting to explore in greater depth. Interviews notes were then written-up and shared back with those who had been interviewed. Table 1, below, shows the case study authorities from all three waves of our research including some contextual information about the character of these 30 different local councils.

We now turn to our findings from this round of the research, considering the results from each different methodological approach in turn.

Table 1: Case study local authorities across the three waves of the research

Council(s)	Year studied	Type of authority [1]	Urban - rural classification [2]	Region [3]	Political control at time of case study [4]	Mid-2016 population	Registered provider (of housing)	Local assessment of housing need (dwellings per annum) [5]
Babergh Mid-Suffolk	2017	DC (x2)	R80 / R80	EE	Con	189512	Yes	807
Bournemouth	2017	UA	LU	SW	Con	197657	Yes	979
Derbyshire	2017	CC	N/A	EM	Con	769686	No	N/A
Dudley	2017	MB	MU	WM	NOC	317634	Yes	553
Eastbourne and Lewes	2017	DC (x2)	OU / R50	SE	LD/Con	204435	Yes	1015
Harrogate	2017	DC	SR	YH	Con	156312	Yes	669
North Kesteven	2017	DC	R80	EM	Con	113297	Yes	N/A
Southwark	2017	LB	MU	GL	Lab	313223	Yes	1824
Stockport	2017	MB	MU	NW	NOC	290557	Yes	1011
Wolverhampton	2017	MB	MU	WM	Lab	256621	Yes	710
Bristol	2019	UA	LU	SW	Lab	454213	Yes	1450
County Durham	2019	UA	R50	NE	Lab	522143	Yes	N/A
Croydon	2019	LB	MU	GL	Lab	382304	Yes	2440
Doncaster	2019	MB	OU	YH	Lab	306397	Yes	920
Hartlepool	2019	UA	OU	NE	NOC	92817	Yes	290
Huntingdonshire	2019	DC	R80	EE	Con	175666	No	804
Islington	2019	LB	MU	GL	Lab	232865	Yes	1150
Plymouth	2019	UA	OU	SW	Lab	264199	No	911
Salford	2019	MB	MU	NW	Lab	248726	Yes	1502
Slough	2019	UA	OU	SE	Lab	147181	Yes	927
South Lakeland	2019	DC	R80	NW	LD	103274	Yes	290
Spelthorne	2019	DC	MU	SE	Con	98902	No (at time – now is)	757
Bolsover	2021	DC	SR	EM	NOC	78,225	Yes	240
Brent	2021	LB	MU	GL	Lab	326,427	Yes	1826
Cambridge	2021	DC	OU	EE	Lab	124,635	Yes	700
Cheltenham	2021	DC	OU	SW	LD	117,217	Yes	539
Cornwall	2021	UA	R80	SW	Con	555,057	Yes	2625
Derbyshire Dales	2021	DC	R80	EM	Con	71,477	No	284
Gravesham	2021	DC	MU	SE	Lab	106,215	Yes	363
Wigan	2021	MB	MU	NW	Lab	323,526	Yes	975
York	2021	UA	OU	YH	NOC	206,920	No	867

Table notes:

[1] – DC = district council, CC = county council, LB = London borough, MB = Metropolitan borough, UA = unitary authority

[2] – R80 = Rural-80, R50 = Rural 50, SR = significant rural, OU = other urban, LU = large urban, MU = major urban (as per the Local Authority Rural-Urban Classification)⁹⁷

[3] – EE = East of England, EM = East Midlands, GL = Greater London, NE = North East, NW = North West, SE = South East, SW = South West, WM = West Midlands, YH = Yorkshire and the Humber

[4] – Con = Conservative, Lab = Labour, LD = Liberal Democrat, NOC = No Overall Control

[5] – Local assessment as reported by MHCLG⁹⁸

97. <https://www.gov.uk/government/statistics/local-authority-rural-urban-classification>

98. <https://data-communities.opendata.arcgis.com/datasets/housing-need/explore?location=55.364002%2C-2.951589%2C6.07>



Findings from the 2021 desk survey

The 2021 desk survey of 100% of English local authorities is set out in a table that is published as an accompanying document to this report and comprises of an entry for each council. Each round of research – in 2017, 2019 and 2021 – has been undertaken using the same methodology, although in each round specific questions have been examined. In 2021, we have investigated a range of additional issues in the desk survey including the name of local authority companies, specific JVs and partners and the numbers of homes being built where this information is available online. The details of housing numbers have not been aggregated for each council, as some are targets so should be seen more as a mosaic that is helping to compile a more complete picture although many gaps remain. We have also reviewed all council corporate plans and strategies for mentions of any priority for affordable housing and also reviewed where councils are working with community land trusts.

We have made some analysis of specific issues that emerged through this 2021 survey and, in the appendices, we have included lists of the councils engaged in specific types of initiatives discussed below. As this is a survey based on web sources alone, then inevitably, some information about council activity will not be in the table and some may have been overtaken by events. The web links can be accessed in the table to support what has been identified. Overall, the information has been very difficult to find and sometimes has required multiple searches.

One conclusion of this desk survey is that councils are not identifying their levels and outcomes of housing delivery activity in one place. On the whole, the information about the housing delivery through the HRA, housing companies and Housing Association partnerships is more difficult to find than the numbers of homes being provided through JVs. There is also a major gap between the discussion and information provided by councils on their delivery through housing and planning departments and that provided through regeneration, even where the council is contributing land and finance in addition to master planning and advocacy.

Findings

Companies

In comparison with 2017 and 2019, the number of councils with companies has increased from 58% in 2017, 78% in 2019 to 83% in 2021. Within these figures, there is an amount of churn with council companies, opening, closing and re-opening. With the exception of a few cases such as Merton, there is not always much detail of why these companies have been closed. Where councils are not engaging in much delivery, there is no discussion as to why this is the case and these councils frequently rely on planning mechanisms for delivery of all types of housing including affordable of various types. Some councils have strong relationships with housing associations, providing a development budget or specific partnership arrangements.

This increase in the number of council companies may relate to the increasing use of JVs to deliver housing and this has increased from 57% in 2019 to 72% in 2021 (the figures were not collected in 2017). Some councils have multiple JV arrangements for housing delivery, and these appear to be focused on specific sites or locations. In the past, more JVs appear to have been established with a more general agreement to find development opportunities jointly, but the JV focus is now narrowing to a specific number of identified sites. Some councils have construction contracts with developers, but these appear to be more traditional in their arrangements and not JVs.

Where councils have companies, they are being used for a range of purposes including development, housing management, taking s106 properties or purchasing street properties for rent. Some councils have a range of companies for different purposes such as Epping Forest, South Cambridgeshire, Bath and NE Somerset, Gateshead and Hounslow. There has been an expansion of councils using a trading company approach in comparison with previous years. Of the new companies, some have been established to undertake specific types of development or acquisition of housing for rent. Others have opened companies to support the development of their own land.

A number of councils have closed down their companies – such as Liverpool City Council and Merton – the latter in response to concerns about the issues at Croydon Council and its Brick by Brick housing company. Other councils have closed down their

companies to concentrate on other approaches such as the HRA, not least since the debt cap was removed in 2018. Others have been closed as a result of new political or officer leadership.

Joint ventures

As already noted, there has been a significant increase in councils with joint ventures since 2019. Some councils like Oxford City Council, BCP and Brighton and Hove have multiple JVs. In the past some councils had JVs with private sector partners without specifically agreeing the sites or projects to be worked on. The trend now appears to be that councils will specify sites or projects to be the purpose of the JV. Some JV partners appear more frequently than others including Keepmoat, MUSE, Countryside Properties, Morgan Sindall, Barnfield and L&Q. There are also individual JVs with local partners. The names of the JVs and partners are included within the table where it has been possible to find them and there are accompanying weblinks with information on numbers of homes where these are provided. JVs may more frequently be used for major estate and economic regeneration projects.

The desk survey does not investigate why councils have taken on these JV partners but from the material online it appears to be because of a wish to share the risk, inject more investment into a project or provide more experience than the council may have. From the JV partner point of view, it provides access to guaranteed projects for a given period of time. Some councils have JVs with other councils or their companies such as SCAPE (Nottinghamshire CC) or Norse (Norfolk CC) while Nottingham City Council has a development company arm, Blueprint, which invests in other council areas. Homes England is also a JV partner in some councils.

Affordable housing

In the 2021 desk survey, there has been an attempt to understand in more detail what priority that local authorities are providing for the provision of affordable housing. While the Government's definition of affordable housing comprises a range of sub-market types of housing including shared ownership, in general public discourse this is assumed to be housing provided at a lower social or income related rent. The planning system does not support the provision of affordable housing through the allocation of sites for this specific type of need. Rather, it requires councils to undertake some assessment of housing need as a basis for negotiation of the provision of affordable housing through development contributions. Affordable housing is also excluded from funding through CIL contributions. It is then left to local authorities to negotiate a percentage of affordable housing in schemes on a range of sites.

As the information extracted from council websites demonstrates, the percentage of affordable housing achieved across different local authorities varies although this study has not been focused on identifying the percentages for each council. In a minority of local authorities, the provision of affordable housing is entirely dependent on this method of provision (through planning gain). In previous research in 2017 and 2019,

one of the motivations of local authorities directly engaging in housing provision has been to meet this shortfall between local housing need requirements and provision. However, the discussions in the research roundtables and case studies suggests that the pandemic has heightened the awareness of councils of the need to provide affordable housing at submarket rents for a range of their citizens. Local authorities are also indicating that their council housing registers have grown beyond the usual trends 2020-2021.

As well as this 2021 survey considering the delivery of affordable housing through direct or supported means – where the council provides some funding to housing association for example – there has also been a wider review of the priority which local authorities are assigning to the provision of affordable housing at the corporate level. All local authorities, apart from county councils, have been given enhanced responsibilities for homelessness through the 2017 Homelessness Reduction Act and the pandemic initiatives such as ‘Everyone In’ has brought more focus to the issue. It has been reported to us that the stay on evictions given during the pandemic has created more staff capacity to work on longer lasting solutions to those needing temporary accommodation and for rough sleepers. The continuing government funding support has also encouraged some councils to register as housing associations.

In this survey, which is based on published council documents and associated material, council strategies were reviewed and searched for their position on affordable housing. Not all councils have a corporate plan, business plan or wider organisational strategy but the majority do. We have found that many of these have been reviewed and updated since 2020 in response to the pandemic whereas others were reviewed in 2019 as part of the political cycle. The review of each council corporate strategy found that of that 80% councils had some indication of a priority for the provision of affordable housing in their areas. This did not necessarily extend to a consideration of how this should be provided by the council or other providers. However, those councils with a corporate strategy that included the need to prioritise affordable housing are shown on the table. Where there is no mention of the corporate strategy, this is either because the council did not have one or did not mention the provision of affordable housing as an issue. At the same time, of the councils that were in the 20% not mentioning the need to provide affordable housing at the corporate level, a number of these have shown that they are active in the delivery of affordable housing.

The corporate strategies also indicated a closer operational relationship between the planning and housing teams within the local authority area than has been apparent before. However, as discussed below, the corporate strategies together with the planning and housing initiatives mentioned by councils almost always excluded what the council is undertaking in providing housing through the means of regeneration. This is generally beyond housing estate regeneration and concerned with town centres, riverside areas, and redevelopment of sites formerly accommodating barracks and garrisons.

Regeneration

In 2017 and 2019, there was no specific consideration of the regeneration activities being undertaken by councils in their areas. However, in 2021, the use of regeneration by local authorities to provide housing has emerged as a widespread activity. This might be for a range of reasons such as need to improve a particular location or to take advantage of previously developed land for new purposes. The relationship which councils have with regeneration is longstanding and has been a key component of council place-based policy in the post-1947 period. In the past, this regeneration activity might have more commonly been undertaken through the use of site acquisition and assembly using compulsory purchase orders and subsequent direct or indirect development using third parties. This has primarily been seen as a means of improving town centres through the provision of culture, employment and inward investment. Over time, councils have continued their regeneration initiatives through the establishment of specific teams, the use of planning tools, joint ventures and advocacy to Local Enterprise Partnerships or mayors of combined authorities for specific funding to open up areas through the provision of infrastructure investment or brown field site treatment and preparation. There have also been changes in the composition of the uses in these regeneration schemes with housing and student accommodation increasingly being provided as part of a wider mixed-use scheme and now being regarded as a scheme anchor.

In 2021, council-led regeneration schemes that provide some housing have been included in this survey and are shown as being distinct from the housing provided by councils through planning negotiations and housing programmes. What is interesting is that the regeneration programmes are generally separate from council corporate plans and seem seldom to appear in housing strategies or capital investment programmes. Yet, as the survey demonstrates, they are increasingly used as a mechanism to provide housing of a range of types and tenures. While the council may not be providing the homes directly, there is clearly considerable engagement in getting the homes delivered directly or with partners. Some of this housing is for social housing needs and in some cases, local authorities are purchasing housing provided by the private sector. This means of providing housing through regeneration appears to be underreported and unrecognised yet in some cases the housing provision numbers are large. While local authorities may not own the whole of the regeneration site – or indeed any land in the designated area, it is using planning, other programmes and advocacy to bring these regeneration sites to fruition. The government's programmes to support town centres have seen this consolidated and, in some cases, apparently accelerated. It is interesting to note this additional strand of activity which is part of the council's programme in providing housing is far less recognised.

Councils using Modern Methods of Construction

While the desk survey did not specifically ask a question about the council's use of modular or Modern Methods of Construction (MMC), a number of local authorities mentioned their use of these approaches which are listed in Appendix A. In some

cases, these are described as pilot schemes or where the council is investigating the use of MMC such as in BCP, Bracknell, Bradford, Redcar and Cleveland and Walsall Councils. Both Nottingham and Nottinghamshire are using MMC to provide housing using different approaches. Nuneaton and Bedworth have stated that they will be using MMC for some of their homes being developed through the HRA. Corby states that it is using MMC to deliver homes while Cornwall has long had a factory for windows and doors which is now extending its delivery to the council's company and private developers. Oxford has developed a procurement framework for MMC to provide 2500 homes across Oxfordshire. Coventry has a JV to pilot delivery through MMC while Greenwich and Kings Lynn and West Norfolk are using JVs for MMC to provide carbon neutral homes and Leeds is providing 28 homes through an MMC JV. Lewisham has been using the housing funding provided by the Mayor of London to build 65 MMC homes. In North Somerset, in a joint approach with Homes England for 500 homes, MMC is being used for an urban village extension together with passivhaus standards. In Medway, the councils' company MDC has commissioned 20 homes using MMC. Mendip council is using MMC to provide housing working with a Community Land Trust.

Councils providing student housing or working with Universities

One issue that has emerged in 2021 is the number of councils engaged in the provision of student accommodation. This might be for a range of reasons, for example in Milton Keynes where a second university campus is being developed and accommodation for 5,000 students is being planned. Other councils are providing for existing student populations as in Nottingham (900 places) and Leeds (505 places). Some councils appear to be providing student accommodation in response to distributed campuses including Rushmoor (128 places), Scarborough (150 places) and Newcastle under Lyme (500 places). Some councils are working in partnership with universities for wider development and regeneration such as Newcastle upon Tyne and Peterborough, which is working with Anglia Ruskin University. The councils identified in the survey providing student housing are included in Appendix B.

Councils developing their own operational estate including civic centres

Some local authorities have mentioned the use of their own civic centres, council buildings and car parks to provide housing. In some cases, such as Plymouth, this is being undertaken in conjunction with a developer. In Richmondshire, the council's former premises are historic buildings and these have been converted to housing. Other councils redeveloping their own accommodation include Adur, Bromsgrove, Mid Suffolk, Trafford and Waltham Forest. A number of councils have also mentioned developing their car parks. This was reflected in the Bournemouth case study in the 2017 research. In Peterborough, the council is demolishing a multi-storey car park, that has come to the end of its life, to use the land for housing and other councils mentioning this activity include Brentwood, Cheltenham, Oldham and Maidstone. The full list is in Appendix C.

Councils working with other public sector landowners

The development of housing through public sector landowners working together has been promoted by One Public Estate over a period of 15 years. The councils involved in these initiatives include Bedford, Derby, South Staffordshire and Torbay. In the desk survey, a number of councils identified their inclusion in this programme while other councils mentioned working with specific public landowners such as the NHS in North Somerset and to redevelop former garrison or barracks sites including Richmondshire, Brighton and Hove, Folkestone and Hythe. In the case of some councils, these sites are being used to provide new garden villages such as in the Vale of White Horse. These councils are listed in Appendix D.

Councils using passivhaus or higher environmental standards

During the course of the survey, a number of councils were identified as using higher environmental standards for their own development. These included the use of a range of terms including passivhaus, eco-friendly, net zero, carbon neutral and higher environmental standards. The Isle of Wight has an eco-hamlet. The councils mentioning the use of passivhaus standards for their own housing development include Broadland, Mendip, Wolverhampton and York, among others. Some councils including BCP, Forest of Dean and Greenwich mention taking a carbon neutral or net zero approach and others such as Sheffield, Pendle and Sutton refer to using higher environmental standards. The councils mentioning the use of higher environmental standards in their developments are shown in Appendix E.

Numbers of homes being delivered through council engagement

As an examination of the local authority table will demonstrate, the information available about different kinds of housing delivery is scattered across Council websites and through media reports of council meetings. Where there is information about the number of homes being provided, these are included in the table and should be seen as a mosaic, contributing to a wider picture but with many gaps. Although it is relatively straightforward to identify the budgets for new build housing within the HRA – through business plans, capital programmes or council budgets, these are far less frequently accompanied by a detailed list of specific developments. The same is the case where councils have companies and the totals included within the tables have frequently been obtained by adding together the number of homes in specific developments. There has been a conscious attempt to try to avoid double counting but some of this may have occurred inadvertently. It is also probable that this table is an under-recording of council delivery for these reasons.

In some cases, councils are working directly with Housing Association partners through the management of s106 properties or through specific pots of funding for an agreed list of partners. For some councils, this is their main means of delivery and appears to be effective in some locations. For others, like Cornwall, this partnership with HAs is one of a number of initiatives to provide housing. In some cases, much of the housing is being delivered through joint ventures with developers and it is assumed that the

outcomes of these joint initiatives will be counted as market completions rather than reflecting the effort, resources and commitment that has been made by councils to achieve these developments, often, including of a high number of affordable homes.

While this table does not provide a comprehensive picture of the number of homes councils are directly engaged in delivering, it provides at least some indication of the scale, type and increasing activity across a range of delivery methods. The following sections give some reflections on the positions in London and the individual mayoral combined authorities.

Differences in the public funding of delivery of social and affordable homes in London and the rest of England

Public financial support for the delivery of housing in London differs from the rest of England. In London, this funding is devolved to the Mayor whereas in the rest of England it is operated through Homes England. In 2016, the Mayor of London decided that he would introduce two major initiatives to enable the delivery of social and affordable housing in London to support the capital's housing needs and economy. The first initiative was for councils that had not been able to use their right to buy receipts before the expiry of the deadline imposed by government. These receipts are often difficult to use, and we have found in the past that a significant proportion were not used to provide more housing due the rules associated with their application and the ability of the council to find ways to use them in time. In England, these unused receipts are returned to the general pot of Homes England, whereas in London, they have been returned to the Mayor. This was an issue raised by this research in the 2019 report. In London, the Mayor decided that any unused receipts returned in this way would be held by him as in a 'bank' so that the boroughs could use them at a future date. This removed the pressures for quick use and allowed the receipts to be applied in the locations where they were raised. Since 2021, the government has announced a change in the timescales for the receipts to be lengthened and it is hoped that this will be more beneficial to local authorities although these changes have been associated with other rule changes that may be less advantageous.

The second, and more major, initiative undertaken by the Mayor of London was to use funds available to him to create a major housing fund into which each borough could bid, regardless of whether or not they had an HRA⁹⁹. The Mayor invested £4.6bn in achieving 116,000 affordable homes by 2022. These bids required the boroughs to commit to completing an agreed number of homes within a set period. This was in a programme format for a number of identified. In addition to this funding, the Mayor recognised that the boroughs would need significant support in developing their skills and capacity. In order to support the boroughs, the Mayor implemented a short term programme through the Future of London organisation which tackled a range of specific technical, planning and procurement issues in building at scale again. This was followed by a more developed programme of support.

99. <https://www.london.gov.uk/what-we-do/housing-and-land/increasing-housing-supply/building-council-homes-londoners#:~:text=Mayor%20Sadiq%20Khan%20has%20secured,to%20tackle%20London's%20housing%20crisis.>

This approach was recommended for English local authorities through Homes England in the 2019 report of this research and in 2021, two specific initiatives were announced. The first was to offer local authorities the opportunity to become strategic partners with Homes England that would enable them to have a guaranteed programme of funding rather than have to seek approval on a scheme-by-scheme basis. The second was the establishment of a skills support programme to start in the summer of 2021 which includes assistance for all councils, support for those working directly with Homes England and thirdly bespoke support. While Homes England has a management with each local authority, it is also acknowledged that the relationships between Homes England and local authorities can be scattered across the council, and these are not necessarily brought together in a single place inside either the council or Homes England.

Direct delivery of housing in London

The first point to notice in the survey tables for individual London Boroughs is the significant size of direct housing delivery outcomes in comparison with most to the rest of England. While London has severe land constraints across much of its area, all London Boroughs are now delivering. A higher percentage of councils in London retain their HRAs than in the rest of the country at 87% with one borough, Bromley, seeking to reopen their HRA for purposes of funding for temporary accommodation. The number of Boroughs with companies has always been higher than the rest of the country, starting at 78% in 2017 and rising to 87% in 2019. This figure has been maintained in 2021 although Merton has closed its company and Richmond has commenced a JV. 69% of boroughs have at least one JV. The Croydon company, Brick-by-Brick, is about to be sold to the private sector in the first move of this kind in England as far as we have been able to see. This follows the council's Section 114 notice.

In reviewing the numbers of homes included in direct delivery programmes, most London Boroughs have included more detail about their delivery than other local authorities. This may be because their programmes are larger, and this data is also distinguished by detail of delivery between various agencies of the council. For example, in Barnet a range of information is provided for the delivery through the HRA and arms of the Barnet group of companies. Borough HRA programmes also include significant numbers of homes as do homes provided through partnerships with housing associations – with 4,000 'genuinely affordable homes' being mentioned by Brent of being delivered in this way. Ealing has a target of 2,500 affordable homes to be built by 2022 and also has a JV with Hill on 22 small sites and is delivering 1,300 affordable homes by 2026 through its company, Broadway Living, operating as a Housing Association. Other boroughs such as Enfield and Greenwich have large programmes as part of their own development and are working to deliver regenerations sites.

Hackney and Kingston upon Thames are undertaking major estate regeneration, with Hackney providing 500 homes at living rent. Hammersmith and Fulham and Waltham Forest are both councils redeveloping parts of their civic campus to provide more

homes. Harrow is piloting 51 PRS homes and an undertaking a programme of 500 HRA homes to 2020. Havering is committed to delivering 3,500 new homes for affordable rent and low-cost home ownership with the land remaining within the council's ownership. Some councils, including Hillingdon and Redbridge are currently searching for JV partners for housing development. Hounslow also has high housing development numbers, and it is seeking 5,000 affordable homes of which 3000 should be for social rent through the council or housing associations. Lambeth has a development programme of 4,500 homes by 2026 of which 1196 will be affordable. Lewisham and Barking and Dagenham are providing housing for social rent levels outside the HRA on rolling tenancies. Some councils have specifically mentioned the importance and role of the funding made available by the Mayor including Sutton, Newham and Brent. In Southwark, the council has a pipeline of 5,000 HRA homes of which 2,500 are expected to be delivered by 2022. Some Boroughs have other forms of housing being delivered such as the co-living schemes in Wandsworth. In Westminster, its company Westminster Builds is developing 2,000 homes.

Delivery in Mayoral Combined Authorities

The powers of each Mayor of a combined authority vary and are agreed by the constituent local authorities that make up the MCA before being approved by Parliament. Unlike the Greater London Authority, the MCAs are not local authorities and the Mayors do not have their powers including those in the 2011 Localism Act to raise income. They are dependent for their funding on government through a range of growth deals and specific initiatives. None of the Mayors in MCAs have housing powers but the government has created a range of initiatives which have been made available to specific MCAs. The West Midlands MCA has a housing growth deal while this and the West of England MCA have specific funding to support the implementation of MMC. The MCAs in Teesside, Manchester and North of the Tyne have had specific funding to accelerate stalled sites into development. These funds are additional to those generally available through Homes England although some are administered through the organisation. In most MCAs, these funds are combined with the Local Enterprise Partnerships in some ways and these have also been significant in providing funding for infrastructure and construction sites. This is also the case outside the MCAs where LEPs have provided significant funds to unlock sites through funding of roads for example in Cheltenham.

1. Cambridge and Peterborough MCA

This MCA has seven local authorities in membership. All seven had companies in 2021 and six in 2017 and 2019. Four councils had JVs and two had HRAs and both of these are below the national averages. A number of the MCA member councils are active in delivering housing. Cambridge is seeking to provide 546 affordable homes in the HRA by 2023, some of which have been funded through an MCA devolution grant for housing. The council is also proposing to develop 5,000 homes on land that it in part owns. In Peterborough, the council also has a number of JVs and is also reviewing all car park sites with a view to their development. One multistorey car park is being

redeveloped for housing. The MCA fund has also supported 40 affordable homes in Fenland and 670 homes in East Cambridgeshire which is also working with the Community Land Trust. East Cambridgeshire has regeneration programmes in each of its market towns and sites north of Ely for 5,000 homes. Huntingdon is regenerating St Neots with funds for housing from the MCA. South Cambridgeshire is adding to its stock of HRA homes, and its South Cambridgeshire Investment Partnership is building both for PRS and the HRA and the councils and its companies are acquiring land. Cambridgeshire County Council has a housing company, This Land, which is developing on a number of sites across the county including 350 homes in Newmarket.

2. Liverpool City Region MCA

Liverpool City Region has six constituent authorities. Of these, all had companies in 2021 and although the Liverpool City Council Company was closed in 2021 it has a JV. Similarly, five have JVs but only one has an HRA. St Helen's states that it is supporting the delivery of housing, but it was difficult to identify any numbers. Sefton is establishing a Housing Association in 2021 and the others have a strong focus on regeneration including Knowsley, Halton and the Wirral.

3. Greater Manchester MCA

There are ten metropolitan boroughs in Greater Manchester and all have companies and JVs. This compares with 8 in 2019 and 7 in 2017. Of the 10 councils, 8 have an HRA which is above the English average. Like London, some of these councils have high delivery numbers through a range of means including regeneration. Wigan is delivering 728 homes in partnership with housing associations and building nearly 300 HRA homes between 2020-2021. Trafford had three JVs including one for the regeneration of its civic quarter. In addition to providing its own new homes, Stockport is focusing on bringing 1,000 vacant homes back into use. Tameside has a partnership with Homes England to provide affordable homes. Stockport and Tameside have garden villages. Oldham is delivering new homes through a PFI while Rochdale has a JV partnership with Hive Homes to deliver 7000 new homes around five stations. Salford is working with the English Cities Fund to provide 2500 homes in addition to its own programme. Bury has a JV with Muse for regeneration of its town centre which includes a number of homes while it is also delivering through its ALMO. Bolton is undertaking some regeneration but its major development site across the border with Wigan is in limbo awaiting infrastructure investment to open up the land. Manchester is committed to providing 2025 affordable homes 2019-2025 through a variety of means. It has a partnership arrangement with HAs to deliver housing on its own land it is also receiving support from Homes England for affordable homes.

4. North of the Tyne MCA

The three authorities in the North of the Tyne MCA have had companies since 2017 which is above the national average and 2 have JVs which is below the national average. All three have an HRA. Newcastle upon Tyne has a JV with Newcastle University and a second JV for 1,800 homes. North Tyneside is undertaking a range

of housing delivery approaches including using the HRA and its own trading company NTTC. It is particularly focused on providing affordable homes through these means and partnerships with Housing Associations. It is also progressing the delivery of housing through regeneration. Northumberland is committed to providing 1000 affordable homes through the HRA and its company Ascent is building 256 homes for sale and affordable tenures.

5. South Yorkshire MCA

South Yorkshire MCA comprises four metropolitan boroughs and in 2021 all four had HRAs, companies and JVs which is above the national average. Doncaster developed 407 council homes in the HRA 2015-2020 and has a commitment to a further £100m investment but there is no development programme set out how this funding is to be used as yet. Barnsley has purchased 250 vacant homes to bring them back into use. Sheffield has JVs with Keepmoat and Great Places for 2,300 homes on a 60ha brownfield site of which 1,000 have been completed and has a target of for 3100 new homes in the HRA between 2020-2028/9. Rotherham has a number of JVs and is working with Wates on its own sites. It has received Homes England grant for 227 homes and has reviewed the land that it holds in the HRA. It is also promoting a range of housing on town centre regeneration sites.

6. Teesside MCA

The Teesside MCA comprises five councils. Of these 2 have an HRA including Hartlepool which reopened its HRA when it exceeded the 200 homes limit in the council's ownership. Councils have 4 or 80% companies and JVs in 2021 which was the same figure in 2019 with one company in 2017. Stockton and Redcar and Cleveland have homes being delivered with support from Homes England. Redcar and Cleveland Council is keen to expand its use of MMC. Some councils have major urban extensions for garden villages such as Darlington and Stockton. All councils, apart from Stockton, mention that are providing affordable homes. Middlesbrough and Darlington both have two JVs to deliver housing.

7. West of England MCA

In the West of England MCA, all three councils have JV companies while Bath and NE Somerset (BANES) has a trading group of companies. South Gloucestershire Council is also delivering with BANES. North Somerset council is not part of the MCA but does work collaboratively with it on issues such as transport and housing. Bristol has three JV companies in addition to its own company, Goram Homes while the council has 640 homes in the HRA pipeline on 14 sites and a range of regeneration sites for new housing. BANES has a number of investment properties, and its company ADL is purchasing land.

8. West Midlands MCA

The West Midlands MCA is comprised of 7 authorities, of which 5 have companies and JVs in 2021. There are also five with HRAs and at 70% - this is higher than the national

average but lower for JVs. The area had 4 or 57% companies in 2017 and 2019. Some of the constituent MBs are more active than others in housing provision. Walsall and Dudley appear to be the least active although it was difficult to identify any numbers of homes provided for Dudley. Of the other MBs, Birmingham and Wolverhampton are the most active in direct provision through the HRA and associated delivery mechanisms while Solihull appears to be primarily dependent on regeneration projects. Coventry has a small modular pilot.

9. West Yorkshire MCA

West Yorkshire MCA is the most recently established and had its first mayoral election in 2021. It comprises five West Yorkshire MBs together with York UA. In 2021, all six councils had a company as they did in 2019 and 4 in 2017. At 100% this is higher than the national average. Four of the authorities had JVs, which is less than the national average and four had HRAs which is more than the national average. When considering the individual councils, then Calderdale appears to be the least active with 38 homes in the council's company Weave and 100 affordable homes being developed in partnership with the Together Housing group. Other councils are committed to higher delivery members including Kirklees which is supporting 1,000 new homes on council land by 2024. Bradford and Leeds are active in investigating MMC for housing delivery and Leeds is working with Clarion on a mixed scheme that includes student accommodation. It also has a major HRA programme of 300 homes pa. Wakefield is aspiring to build 124 homes and promoting regeneration. York has a significant housing programme using its own company Shape Homes and delivering community build homes through Yorspace. It is also redeveloping barracks and has a JV for York Central.

Delivery in CAMKOX

The CAMKOX area comprises 19 local authorities of which two are newly formed in 2021 – North Northamptonshire and West Northamptonshire. While neither have much information available about their housing activity as yet, both have formed housing associations as one of their first acts. Of these councils, five have HRAs which is a smaller percentage than other parts of the country. Of the 19 authorities, 13 or 69% had companies in 2021 and 11 or 58% had JVs. All of these figures are below the national average. In addition to the levels of activity shown within the Cambridge and Peterborough MCA, Oxford, Central Bedford and Milton Keynes are the most active authorities with the latter expecting to deliver 500 new homes in their HRA by 2022. The council is also providing 200 energy efficient homes within the HRA and has a company where 2,000 homes are programmed. Oxford City council has a number of JVs with different partners, including one through Barton Homes for 885 new homes which will include 354 owned by Oxford City Housing Limited (OCHL) and be offered to those on the council's housing waiting list. Central Bedford has identified the potential for 585 homes on council land for development by its company of which 220 (40%) will be affordable.

There are a number of conclusions that can be drawn from the 2021 desk survey and are summarised here:

1. Councils are continuing to diversify the way in which they are providing housing;
2. Councils are using JVs to support delivery more than in the past and there are increasing numbers of councils that are using a range of JVs each to support a specific project;
3. There is some evidence of a growing ambition to provide homes through the HRA in some councils as evidenced here, although this is by no means universal;
4. There is evidence that councils are more systematically reviewing their own land holdings and using them as a means of providing more homes;
5. The different funding system for London Boroughs means that all councils are providing homes and at numbers larger than elsewhere;
6. A number of councils have strong delivery arrangements with local Housing Associations;
7. While it is not possible to aggregate the total number of homes that councils are providing, the information in this table demonstrates that the numbers of homes being provided by councils is continuing to grow each year;
8. The pandemic has encouraged a large proportion of councils to review their corporate plans and strategies and it is noticeable, that overall, 80% of councils are identifying their need to deliver affordable housing. This is across the country, all types of council and within councils of all political control. Where councils are acknowledging this need, they are not necessarily putting in place actions to help to meet this shortfall. Where councils have not identified affordable housing in their corporate strategies, they are nevertheless taking steps to provide affordable housing;
9. The failure of councils to 'claim' the homes that are being delivered through their investment including regeneration is leading to a general underreporting of their housing delivery activity to their local communities, the government and the wider commentariat; and
10. Some councils are mentioning their use of MMC or passivhaus/ higher environmental standards



Findings from the 2021 direct survey

Background

Our previous reports on local authority housebuilding, published in 2017 and 2019, included the results of a direct survey of local authorities regarding direct provision of housing. This survey exercise was repeated again for this third round of research.

Survey response

In 2017, a total of 268 responses to this survey were received from individuals working in 197 different local authorities in England (representing 56% of the 353 borough, district and county authorities). In 2019, we reported from a survey conducted in late 2018 that had received a total of 184 responses from individuals working in 142 different local authorities in England. This new survey, in 2021, received responses from 282 individuals working in 194 different local authorities across England. At present there are 343 local authorities in England.

Given the demands on officer time (particularly given the implications on local government austerity) and the fact there has been increasing interest and thus requests for information about this topic over the last year, we believe we had a very healthy response rate from this survey, as on the previous two occasions we have conducted a survey on this topic. There may be some self-selection bias, e.g., local authorities who are most active in relation to housing delivery wanting to answer the survey. However, this same issue would have been present in the previous survey respondents and so

whilst caution must be exercised about extrapolating from our sample of 57% of local authorities to them all, it does seem reasonable to make comparisons between our three surveys and consider the picture this provides of activity by authorities across England.

Results and analysis

Engagement

There were responses from all 194 authorities represented in the survey to the question of whether the authority was, by their own reporting and understanding of those responding to this survey, directly engaged in the provision of housing. Of these, 155 authorities – 80% – apparently were. This represents a notable increase from the 69% of authorities reporting in our survey published in 2019 that they were directly engaged and the 65% from the 2017 survey answering similarly. Of the authorities not engaged, 36% reported that they were actively considering becoming engaged in direct delivery of housing.

Barriers to engaging in direct delivery

Respondents from those local authorities not directly engaged in the direct delivery of housing were asked to specify the reason(s) for this. 54 respondents chose to answer this question and the results are illustrated below (Figure 1). The three key issues identified from the pre-suggested options were lack of funding, lack of land and lack of expertise, similar to our previous surveys. However, it is noticeable that the ‘other’ option is the most prominent. Looking at the reasons specified for this category, these mostly relate to not being a stock owning authority and feeling hampered by not having retained housing stock. There were also several mentions of forthcoming potential local government reorganisation.

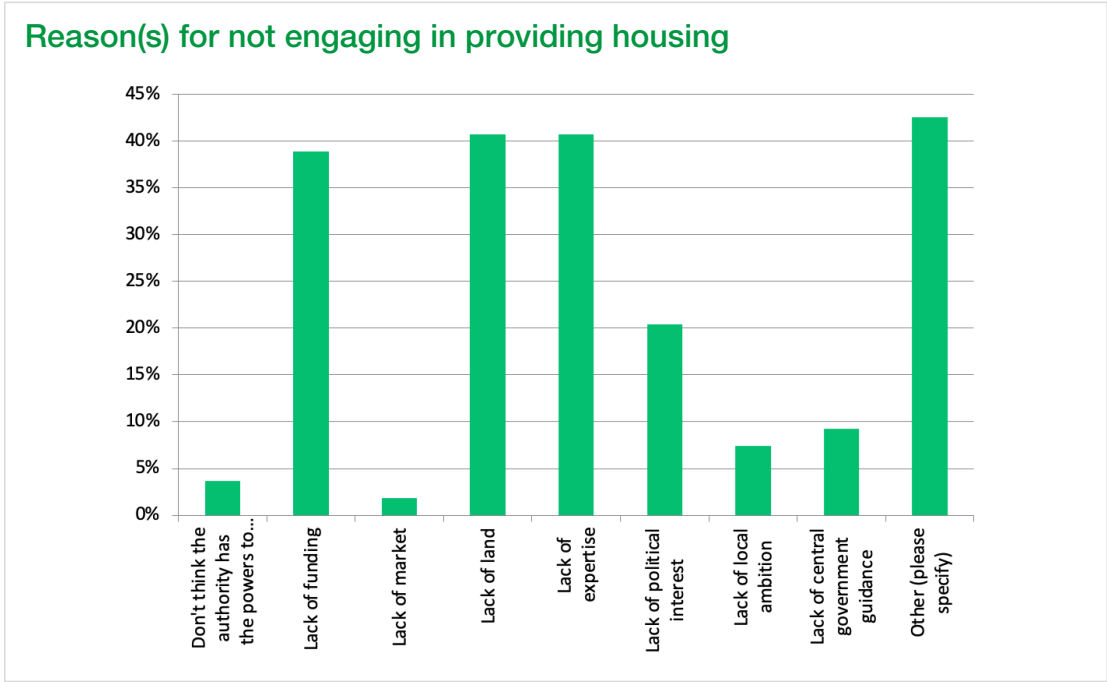


Figure 1: Analysis of survey responses as to why some local authorities were not engaging in direct delivery of housing (based on analysis of those of all 282 responses completing this question)

In relation to whether the Covid-19 pandemic had affected the council’s direct delivery of housing, there was a mixed picture with responses from 81 of the 189 authorities (43%) saying it had but 76 (40%) saying it had not and 32 (17%) not sure either way (Figure 2). Respondents were also given the opportunity to explain, in an open question, how the pandemic had impacted their delivery. On the whole, people reported minor delays, when specified delays on programmes for around 3-9 months were mentioned several times, with the initial lockdown period also often mentioned. The delays were most often attributed to issues on construction sites, such as workers needing to self-isolate or different trades not being able to be in units at the same time, and in relation to the sourcing and supply of materials.

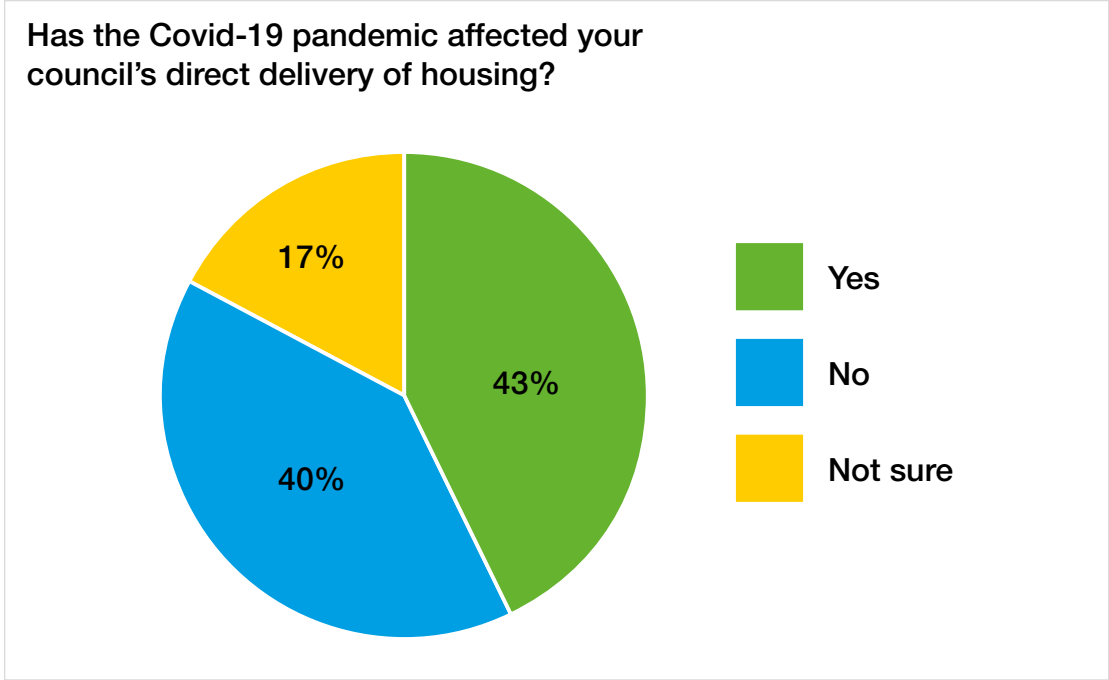


Figure 2: Analysis of survey responses as to whether they felt the pandemic had impacted their housing delivery plans (based on analysis of the 194 combined responses for each local authority)

Motivations

The survey revealed that those local authorities directly engaged in housing delivery do so for a wide variety of reasons. This reflects the findings of our previous surveys together with our case studies and roundtables, which have tended to show that authorities have often approached direct delivery housing with one specific motivation, to tackle one particular issue, but then realised that engaging in this activity might address several different issues. Perhaps unsurprisingly, comparison with the previous two surveys reveals that meeting local housing requirements and tackling homelessness remain the top two motivations for local authorities in the direct provision of housing consistently.

There are then a range of other issues which remain important to authorities and are motivating them to engage in directly delivery (Figure 3 and Table 2). Interestingly, over time, quality of design seems to have become much more important as a motivating factor whilst income generation has become slightly less important. The design issues may be linked to frustrations at the delivery of some volume housebuilders and the relationship to particular local contexts and needs. Estate regeneration has become slightly more important over time as a motivating factor. In some case study interviews this has been linked to concerns around maintenance costs, quality of accommodation and sustainability concerns (particularly energy efficiency) in older housing stock. Frustration at unimplemented planning consents has also dropped compared to the 2017 survey in particular, albeit as we discuss later, slow build out rates by developers were still mentioned in roundtable discussions as a strong motivating factor.

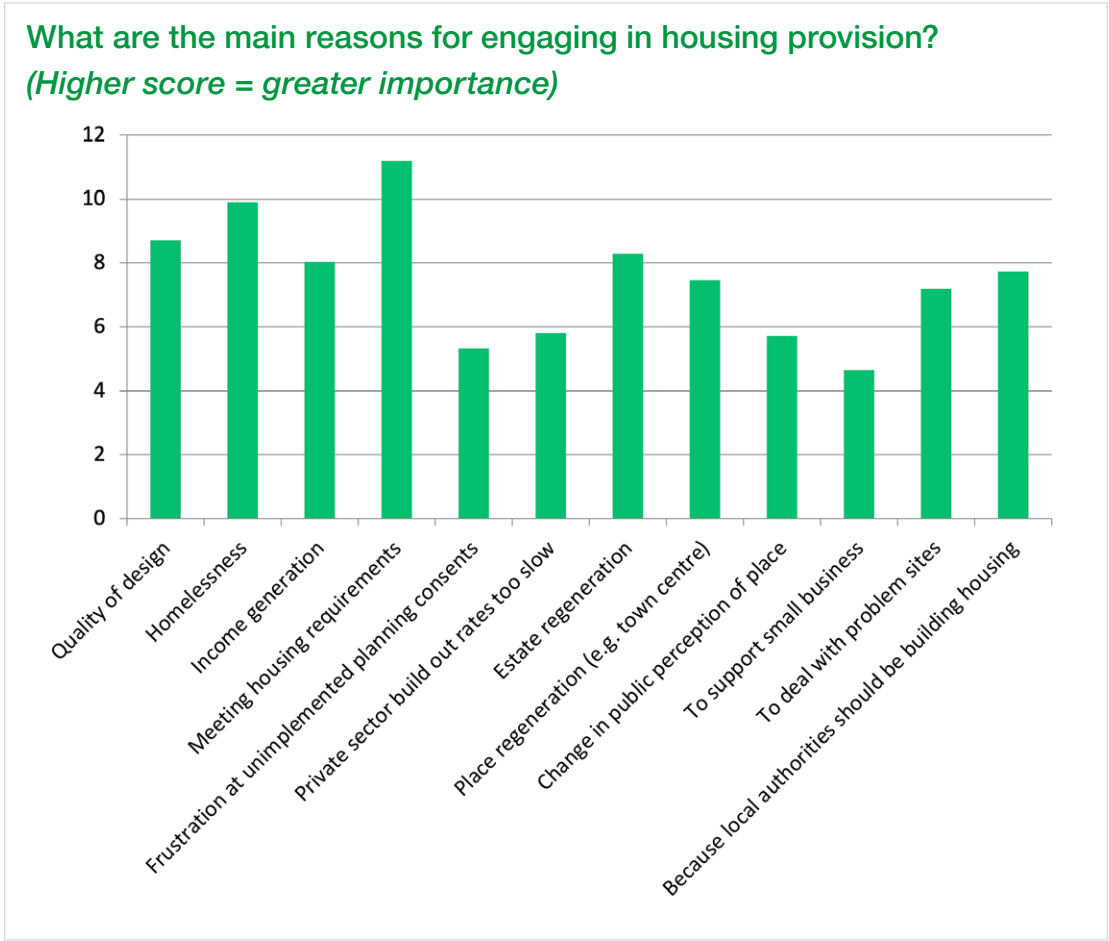


Figure 3: Analysis of survey responses as to what was motivating local authorities engaging in the direct delivery of housing (based on all 282 responses)

Table 2: Motivating factors for local authorities to engage directly in housing provision, in order of importance according to survey respondents

Factor	2021 importance Rank	2019 importance Rank	2017 importance rank
Meeting housing requirements	1	1	1
Tackling homelessness	2	2	2
Improving quality of design	3	=3	8
Estate regeneration	4	=5	4
Income generation	5	=3	3
Because local authorities should be building housing	6	=5	9
Place regeneration (e.g., town centre)	7	=5	= 6
To deal with problem sites	8	9	10
Private sectors build out rates too slow	9	8	5
To change public perceptions of place	10	10	11
Frustration at unimplemented planning permissions	11	11	= 6
To support small business	12	12	12

Types of provision

61% of survey respondents reported their authority was building or planning to build housing specifically for the needs of older people in this survey, compared to 71% of survey respondents in 2018 and compared to 42% in 2017. Other special needs were also being addressed with 32% of respondents stating their council would be building housing for people with mental health needs (previously 38% in 2018) and 59% for people with physical disabilities (this was 60% in 2018). We also asked additionally this time if councils are building specifically for larger families and 50% of respondents answering this question were doing so or planning to do so. 74% reported they were building or planning to build to address the needs of the homeless. 35% of respondents identified directly building housing for the needs of a range of other particular groups and specified a range of groups including young families, key workers, people with dementia, young people in care, care leavers, rough sleepers and victims of domestic abuse.

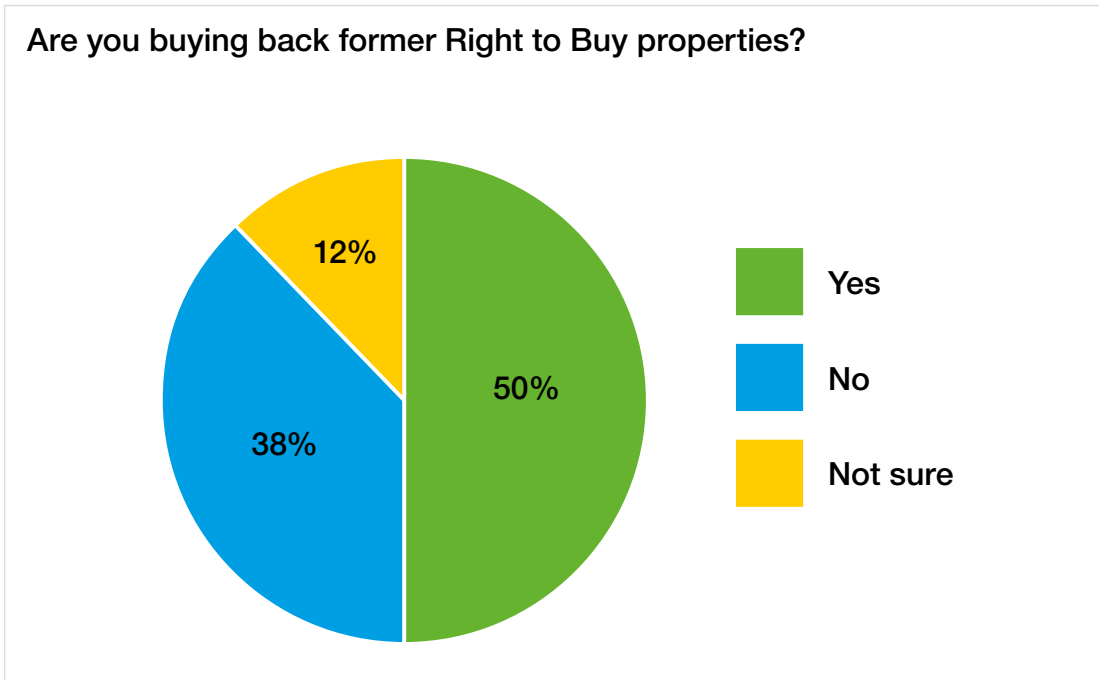


Figure 4: Analysis of survey responses as to whether authorities were buying back former Right to Buy properties (based on analysis of the 194 combined responses for each local authority)

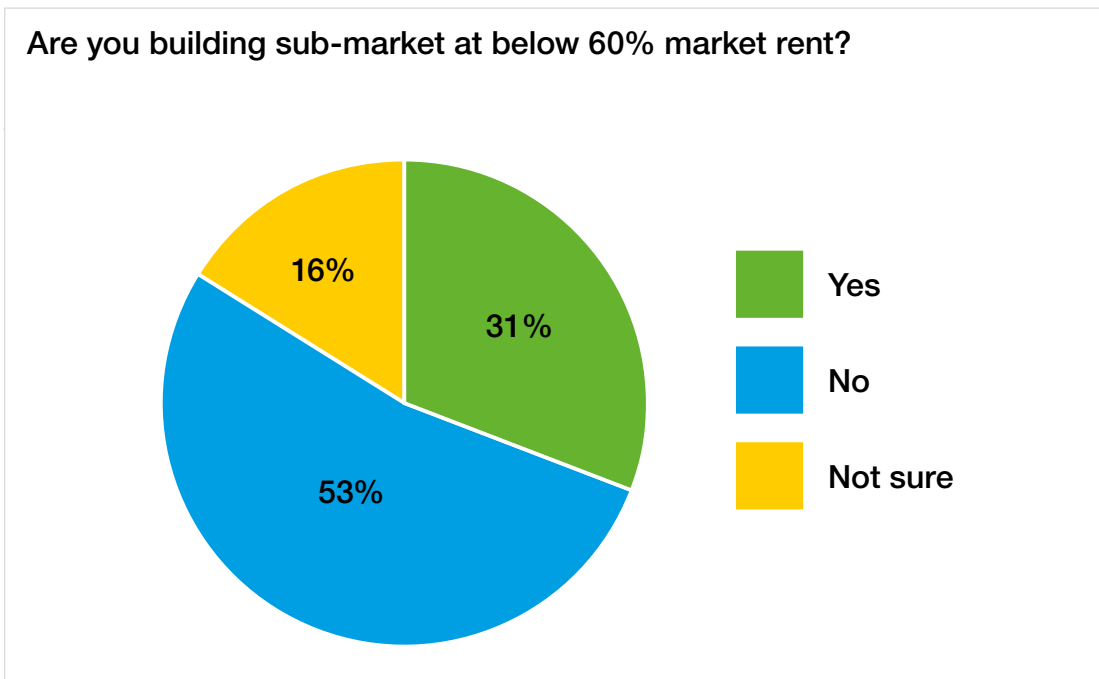


Figure 5: Analysis of survey responses as to whether authorities were building at below 60% market rent (based on analysis of the 194 combined responses for each local authority)

We included a new question in this survey on whether authorities were considering Modern Methods of Construction to help build housing and 73% of authorities where we had a response indicated that they were (Figure 6). Similarly, another new question on building to Passivhaus or similar energy / environmental standards indicated that 27% of authorities are currently delivering to these standards (Figure 7).

Are you using or considering Modern Methods of Construction to help build housing?

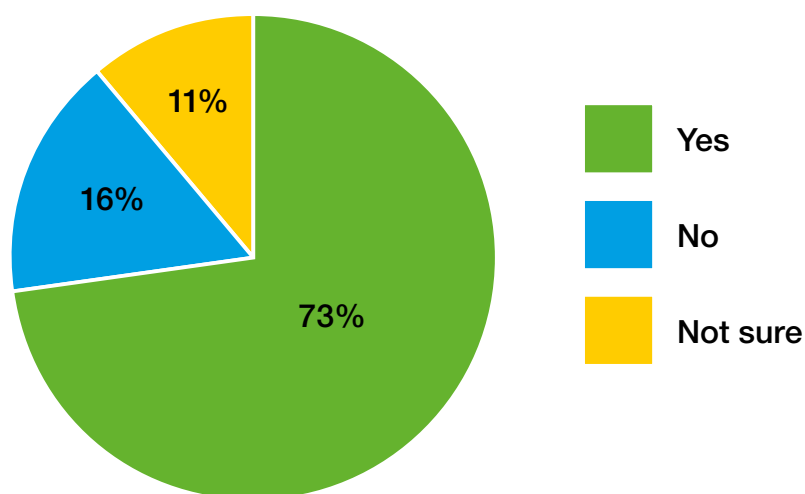


Figure 6: Analysis of survey responses as to whether authorities were considering MMC to help build housing (based on analysis of the 194 combined responses for each local authority)

If you are directly delivering housing, has this been to passivhaus or similar standards?

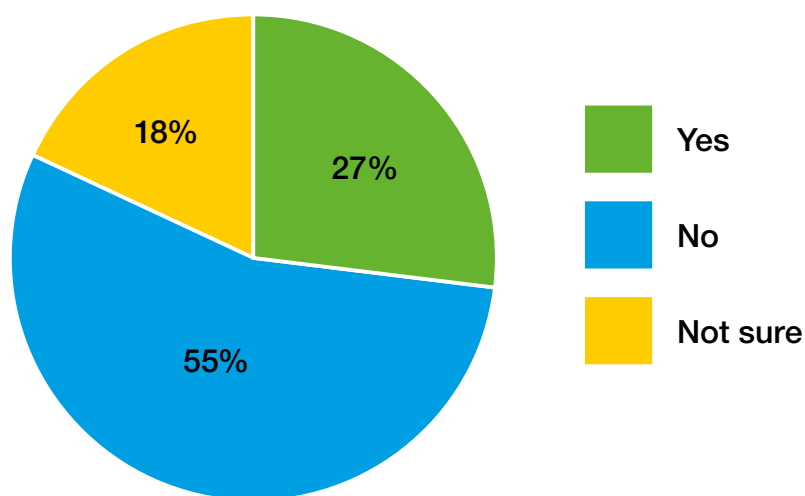


Figure 7: Analysis of survey responses as to whether authorities were to Passivhaus or similar standards (based on analysis of the 194 combined responses for each local authority)

Another question added to the survey for the first time this year asked whether authorities had an action plan or strategy to boost affordable housing supply in their area. 177 individual respondents, working for 128 different local authorities indicated that their council did. This represented 75% of authorities where we had an answer to this question (Figure 8) and there was a real sense of this having become a high priority for many authorities, as also demonstrated through the desk survey. Respondents indicating their authority did have a strategy were invited to provide further detail as to what this involved through an open question and 155 individual responses were received. These outlined a wide range of activity that councils were undertaking to

boost affordable housing supply, including having housing strategies with multiple actions planned or specific housing delivery action plans, actively supporting housing association partners, developments planned on council-owned sites, buying back former RTB properties, taking on S.106 properties where RPs are not interested, or, in one example, supporting the Rural Housing Enablers network and employ a Housing Development Officer to promote affordable housing delivery.

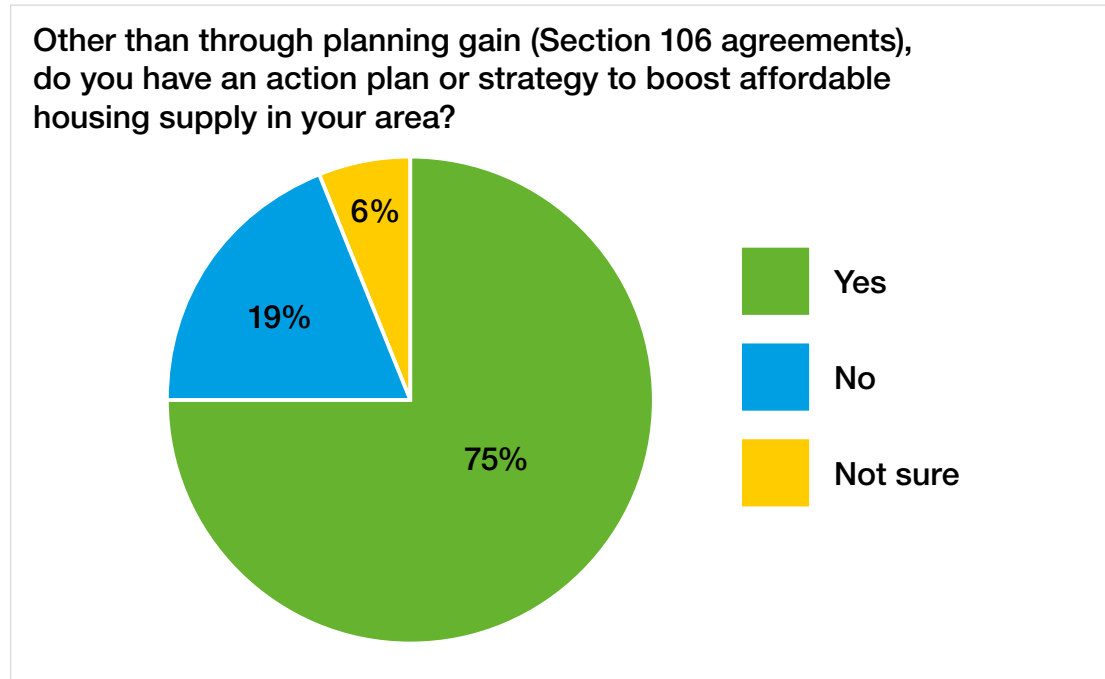


Figure 8: Analysis of survey responses as to whether authorities had a strategy to boost affordable housing supply locally (based on analysis of the 194 combined responses for each local authority)

As well as building directly through the general fund and/or HRA and having a wholly owned or joint venture local housing company (further detailed below), authorities are also utilising a host of different arrangements to deliver housing locally (Figure 9). These include a variety of partnership arrangements reported in our survey. The most common of these was working in partnership with a Housing Association or with a developer, as in our 2018 survey, closely followed by in partnership with Homes England. Under 'other' was a wide range of other partners some authorities were working with, including the GLA, Transport for London, local charities (for example in relation to a rural exception site), alms house trust, One Public Estate, community-led housing groups and self-builders. Asked about whether they were working in partnership with other local authorities to directly deliver housing, 16% of authorities who had responded indicated that they were involved in such collaboration (Figure 10). These included growth partnerships, formal alliances and joint working between authorities in two-tier areas.

Are you providing housing through other methods?

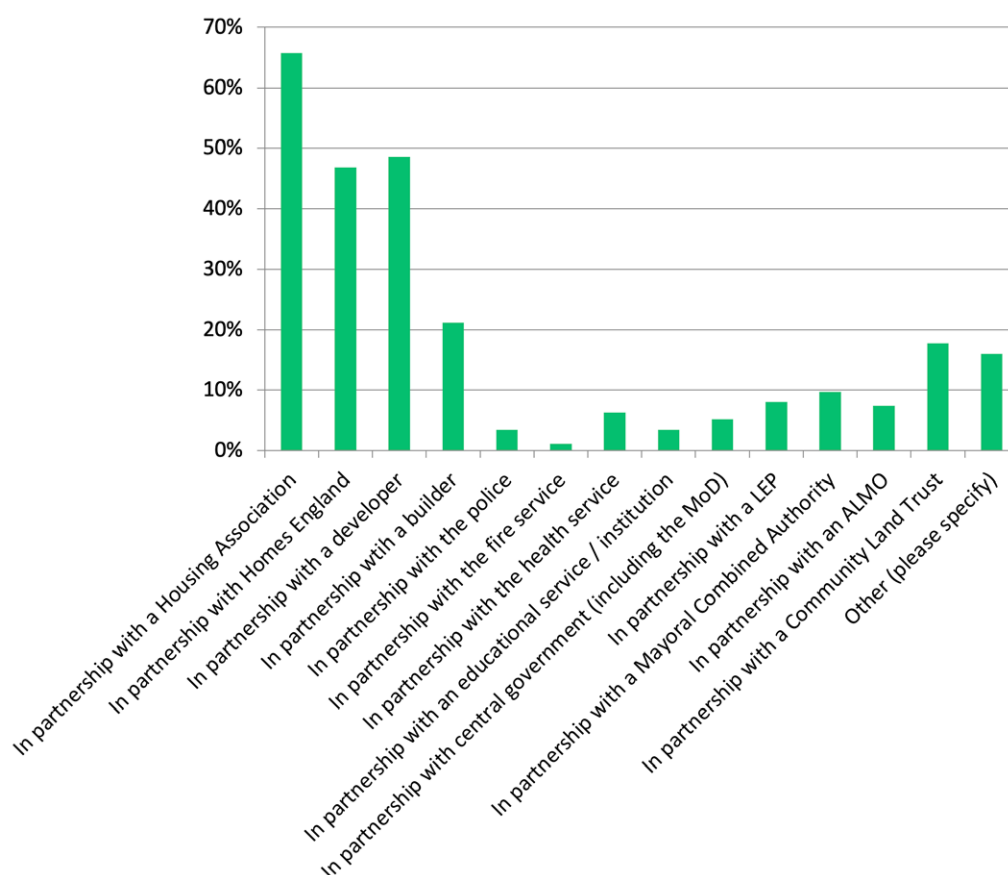


Figure 9: Analysis of survey responses as to what other means local authorities were using to deliver housing locally (total adds to more than 100% as some authorities are taking multiple initiatives and based on all survey responses)

Are you collaborating with any other local authorities to directly deliver housing?

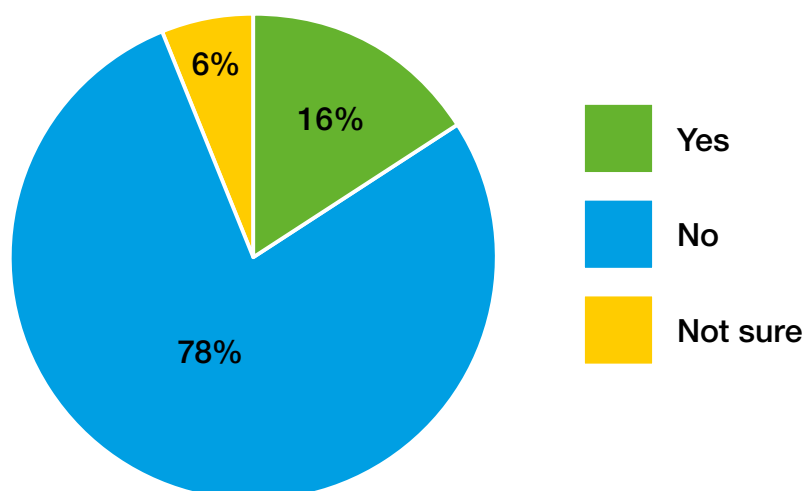


Figure 10: Analysis of survey responses as to whether authorities were collaborating with other local authorities to directly deliver housing (based on analysis of the 194 combined responses for each local authority)

Local housing companies

Respondents were asked if their local authority had one or more housing companies. Analysing results by local authority shows that 94 of the 171 authorities who had responded to this question said that they did have a local housing company (Figure 11). This is 55%, which is higher than the 42% from our 2018 survey and 44% from our 2017 survey. The figure may be different to the one cited in the desk survey because of how respondents define and understand a local housing company as opposed to other companies the local authority may have. This survey asking specifically about housing delivery and so their understanding being very much around a company developing new housing as opposed to, for example, undertaking maintenance or managing commercial property. 79 authorities (84% of authorities with a company) were reported as having a wholly owned housing company. 24 authorities (26% of authorities with a company) had a joint venture housing company, with their being 9 authorities having reported having both (10%). This compares to the 2018 results of 83% of authorities with a company having a wholly owned one, 34% a joint venture and 7% both. Figure 11 shows the percentage of authorities with a wholly owned, JV and both wholly owned JV local housing companies as a percentage of all authorities represented in the response to our survey question on this, so also including those authorities without a local housing company.

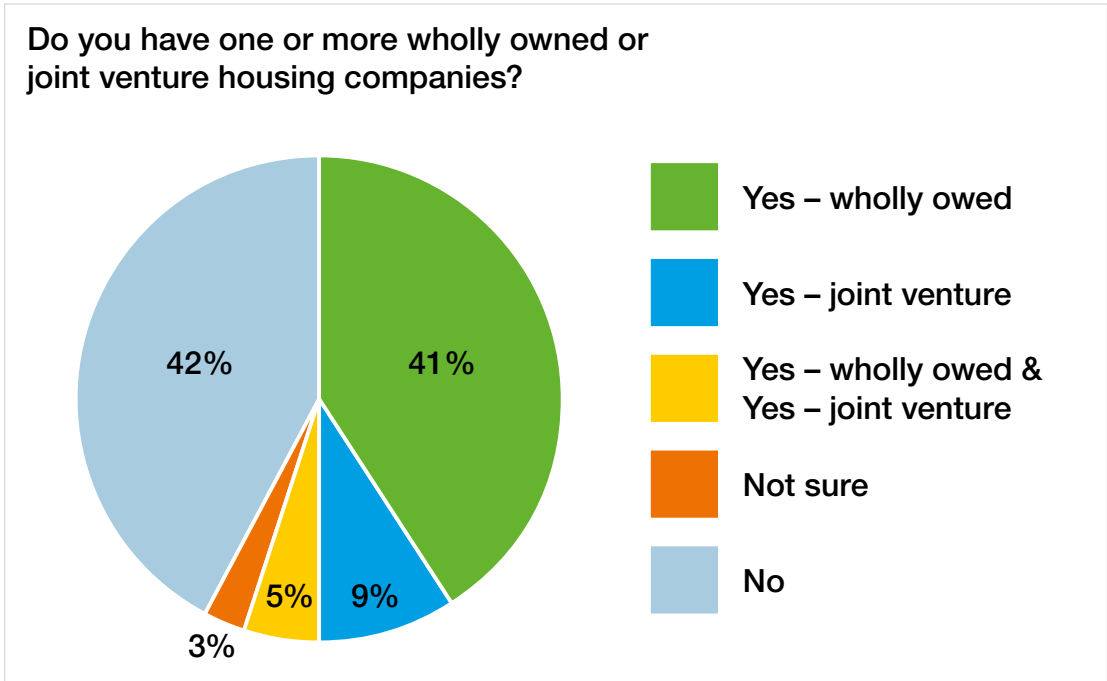


Figure 11: Analysis of survey responses as to whether authorities had a local housing company (based on analysis of the 194 combined responses for each local authority, with 171 authorities represented in the responses to this question)

For the authorities reporting they had one or more housing companies, 67 (71%) indicated that they just had one company, 20 (21%) indicating they had two and the rest of the 94 more than two, up to the highest number being seven at Eastleigh District Council (Aspect Building Communities Ltd founded in 2014, Aspect Building Communities Ltd, Aspect (Eastleigh) Ltd founded in 2016, Stoneham Park Developments LLP founded in 2017, Woodside Avenue Developments LLP founded in 2016, Woodside Avenue

Homes LLP founded in 2018, Pembers LLP founded in 2017 and Eastleigh Homes LLP in 2021). It is useful to note here that a couple of respondents were unsure when they had umbrella group companies with sub-companies how to answer this question, and again there may be different understandings about how a 'local housing company' is defined as opposed to, say, a 'property company'. As seen in our desk survey, some councils describe these umbrella companies as 'trading companies' on their websites e.g., Epping Forest District Council and Bath and North East Somerset Council.

Asked in an open question the purpose of the company or companies, a wide range of responses indicated the real variety of objectives authorities are trying to achieve by having set-up local housing companies. Responses included several mentions of increasing affordable housing supply locally, pursuing regeneration, building on under-utilised council land, delivering new homes, delivering market rent homes of high quality, providing market housing to generate income that can be reinvested in social housing, providing quality rented homes below market levels for working households, to upscale and deliver more mixed tenure homes across the city to the certified passivhaus standard that are healthy and climate ready, to promote commercial and construction excellence, building affordable, efficient and well-managed homes to time and budget, as well as for profit and in order to accelerate residential growth.

A new question in this survey asked if any wholly owned or joint venture companies which the council set-up to support housing delivery are now dormant, sold off or closed. There were responses from 15 different authorities who confirmed that they did have such dormant, sold or closed companies. In an open question as to explain this, responses indicated things like a company wound-up due to non-delivery, companies dormant whilst start-up capital is sought, or, in another example, a political decision having been taken to make the company dormant once its first development was completed and sold.

Those authorities without a company were asked why they did not have one. Only a few responses were received to this question but appeared to be around concerns about risk, cost and complexity. Those authorities with a company were asked about the main challenges. The responses received are illustrated by Figure 12 and are similar to the results from previous surveys. A long list of 'other' challenges were received and included several mentions of risk, the availability of capital, getting the governance right so as to ensure appropriate transparency and oversight but without undue administrative burden on a commercial operation, sourcing land, and an interesting response that highlighted the challenges around the fact there was a new reliance on the company to achieve income targets, set within the Council's medium term financial plan, but now with significant risk attached to under-delivery in a difficult operating environment (due to Brexit, Covid and so on).

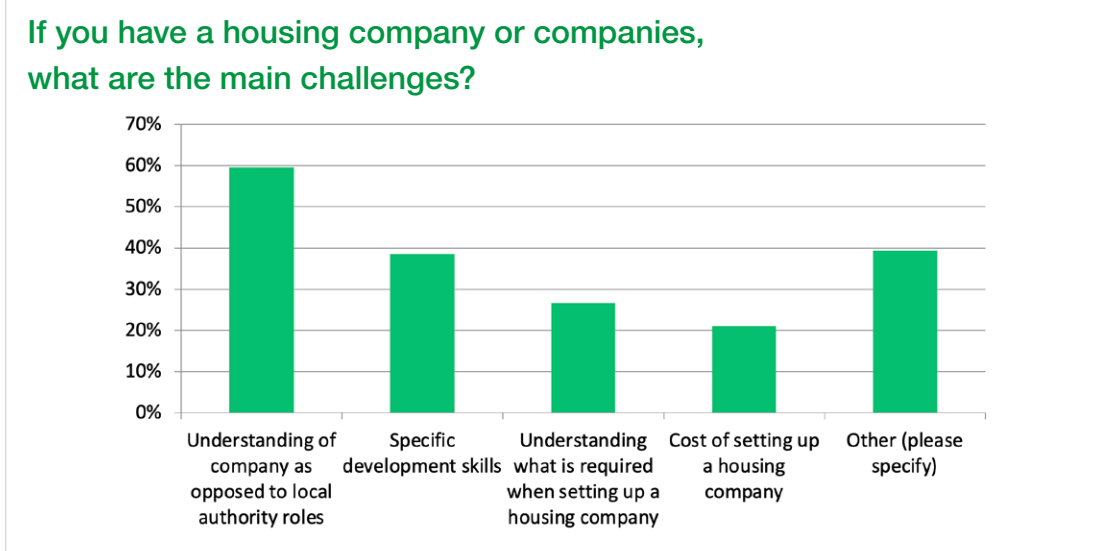


Figure 12: Analysis of survey responses as to what were the main challenges associated with a housing company

Funding

In relation to Right to Buy receipts, 25% of respondents in this survey worked for authorities who were apparently not using their Right to Buy receipts, a slight reduction from the 28% who were not in our survey published in 2019 (which had been administered in autumn 2018) and 34% on our 2017 survey. Asked about how much their authority had paid back in terms of receipts over the last year, most people who answered this question put ‘nil’, with most authorities who had paid back receipts choosing not to respond to this question. However, one authority had apparently paid back £1.2million and another £2.5million. Another respondent noted that they have not paid back any Right to Buy receipts to central Government but have made use of the Right to Buy ringfence offered as part of the GLA Building Council Homes for Londoners funding programme.

The HRA debt cap was lifted very shortly after we conducted our last survey. We therefore added a new question to this 2021 survey to ask if the lifting of the cap had allowed an increase in delivery. Analysing by local authority, 84 (52%) of the 161 local authorities from whom we have survey responses felt it had allowed them to increase delivery (Figure 13). An open question asked respondents to explain this answer, and a number pointed out their authority did not have an HRA or retained housing stock, which may explain a number answering ‘no’ to the question (those without an HRA could answer this question as well as those with an HRA). More positive comments highlighted that the lifting of the cap allowed more borrowing, greater ambition (for example changing a programme of 115 homes to 1,700 homes) and allowing welcome flexibility.

We also asked in this 2021 survey if authorities without an HRA were planning to open one. We received responses from 66 local authorities in relation to this issue, of which just 4 (6%) were respondents saying they planned to open an HRA, with a majority not planning to do so (Figure 14). This may be linked to some of the bureaucratic accounting processes around doing this, and the variety of means of delivery which make delivery without an HRA possible. Similarly, a respondent from a smaller authority pointed out that you could have up to 199 homes without needing one.

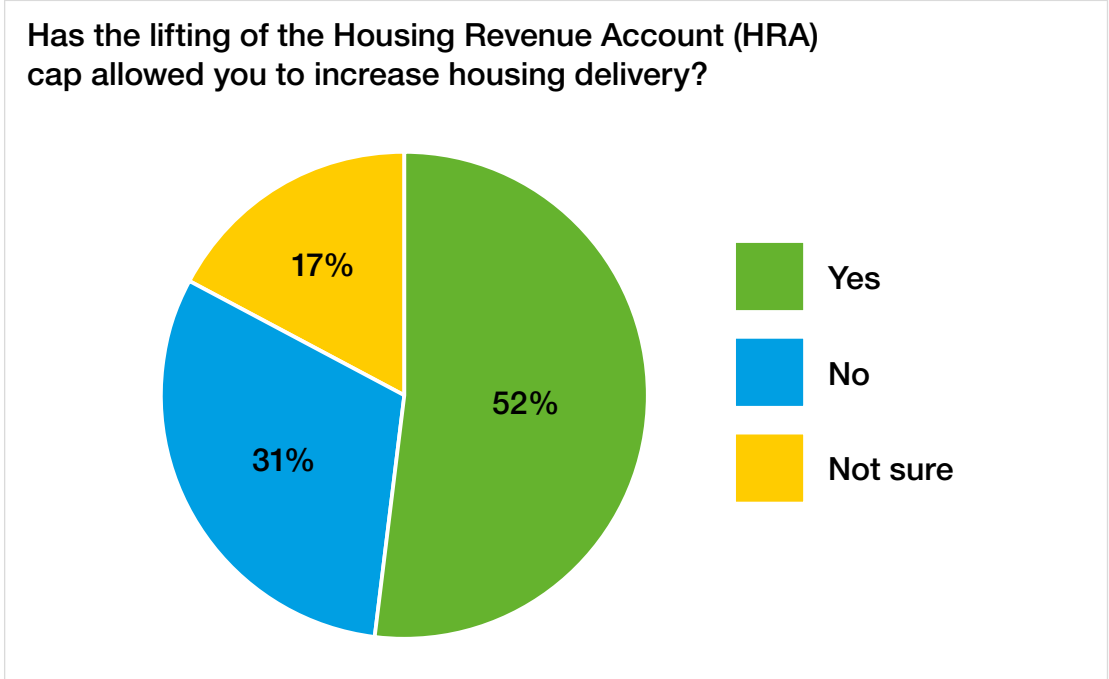


Figure 13: Analysis of survey responses as to whether they felt the lifting of the HRA debt cap had helped to increase housing delivery in their authority (based on analysis of the 194 combined responses for each local authority)

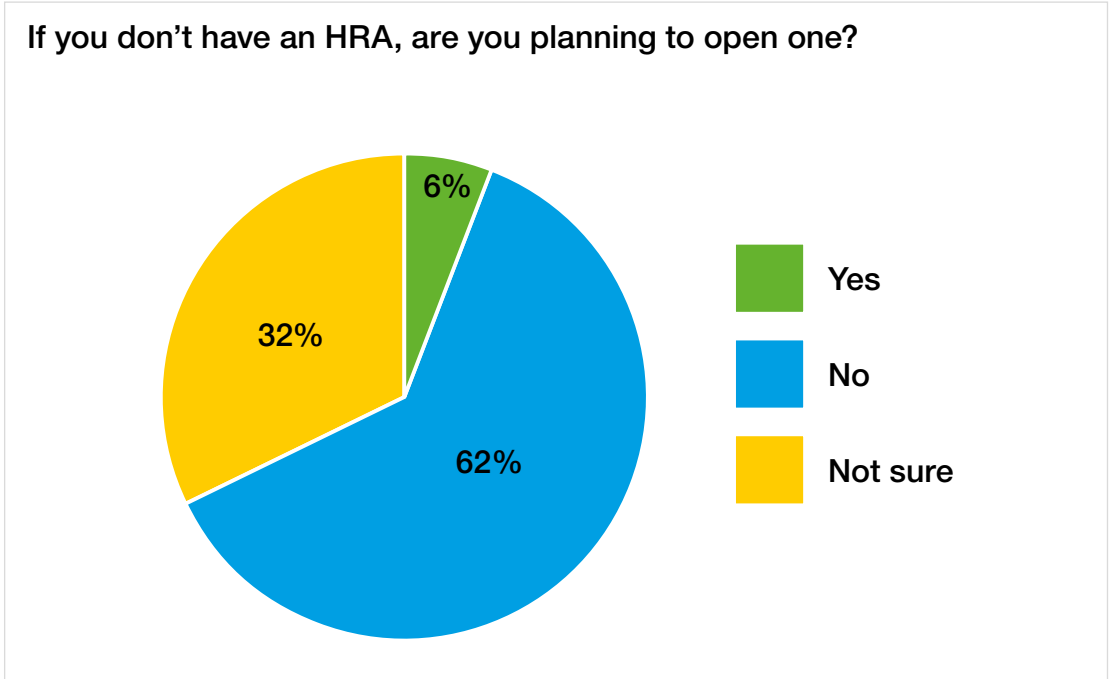


Figure 14: Analysis of survey responses as to whether authorities without an HRA were planning on opening one (based on analysis of the 194 combined responses for each local authority)

A further question relating to recent developments asked respondents if they thought that the announcement that Homes England had extended their strategic partnership funding to local authorities would help them deliver more housing. 46 (27%) of the 168 local authorities responding to this question thought this funding would allow them to increase delivery (Figure 15). An associated open question asked respondents to explain their answer. Some authorities felt they were too small to qualify for this funding with challenges to meet the 1,500 new homes target, some felt they could not meet the qualifying criteria for a range of reasons (e.g., a lack of sites), some felt the limit on 2 local authorities in partnership and tight deadlines for submitting bids meant they could not participate, whilst others highlighted that GLA funding was more relevant in London.

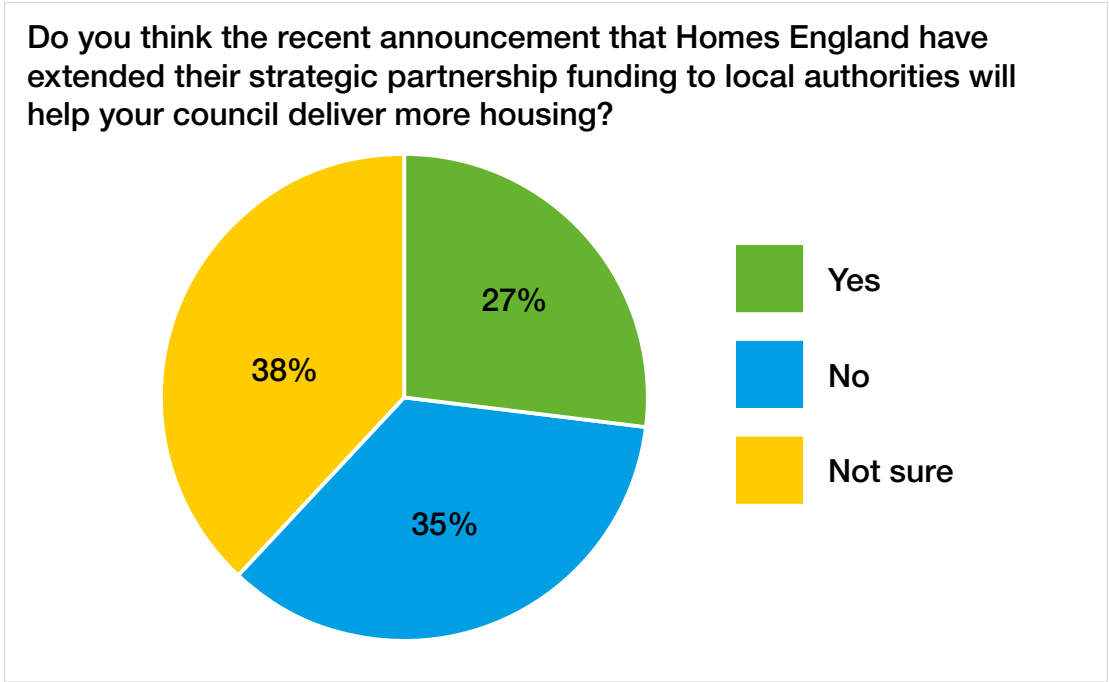


Figure 15: Analysis of survey responses as to whether they felt Homes England strategic funding would help their authority deliver more housing (based on analysis of the 194 combined responses for each local authority)

For those authorities with wholly owned or joint venture companies, we asked how they were funded. The results (Figure 16) show authorities drawing on a wide range of sources of funding, and with a similar pattern to our previous survey results. The most common source of funding for a housing company was the council drawing on its own resources. Examples of this include financial support such as a loan from the general fund, using council buildings and land to secure loans and through building on council owned land. The Public Works Loans Board also remained popular, apparently being drawn upon to support 46% of companies in undertaking specific housing developments.

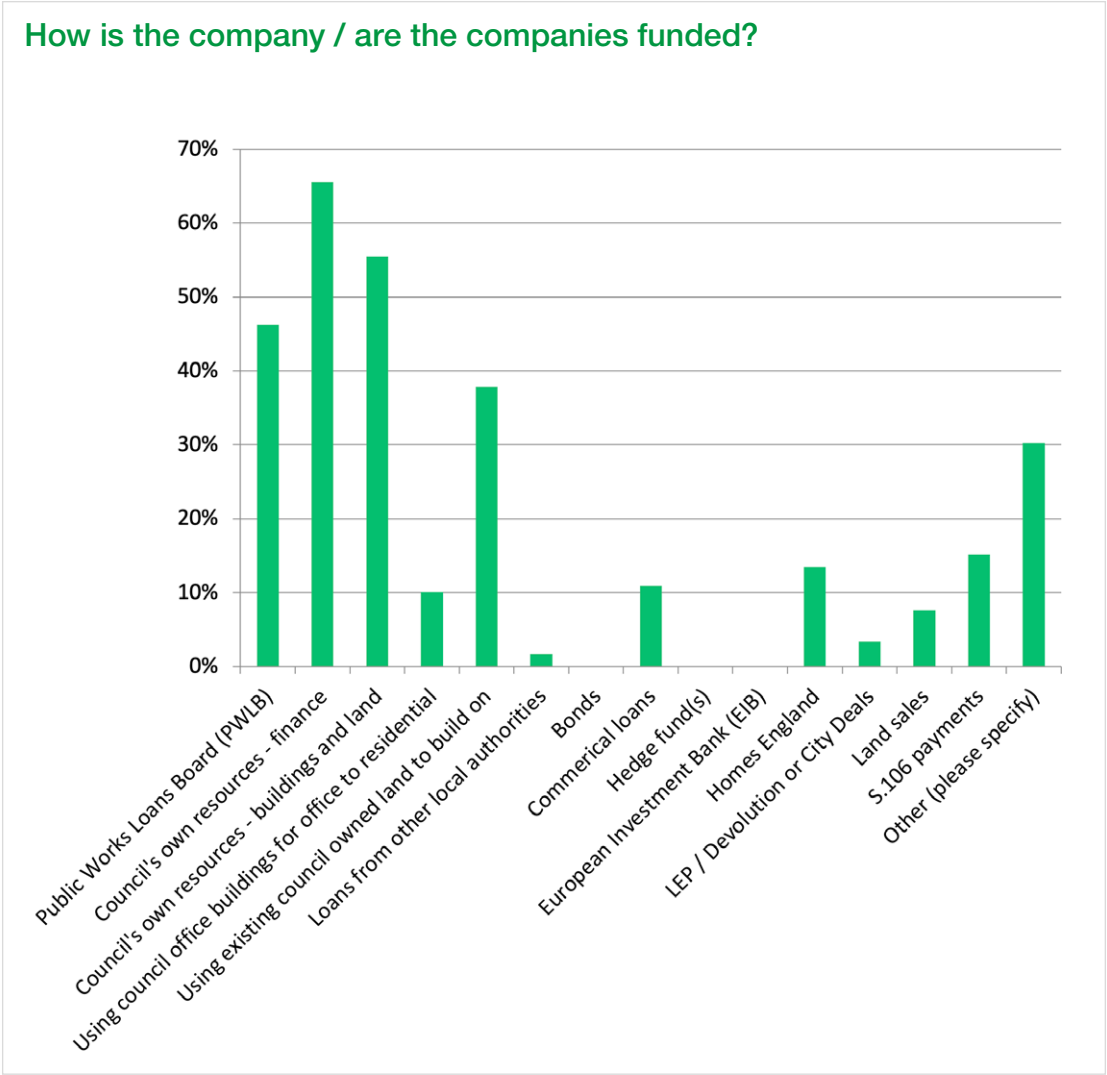


Figure 16: Analysis of survey responses as to how companies were funded (responses add to over 100% as many companies draw on more than one source of funding)

Housing Units delivered

The survey asked for the number of housing units delivered by the local authority over the last year using all means of direct delivery by category. Most respondents did not complete this question, as with previous surveys, but from those that did, and having combined responses by local authority, there was evidence of 20,249 homes having been delivered. This is considerably higher than the 8,992 homes reported in the 2018 survey. In terms of the breakdown by tenure (using the categories we gave to respondents), 5,928 of the units were affordable (29%), 2,519 were social rent (12%), 1,944 were intermediate (10%), 7,761 were for market sale (38%) and 2,097 (10%) were for private rental (PRS). All categories have higher numbers of homes having been delivered than the previous year, but the percentage for sale is also much higher this time than in 2018 (38% compared to 16%). Of those authorities who did respond to the question about the number of units delivered, Manchester had delivered the highest number. There were 24 authorities where the responses to our surveys indicated that through all means they had delivered more than 200 new homes over the last year.

Barriers to delivering more homes

Local authorities were asked what the main challenges to them were in delivering more homes through their HRA or general fund (Figure 17). A much longer list of potential challenges was provided in this survey compared to the previous two versions, with lack of land remaining prominent but now joined as a key challenge by the new ‘lack of suitable sites’, distinguishing between land the council may own and land which is suitable for housing development. The third most common challenge is scheme viability concerns. These may be particularly linked to the sense from the survey that authorities are now placing much more emphasis on affordable housing delivery but finding difficulty in maximising this challenging without specific funding. Beyond these top three challenges, a wide range of other challenges to delivering more housing is listed and are being experienced by different authorities.

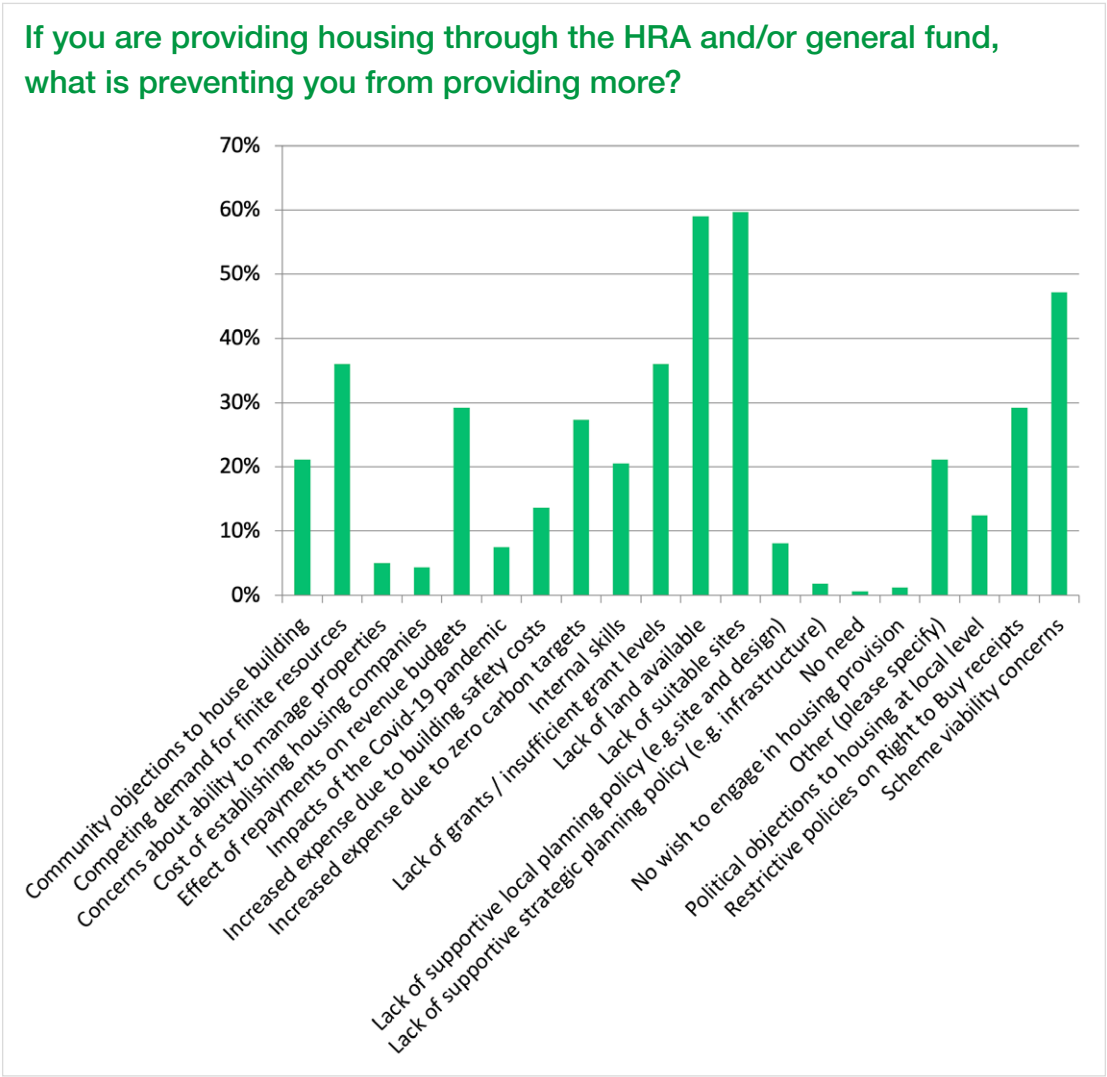


Figure 17: Analysis of survey responses as to what are key barriers for authorities to delivering more housing (total adds to more than 100% as respondents could select any barriers applying)

Land and planning

In 2018, 61% of authorities indicated that aside from housing, their authority was acquiring more land and/or buildings as part of a longer-term investment strategy to support income. In this survey, that had dropped to 44% (Figure 18). This decline may be related to broader concerns around more commercially focussed investment supporting local authority income generation, including some criticism from MHCLG of that.

For those authorities who are directly delivering housing, their own landholdings remain central to this activity (Figure 19). 95% are building on their own land (identical to our 2018 survey), 50% are purchasing sites to develop, 43% are purchasing existing residential buildings (similar to our 2018 survey, where it was 42%), 16% are using land from the One Public Estate initiative (similar to our 2018 survey, where it was 16%) and 16% are using other public land (up from 13% in 2018). Building on a local authority’s own land is how most local authorities start out their own direct delivery of housing, however it is interesting that 50% of the respondents to this question reported that are now purchasing sites to develop, which is an increase from the 44% reporting this in 2018.

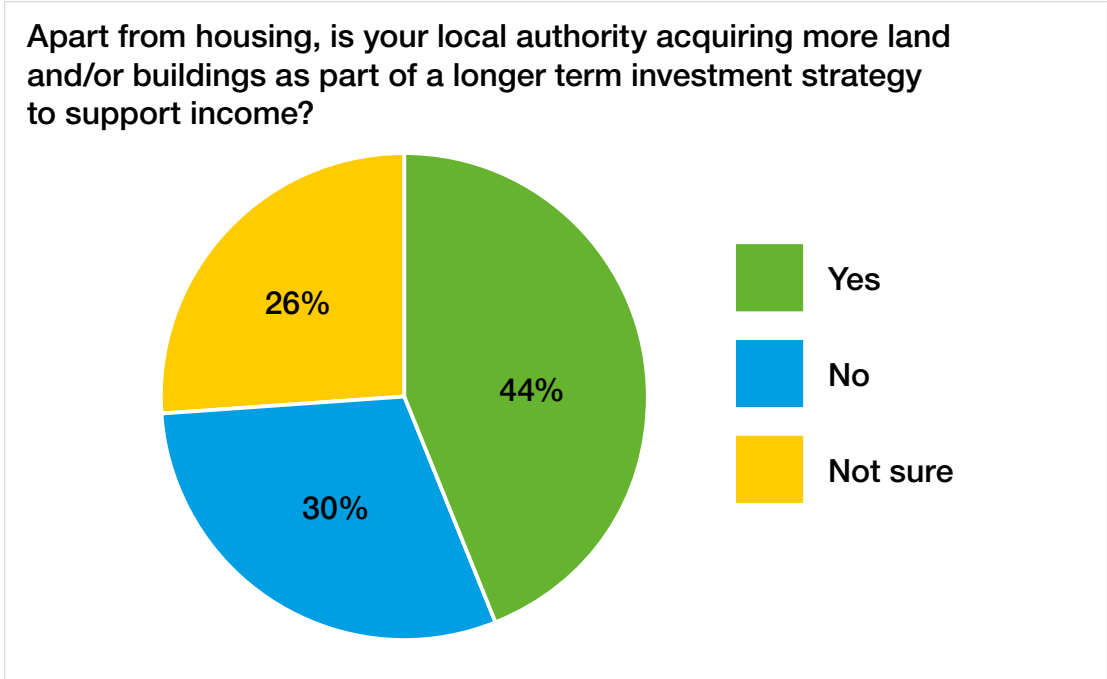


Figure 18: Analysis of survey responses as to whether the authority was acquiring land or buildings as part of a longer term investment strategy (based on analysis of the 194 combined responses for each local authority)

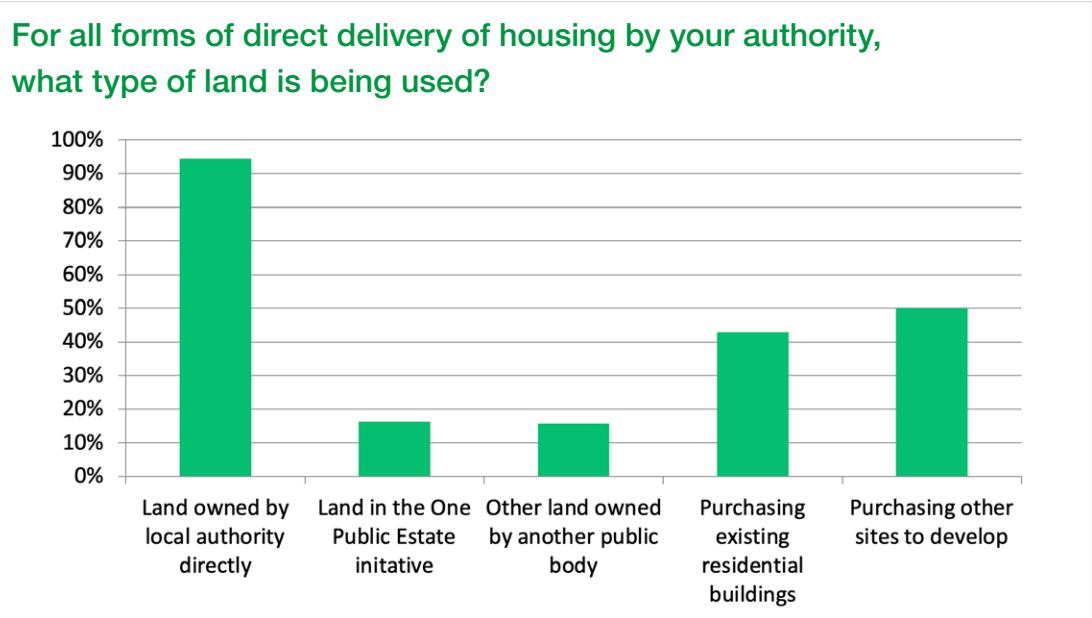


Figure 19: Analysis of survey responses as to what other means local authorities were using to deliver housing locally (total adds to more than 100% as respondents could select any barriers applying)

As regards to planning, 70% of authorities directly delivering housing reported that they are accounting for this specifically in their local plans (Figure 20). This is a dramatic increase on the 12% reporting this in 2017 and an increase again on the 61% reporting this in 2018. Asked if their own directly delivered housing has always been compliant with local plan policies, 88% of authorities responding indicated that it had been (Figure 21). This was a new question this time, not asked in previous surveys. Similarly, a further new question in this survey asked respondents if they felt that their local authority had sufficient resources in the planning department to support their own direct engagement in housing delivery. As Figure 22 illustrates, whilst 58% of authorities had reported they felt there were sufficient resources in their planning departments, a fairly significant 23% did not.

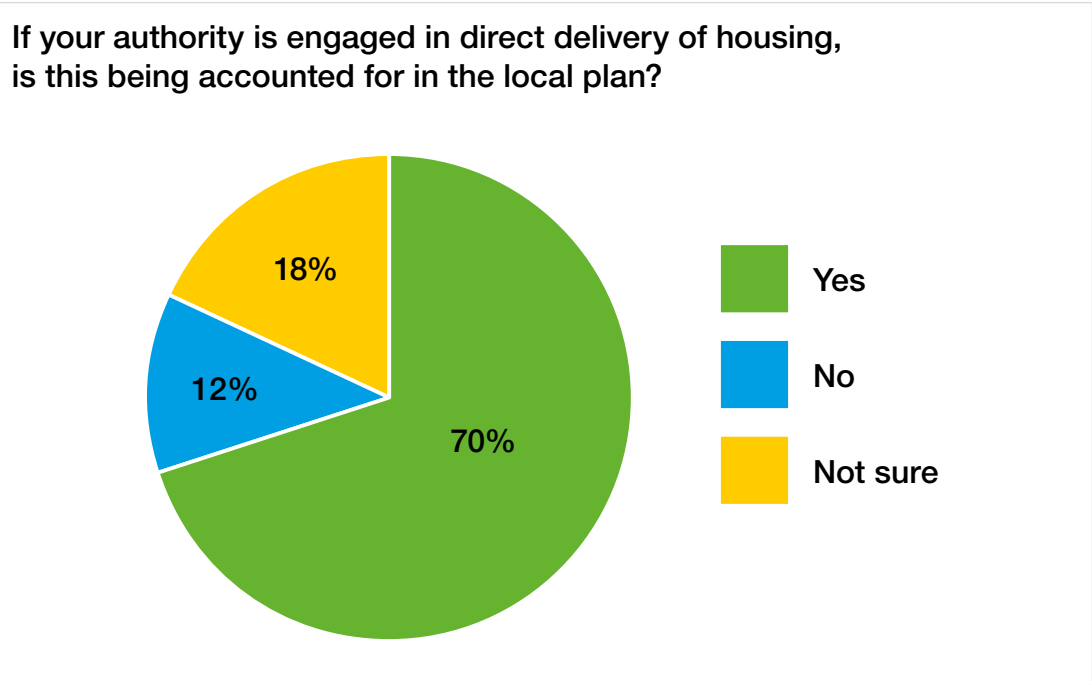


Figure 20: Analysis of survey responses as to whether the authority was account for their own direct delivery of housing in their local plan (based on analysis of the 194 combined responses for each local authority)

If you are directly delivering housing, has this always been compliant with local plan policies?

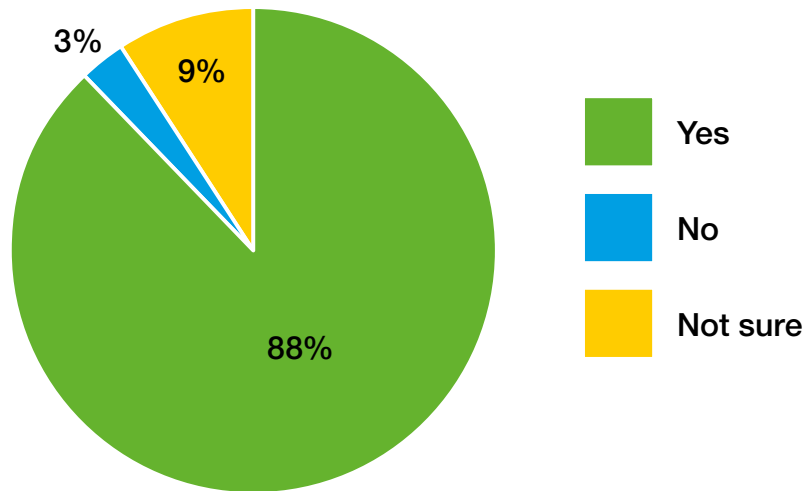


Figure 21: Analysis of survey responses as to whether the authority's own directly delivered housing has been compliant with their local plan policies (based on analysis of the 194 combined responses for each local authority)

If you are engaging or considering directly engaging in housing delivery, are there sufficient resources in the planning department to support this?

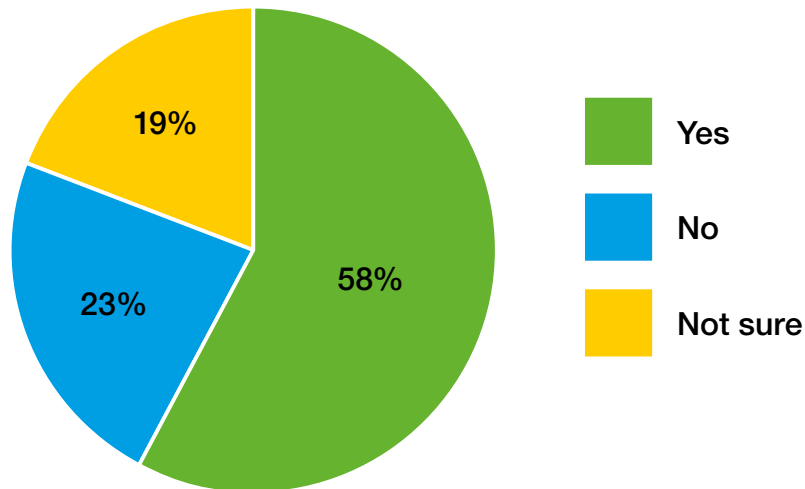


Figure 22: Analysis of survey responses as to whether the authority's planning department was felt to have sufficient resources to support their own direct delivery of housing (based on analysis of the 194 combined responses for each local authority)

An open question also asked respondents whether they think that the government's proposed 'New Right to Regenerate' (enabling the public to require councils and public sector to sell unused land and assets) would help or hinder their council's delivery of housing. 133 respondents answered this question. Grouping their open answers together, 67 (50%) felt that they were unsure, it was too early to tell or there was likely to be little impact either way, 53 (40%) felt it would hinder, 11 (8%) felt it would help and 2 (2%) felt it could both help and hinder.

There was little detail from those who thought it might help, beyond a comment from one respondent about potentially helping to unlock County Council sites. Those who thought it would have little impact tended to comment about a lack of sites / assets to begin with. Those who thought it would hinder were concerned about the administrative and workload burdens it might impose, that sites can take years to deliver and a pipeline of sites to develop over several years is needed to have a meaningful development programme, that it does not really address the key funding issues, that it may lead to parcels of land being sold that could offer longer term opportunities or sterilise wider opportunities and lead to a piecemeal approach.

General comments on data collection and the future

An open question asked respondents if they had any suggestions as to how MHCLG could better capture and record local authority housing provision activity through all means. There were several suggestions to expand the existing LAHS to incorporate this information, so covering all forms of local authority housing delivery (and not just affordable housing). There were also comments about avoiding double-counting between housing and planning and ensuring completions are being as monitored as vigorously as starts.

The final question on the survey asked respondents if they were optimistic or pessimistic about the future prospects of increasing (affordable) housing supply in their area and if there were any other general comments they wished to make. 165 responses were received to this question, of which 111 (67%) explicitly stated that they were optimistic about the future, whilst 38 (23%) were pessimistic whilst the remaining 16 (10%) either stated they were neutral, undecided or just made a general comment without being more specific.

From the majority of respondents who were optimistic, there was comment about increasing delivery and project numbers, having a solid pipeline for local authority housing delivery in place, an increasing commitment and drive from across councils, increased political will and resources leading to a higher prioritisation around this than for many years, and with a real sense of momentum building.

From the smaller number of respondents who were pessimistic, there were concerns about land supply, the viability of truly affordable housing without grant, competing priorities for council resources such as retrofitting current stock for carbon reduction, still losing social rent through Right to Buy, concern about 'First Homes' being likely to result in fewer rented affordable homes actually reflecting local need and finally a concern about NIMBYs,

Conclusions from the direct survey

This 2021 direct survey, like the two previous direct surveys we administered in 2017 and 2018 (published in 2019), has attracted a high response rate, indicating a real interest in the topic within local government and a desire by officers to share their activity and experience. 80% of authorities now say they are directly engaged in housing delivery (up from 69% previously). Meeting housing requirements, tackling homelessness and improving design quality remain the top motivators for this activity, with income generation having dropped slightly as a factor driving this increased activity. 55% of authorities now report having a local housing company, up from 42% previously, but with evidence of a variety of other types of activity including some authorities having increased delivery following the HRA debt cap having been lifted. Although many respondents still did not complete the questions in the survey on the number of new homes delivered by local authorities directly over the last year (from all means, and of all tenures), from those who did complete this question, there was evidence of a total of 20,249 homes having been delivered, which is considerably higher than the 8,992 homes reported in the 2018 survey.

There are some barriers and concerns still reported. The top barriers preventing local authorities delivering more housing directly were reported as a lack of land (with 95% of local authority housing development being on their own land), lack of suitable sites, and viability concerns (particularly the need for grant funding to support truly affordable housing). There were concerns around some recent government policies, such as the Right to Regenerate, as potentially hindering rather than helping local authority direct delivery of housing. Nevertheless, more respondents were more optimistic than pessimistic about the future. There was increased corporate priority around housing development, particularly around maximising affordable housing delivery, in many councils and a growing sense of momentum.



Findings from the roundtables

In this part of the research, we undertook a range of roundtables to which housing and planning practitioners were invited. The comments made at these sessions are set out below under a range of headings. In some cases, councils are named but in others their anonymity has been preserved. Many of the issues discussed related to those in the direct survey. However, some additional issues emerged in discussion which provide greater detail on some of those already raised in the survey. These included the impact of the pandemic on council priorities for housing, the removal of the HRA debt cap, the use of MMC and higher environmental standards. The new issues that emerged included social value procurement and managing mixed tenure buildings. The main comments at the regional roundtables focused on the role and use of Section 106 (s106) in securing affordable housing, particularly in negotiations and actions taken to manage the process including policies in design, size and management of dwellings. There was also more focus on very early engagement with developers on design as it relates to subsequent management and service charges for these dwellings and increasing requirements for specific management agreements between developers and those taking on the s106 homes at early planning negotiation stages.

Another set of issues has begun to emerge which reflect greater activity of local authorities in the housing market for sales, shared ownership and market rent. These reflect the greater levels of activity in this type of housing provision and the comments at the roundtables contributed what councils had learned so far. There were also two

specific roundtables on these issues, unlike in previous research rounds. This is an area of growing importance to many councils and suggests greater focus is likely in the future. The growth of concerns about service charges and design for longer term management also relate to those councils seeking to use higher environmental standards in their developments and the way that these need to be addressed in design, maintenance, service charges and running costs for residents.

Issues emerging from the roundtables

The effects of the pandemic

Overall, the findings of the surveys and the roundtables identified the pandemic as an accelerator for housing activity and growth in local authorities. The pandemic has heightened local authorities' priorities for a range of housing issues and brought the role of councils as providers for homes for those in need into much greater focus. In some councils it has also increased the aversion to risk. In Haringey, it has brought the various types of housing provision closer together as a consequence of a greater corporate focus. In Southwark, it was reported that the focus on housing could not have increased any more such was its salience across council activity. In Hartlepool, there has been an increased focus on providing affordable housing for homeless people and the council has been acquiring some housing to make up their shortfall based on these needs. There has also been greater focus on empty homes and void properties and very few are available now. This has been reported from other councils including Lancaster. Other councils, like Durham, have been working with local lettings agencies to find accommodation.

In the immediate concerns about the effects of lockdown, councils were promoting the Government's 'Everyone in' campaign and the government also provided some security against eviction of tenants. The 'everyone in' campaign has had a significant effect in some local authorities such as Wolverhampton and the council is now seeking more government Next Steps funding to continue the work it has started. This council also experienced a 27% increase in homelessness in the first quarter of the 2020-2021 financial year and this has led to the council purchasing additional properties to be used for temporary accommodation. This has led the council also to be active providing other housing support services such as mortgage assistance, health and buying back RTB properties. While the government has provided funding for temporary accommodation during the pandemic, some councils e.g., Plymouth commented that it was not flexible enough to meet their needs.

In the roundtables we have heard how all this initially generated a very concentrated approach to delivering the right solutions for the homeless and rough sleepers but later, as the pandemic continued, the lack of evictions gave housing teams more time to consider longer term solutions for the homeless. This included the development of different types of accommodation for homeless people as in Cornwall, bespoke solutions for individuals and the development of self-contained rather than dormitory

accommodation. The council has also purchased a hostel that was not in the programme before the pandemic. In Lancaster, the pandemic has led to the council developing a new homes strategy that specifically relates to the needs of older people including different care approaches. In some locations, such as Warwickshire, five councils have been working together on housing solutions during the pandemic, including homelessness, the housing register and delivery. In Cambridge City Council, there also has been an increased focus on homelessness including the provision of temporary accommodation provided in temporary buildings and more partnerships with the private sector and housing associations. The council has also increased its focus on the quality of homes including amenity space, daylighting and the flexibility of internal accommodation.

In Yorkshire and Humberside, the councils attending the regional roundtable reported a greater increase in focus on housing delivery as a result of the pandemic and this has been added to existing programmes. In Hull, the approach to homelessness has been changed to focus on individuals and their needs. In East Riding, this has brought housing to a higher priority and in Barnsley there has been more focus on what has worked. In Leeds, the council has bid for a 20 bed space development as part of the Government's programme and extended its range of properties for homeless people using hub and spoke approaches.

The pandemic has also seen a focus on the role of housing in town centre locations. This has been supported through government and MCA initiatives as in the West Midlands, where town centres are regarded as having more potential for housing delivery. Here, the MCA has been providing funding to bring forward sites and remediate land through its housing deal. In this it has provided £20m to support the regeneration of Longbridge for mixed development including 350 homes.¹⁰⁰

Some councils have mentioned that the pandemic has made them more aware of deprivation and how services should be shaped to be delivered to deprived communities. This will affect housing as much as other services.

Some councils have indicated that their focus on homelessness has increased as in Enfield where it has a statutory homelessness figure higher than Birmingham. What is also demonstrated is the hidden increase in density of occupation in family homes, with multi-occupation without conversion increasing rapidly. There are frequently three families in Edwardian homes leading to overcrowding and a need to increase activity on HMOs. Other councils have focused their programmes more on affordable housing as a result of the pandemic such as Somerset West and Taunton and the council is also now giving an increased focus on the condition of the existing housing stock. In BCP, the council is also focusing on the quality of space that is available in council homes and ensuring that it is fit for purpose. Like York, the council is also concerned that housing should contribute to communities and place making rather than just to provide housing estates.

100. <https://www.wmca.org.uk/news/20m-infrastructure-works-get-underway-to-transform-iconic-longbridge-west-works/>

In some councils, the pandemic has slowed down housing development and the council has been in a rescue mode as in Plymouth. Here the council has tried to find new partners for housing development and has been struggling to meet the needs as expected before the pandemic. Other councils have been developing action plans where there has not been enough delivery during the pandemic

In BCP, the pandemic has led the council to establish a corporate approach to council land through the creation of a corporate property group and that is considering a range of uses on this land including housing. The council is seeking to put together its housing sites within a programme for submission for planning and funding to Homes England.

Councils also reported to us in the roundtables, that the pandemic shone a greater light on the condition of existing council stock – its quality, space standards and suitability for home working. This has been coupled with a wider range of housing regeneration and improvement programmes emerging from councils.

Another outcome of the pandemic has been an accelerating focus on new development and, in June 2021, councils were reporting the greatest level of capital programming on new development than ever seen before. Councils that have been concerned about the need to for regeneration in their town and city centres, are now using housing delivery as one of the means of securing investment, providing for local needs and reducing development risks. In BCP, the pandemic has made a shift in focus on housing delivery for the council towards more mixed tenure development to generate income. The council is also developing more housing for rent across a range of rent levels to support an income stream.

HRA debt cap

The responses in the roundtables from councils on the role of the HRA and lifting the debt cap in 2018 were varied as similarly shown in the direct survey. In some councils, this has led to an increase in the housing development programme and in preference to providing homes through their company or in establishing a company. Some councils have been putting together substantial programmes for affordable homes through estate regeneration involving demolition but the changes in the Government's subsidies rules may now put that into doubt.

In Haringey, for example, this is the case, where the council has a programme of providing 1,600 homes in 5 years of which 75% are social rent and 25% market sale. In the past, some councils stated that they had been relying on housing associations to provide their new social housing stock or by buying up homes provided through s106. This has now been replaced in importance by the council's direct delivery that is reflected through all aspects of this research. Some councils stated that the pandemic had made no difference in their approach to housing delivery. In the councils that are increasing delivery, there has been a focus on diversifying tenures, including intermediate tenures, which are being offered as a method to maintain the

housing programme, as councils said they cannot afford to build only social rent housing under the HRA.

In Wolverhampton, the council has had a longstanding HRA programme for the development of smaller sites such as the redevelopment of garages and this is now targeted at about 30-40 new HRA homes each year with the rest of their programme being undertaken by their company Wolverhampton Living. In Cornwall, the removal of the debt cap has led to a consideration of different means of delivery for a new generation of council housing. The council now has a target to provide 1700 homes by 2028 and, of these, 85% of the programme to deliver these homes has been identified. From a standing start in 2018, the council is now delivering 200 homes per annum and this is increasing to 225 pa to meet the council's target. The council has planning consent for three schemes funded through the HRA. In BCP, lifting the debt cap has been helpful and has resulted in a 30-year HRA modelling exercise that has included an assessment of retrofitting requirements. This has helped to identify how much of the HRA can be allocated for new build. Somerset West and Taunton has now increased its target since the debt cap has been lifted and now is intending to build 1,000 homes in 30 years with 342 in development now. The council also mentioned the pressure on the HRA to retrofit existing homes to achieve a low carbon upgrade. In West Lancashire, the council found the removal of the debt cap to be helpful and have since progressed a couple of schemes. The council is also identifying land for market and affordable housing.

Some councils, like Camden and Southwark, are putting all their housing development within the HRA. In Camden, this is supported by a development team that is reviewing a range of housing tenures as a means of cross- subsidising affordable housing, schools and social infrastructure. However, as school places have dropped in demand and the development team is now focusing on delivering as many new homes as possible and currently have 1,000 in development. For intermediate rental homes, the council uses Camden Living and it has moved away from shared ownership on affordability grounds. In Lewes and Eastbourne, the lifting of the debt cap has meant that the councils are now developing a pipeline of schemes and are also doing more direct delivery not least as there are viability challenges and land is scarce. The councils have taken the view that developing through the HRA is less risky and have focused on this rather than using their companies. In Leeds, the council has a target to deliver 300 new council homes each year and to reach 1500 homes in 5 years. This number is being achieved through a range of means including buying back RTB homes, purchasing new build homes from developers and through s106 agreements. In 2022, the council will have 650 new homes on site and the council still has a shortage of 400 affordable homes despite activity by housing associations as well.

In Hartlepool, the removal of the debt cap has been very positive and it is enabling the council to expand the number of properties it holds and it is expecting to double specific types of stock, e.g. bungalows. This has also been the case in Exeter, where

a target of 500 homes over ten years has now been adopted whereas before the programme was more ad hoc. On the other hand, in South Tyneside, the removal of the debt cap has not led to any increase in activity. Councils have also reported that the rules around the provision of social rent housing have made this more difficult and government policy is driving changes in the tenure mix of provision. In Northumberland, the council has some garage court sites for redevelopment for housing and is considering conversions as well as redevelopment to create new homes.

The largest HRA programme appears to be that in Southwark of 11,000 homes to be delivered over thirty years. This target was adopted in 2015 and since then the council has been gearing up to achieve this delivery. The council is already London's largest landlord.

Some councils have ALMOs and these also have had a range of responses to the removal of the debt cap. In Sedgemoor, the ALMO is targeting to delivery of 150 homes pa by 2030. In Nottingham, the ALMO has a JV with the Council's development investment company, Blueprint.

Councils establishing housing associations

There were mixed views on the benefits for councils establishing housing associations. Some councils, like Barking and Dagenham, Lambeth and Derbyshire Dales have established housing associations. Cornwall Council has been advised by Homes England that, as it has an HRA and is therefore a registered provider, it is automatically classified as a housing association and receives funding in this way. However, we have not found any other examples where this is the case, except where councils have ALMOs. Many councils with HRAs would welcome this opportunity to access funding. Councils also regard a housing association as a means of protecting homes from right to buy, although the government has a pilot RTB scheme for housing associations.

Councils building more housing

Since 2017, one of the largest programmes to develop more affordable housing have been led by the Mayor of London using funding that has been provided by the government. In London, the Mayor has responsibility for funding used by Homes England elsewhere. In 2017, he established his Affordable Homes Programme that the London Boroughs could bid into to support affordable housing delivery. This is now being used in 28 of the 32 London Boroughs and the rest are also developing housing using other funding means. The programme of £4.62bn has led to starts on 116,000 affordable homes and the Mayor has secured a further £4bn for the period 2021-2026 which will deliver another 86,000 starts before 2026¹⁰¹.

In the North East, councils reported an acceleration in a range of types of housing delivery including in Durham providing for 500 homes within the newly reopened HRA programme and has established a lettings agency with 170 properties. In addition to

101.<https://www.london.gov.uk/moderngovmb/documents/s68521/08a%20Housing%20Delivery%20Report.pdf>

building more homes, many councils report buying street properties to use RTB receipts or to purchase former RTBs when they become available; this will change with the new code of the use of RTB receipts. In Barking and Dagenham, the council has a programme of 2,000 homes being delivered including through its own company Reside, where there is no loss of stock through RTB. Cornwall Council has had a development programme for 8 years while some other councils have adopted annual targets for affordable housing such as Somerset West and Taunton. Procurement remains an issue and there is also a need to involve SMEs where possible although this sector in construction may vary across the country.

While some councils have been undertaking programmes to deliver homes for a number of years, others are just starting. In Bolsover, the council has 5,000 homes and is now embarking on a programme to build a further 200 while in Derbyshire Dales, the council transferred its stock in the past and has now registered as a housing association. In Bolsover, although it is a lower priced former mining area, being part of the Sheffield City Region and having stalled sites, started the council thinking more widely about direct delivery, not least to bring confidence into the market to attract volume housebuilders. The council has shown that if they build these homes then they sell. This has also helped in demonstrating housing deliverability as part of the evidence for the local plan. The council now has a development portfolio and is producing lifetime homes of high quality. The council has also reviewed the sites available and used an LDO to provide a range of opportunities within one location. As the early programme progresses the council is considering extending this over future years.

In Nottingham, the city has a range of development partners including some directly with its ALMO. The council buys some of the properties developed through these JVs whilst others are sold on the open market. The council has its own development fund and company Blueprint and this is also available for investment in other local authority areas. In terms of the design of council homes, there has been some tenant resistance to floor to ceiling windows as these have a significant cost for curtains. There is also a consideration about the provision of disabled facilities in lifetime homes and trading off more internal housing space. The council is also providing garden sheds in their homes as a standard feature. The council also installs sprinkler systems into all its housing development as a standard feature and homes comply with the Nationally Described Space Standards (NDSS). The council also keen to make places as part of development rather than just building housing and considers the long-term costs for maintenance and attractiveness in the design and build of new homes. In this, the council is considering the build cost in comparison with the end value of the schemes costs, and there is a constant issue about quality. In terms of the budget within the HRA in Nottingham, there is expected to be future pressure on the provision of new build as the council further develops its retrofitting programme to meet net zero.

Affordable housing

Some councils mentioned that their housing delivery programmes had changed in focus from market to affordable housing. This had been, in part, because of the pandemic but also because of the growing understanding that the market more generally is not providing adequate affordable housing to meet local needs. The drive to repurchase RTB homes has also been propelled by the need to provide affordable housing and some councils mentioned that they had increased their budgets for these purchases so that they are now doubling the numbers compared with a year ago. Some councils mentioned that the levels of household incomes in their areas did not support viability assessments for new housing development and, in any case, households could not afford market housing if it was provided. This remains a conundrum in some locations.

Some councils, that have mixed geographical areas, consider the need for affordable housing on a site-by-site basis and in specific locations. Where affordable housing is negotiated in planning applications, those attending roundtables reported that sometimes only 10% of this provision was genuinely affordable to those in housing need. Others stated that the affordable homes being provided do not reflect the needs in the community related to number of bedrooms provided.

In York, the council is taking its commitment to providing affordable homes as a high priority and require 40% affordable homes in developments. In East Riding, the council has a target of providing 1000 additional affordable homes in five years. In Barnsley, the council is seeking to provide affordable housing through planning negotiations with different rates and sizes depending on availability. Other councils stated that a one size fits all for affordable housing to be delivered through planning, does not meet their needs and that this is a growing issue as affordable housing needs increase. Councils remain concerned that social rent is about 30% of affordable rent and does not relate to local housing allowance. Kingston upon Thames has established an affordable living housing company and this will be assisted by the adoption of the London Plan.

Some councils mentioned that changes in local political control had also brought the provision of affordable housing up the housing agenda. This has also been associated with the climate agenda and the improvement of the quality of affordable homes provided through market development. In Greater Cambridgeshire, the councils are working together to provide more affordable housing including intermediate tenures. As part of this approach, councils are engaged in build to rent.

In Nottingham, there is a chronic affordable housing need which is exacerbated by demand for student homes as there are two universities in the city. The council has been pursuing a policy of developing family housing in locations that would otherwise be subject to studentification and has a delivery programme of 600-700 affordable homes. The city is also losing the equivalent of one social rented home each day of the year through RTB.

Charnwood, like other councils has been concerned about the provision of affordable housing associated with market development through s106 agreements as delivery programmes have slowed down. The council area is expected to have major growth of more than 20,000 homes by 2030. Currently delivery is adrift for affordable homes and the council considered a range of approaches to meet this need, including estate regeneration, development in urban centres, brownfield sites and wider regeneration of the council's assets. However, it concluded that it would undertake more modest garage redevelopment schemes as the council did not have the expertise for more major developments.

Councils reported difficulties in providing affordable housing whether through s106 agreements or Homes England. There was also mention of housing associations focussing on market rather than affordable development. Sometimes the choices over location are related to housing association management strategies and elsewhere housing associations are concerned about the location of tenant mix and how this affects the deliverability and value of their properties. The same issues apply in private market housing developments. There remains a fundamental issue about whether the NPPF is contributing to meeting housing need for affordable homes and how this provision will be further reduced through the government's First Homes Strategy. There are also issues in relation to service charges for affordable homes mentioned in relation to the interest of housing associations. The failure of the NPPF to provide for policies and sites for social rent housing was mentioned as being a major block to providing the kind of housing needed in individual authorities.

Working with Homes England

Homes England operates outside London and has specific relationship managers for each council, sometimes these are multiple depending on the range and scale of housing within the council. In London, this funding and powers are given to the Mayor of London although some London Boroughs have reported Homes England working directly with them. The West Midlands MCA works closely with Homes England particularly in work in delivering MMC homes.

At some of the roundtables, representatives of Homes England attended and participated in the discussion. The need to disrupt and diversify the market was mentioned as part of the Homes England 2021-2026 programme. It was understood from the Homes England colleagues who attended the roundtables that the organisation is currently seeking to simplify funding streams to try to develop a single housing pot that councils can apply to. This might be better than what exists at present, but councils would prefer five-year programmes to support their build-up of capacity for delivery.

Some larger councils mentioned that Homes England appeared to be very dispersed and split into silos. The support for development from Homes England has to be 'pitched' and there are problems if the proposed development does not fit with one of their specific categories. It was also reported that there is staff turnover and

inconsistency in approaches between members of the Homes England team. Councils have reported a range of relationships with Homes England. While some are positive, a level of frustration is being reported over complexity, delay and uncertainty when the council is obliged to seek scheme by scheme approval. Councils would often like to have five-year funding programmes as in London which would support their ability to deliver housing across all tenure types and deliver more housing. Some councils like Teignbridge, working with Exeter, reported having a five-year programme with Homes England. The multiple contact points between Homes England and each council do not appear to be brought together on the Homes England side. Further, not all councils are aware that Homes England can now be a proactive partner in schemes, where they act as a master developer or intervening when build out delivery is slow. Some councils describe their working relationship with Homes England as being strategic although this may not be formalised as such. This appears to be as important for councils with and without an HRA. Some councils mentioned that Homes England are 'making the right noises' but it is always viability which is the issue.

In the North West, Homes England is a landowner and JV partner with others and the councils are seeking to pursue this kind of approach for more developments. Councils are also having conversations with Homes England about the levels of subsidy it can provide particulars for specific needs and extra care schemes.

During the course of this research, Homes England offered local authorities the opportunity to become strategic partners. This was related to specific conditions including the minimum number of homes to be developed within 5 years and the use of MMC for 25% of development. The direct survey demonstrated that views about this offer were mixed within local authorities and this was also reflected in the roundtables. A few councils had decided to apply to become a strategic partner and some already had this relationship through partnership with housing associations. Some councils had already had discussions with Homes England about this possibility at the point when the roundtables took place, although concerns were expressed about whether Homes England were ready to have these discussions in detail. The majority of participants in roundtables were unsure or stated that they were unlikely to take this route. Others were not convinced that the approach offered by Homes England through this strategic partnership route would work well in practice.

Some councils indicated that unless Homes England can provide more infrastructure funding and make their decisions more rapidly, they would not be able to meet their local plan targets for delivery. These issues were also said to be making councils focus on larger sites which also makes a difference to availability. Other councils mentioned the need for Homes England to be involved in resolving issues on heavily contaminated sites. Some councils would like to return to working relationships with Homes England for programmed grant and funding over a period of time as they consider that this would be the most effective means of delivering more affordable housing.

Working with partners

A number of local authorities have specific schemes for working with housing associations that have been through some formal registration process with the council such as Cornwall. This enabled the housing associations to bid for council funding and supply specific types of council commissioned housing. Plymouth also has a partnership approach with housing associations but is now also undertaking its own development on sites that might formerly have been put into the partnership scheme. Some councils reported a lack of interest from housing associations if the council would no longer provide free land to them. In some councils, working with Housing Associations has focused on the provision of special needs housing and this is reported as being increased since the start of the pandemic. In the roundtables there were some comments from local authorities about the issues when working with partners. In some cases, councils reported that housing association mergers caused problems and disruption of longer term relationships. Where councils have provided free land in the past, they are now requiring much greater control over the homes provided on that land and possibly require that the homes be returned to them in due course. In the West Midlands MCA, there is a programme of working with 26 registered providers in a partnership in order to promote development on brownfield sites. Others reported that Housing Associations were now more focused on private development than social provision.

Councils are also working in partnership with others through Joint Ventures with the private sector, housing associations or other partners. Some councils assume that all the risk can be transferred in a JV but others stated that it is important to remember that JV partner companies are always seeking to maintain their profit margins and percentages and will be pressing the council to change the contract if these appear to be threatened. On the other hand, it was reported that councils are getting better at understanding the risks in JV contracts and, in part, this is based on trying to unpick and deal with existing contracts. When negotiating a contract within a JV, roundtable participants told us that the overall objectives for the council have to be set by councillors, but the officers need some freedom in the negotiations to achieve these outcomes. It is also the case that the legal documentation has to be watertight in ways that reflect these negotiated objectives, and this might need different skills available within and to the council. It was also stated that it is important for councils to remember that for the private sector JV partner, this is their main business and they will employ, directly and through consultants, a number of people to negotiate and draft the contract in ways which meet their needs. The negotiation is the key pivot point for their business. If councils are going to act as developers using major JVs partners, they have to take the same approach and never treat anything as 'light touch'. One council advised that if it is negotiating a JV, it needs to have the same size and experience in its team as it would have if it were undertaking the development directly. In this negotiating group, the legal team is very important so that the council can understand all the commercial risks it is entering into.

In Southwark, the council is still working within JVs to deliver housing but is now focusing more on direct delivery for new schemes. Some councils have entered into JVs with developers on the assumption that this would lower the risks to them. However, councils have found that if things go wrong, the developer JV partners always expect the council to bear the risks. In one council, a JV approach was thought to be a panacea to managing risks but when the proposals were unpacked and examined in detail by the Chief Executive and s151 officer, the risk of major construction contracts and sales were placed on the council. The council decided that if the ultimate risks were coming back to the council, it would prefer to take on these risks at the outset. When a JV goes wrong, the council is always expected to step in both by communities or contractors. Councils have found that JV partners spend much of their relationship with the council trying to renegotiate and reduce their responsibilities. Developers in JVs always wanted to take a much harder line on negotiating viability and contributions which makes councillors uneasy. However, some councils, like Camden, are transferring some of the risk in the mixed development schemes for commercial floorspace with residential above, but if the scheme is solely residential, then the council is happy to accept the risk directly. When working with private sector partners, there was discussion about how the council should operate its own partnership specifications with Kingston upon Thames arguing that it is important for the council to behave like an investor and developer when negotiating partnership agreements. In other councils, there were comments that partnerships can change over a period of the agreement and that this may also bring changes that have to be considered.

JVs are inherently more risky than direct delivery not least because the council cannot control the relationships as it would otherwise. While the developer is required to make a profit, the council needs to have an equally clear understanding of what it wants to achieve. The advice of those who have undertaken this type of development is to start small at first and to ensure that there are well-established governance arrangements within the council and with the JV partner. There also needs to be some consideration of the JV exit strategy at the outset. In some cases, both parties may wish to exit the JV arrangement early and this is not uncommon.

A major issue when working with partners – housing associations or through joint ventures with developers – is that while the council may contribute land, funding, master planning and advocacy into the development, these are little acknowledged when the homes are completed, and the completions are attributed to the partner. This undermines the contributions that councils are making to housing development and there needs to be a way in which it can be recognised publicly. Now that over 70% of English local authorities have joint ventures, this is an increasingly important public issue.

In Eastbourne and Lewes, the two councils work together although they have separate democratic leadership. Eastbourne is a LibDem council and Lewes is a green party led council. This results in the councils looking for slightly different outcomes in their

schemes while both councils are focusing on affordable rent schemes. The councils are not interested in delivering low-cost home ownership although there is a market for this. Instead, they are delivering at 50%-60% market rent levels.

Council companies

In 2021, the desk survey found that the number of local authorities with companies has increased to 82%. This has been accompanied by more diversity in the range of companies including the establishment of holding companies to run a range of activities and services, for example Epping Forest. The direct survey shows that some local authorities are uncertain about using companies while others have decided to focus on the provision of the HRA in the immediate future. These developments have also been reflected in the second edition of Mark Baigent's guide to establishing a housing company.¹⁰² Some councils are still at the first stages of direct delivery and undertaking pilot schemes. Council companies have a range of functions and purposes including development, buying former RTB and street properties and undertaking lettings functions.

In London, a group is being established for the chairs of local authority housing companies not least as these are new roles and those recruited to them want to work with others to establish codes of practice and share experience. This group could be widened across England in due course or joined with any others that exist.

A number of council companies have reported having the planning applications for their housing schemes refused by their councils. In some cases, the council company could not consider an appeal as this was forbidden by the council's constitution. Most renegotiated their schemes and resubmitted them. The issues causing problems for planning committees included a failure to fully include ward councillors from the outset and councils said they had learned from this. Others reported issues on car parking standards even where councils had declared a climate emergency such as Sefton and York.

The challenges of governance in council's housing companies continue to be an issue in some local authorities. There is still a need to engage councillors in business planning that is separate from the council's own developments. The need for impartiality between the council's planning service and its housing company was mentioned in the West Midlands. There was a need to be seen acting fairly and not give extra attention to the council's own schemes although the council company, as developer, could have planning performance agreements. One issue was raised was how should the local plan consider council sites when other sites might be more sustainable.

The view taken of the company was different for backbench ward councillors, particularly in the locations where any schemes are set, and they need to be kept involved from the outset as any scheme develops. Some mentioned that the council

102. <http://www.markbaigentconsulting.co.uk/about.html>

faced viability challenges on its own schemes but that the council dealt with these applications in the same way as any others.

In some councils, now that their own companies have been incorporated, there has been a change in the working relationships with housing associations, whether this is through providing grants or free sites. Some councils have not directly employed any staff to manage their own companies. Other councils are still deciding whether they should have their own housing development companies where they might already have JVs with other partners.

In some councils, there was a view expressed that council companies were pursuing their own agendas and not working with the wider council objectives. This can also be reflected in taking a more aggressive and adversarial stance to the Council's planners and regarding the development process in the same way as a private developer.

Regeneration

The inclusion of housing in regeneration schemes has increased in this research period and was mentioned more frequently in the roundtables. This was particularly in relation to town centre regeneration schemes in response to the pandemic. Some councils mentioned the role of Homes England in supporting regeneration projects. Some councils, like Northumberland, were concerned at the scale of new garden communities and peripheral housing developments and their effects on town centres in the future. This appears to represent a different approach to considering locations for new housing and spreading more widely a town centre housing approach beyond the larger cities.

In the Isle of Wight, the planning, housing and regeneration teams have just started to hold regular meetings which are focusing on different locations and how to use s106 funding to meet more local needs on available sites. Kingston upon Thames has reviewed its own land ownership and is seeking to develop 800-1,000 homes using its heritage assets within the town centres as part of its pandemic recovery programme. In Lewes and Eastbourne, the councils are considering wider commercial delivery including housing and the councils each have a target of 500 homes to be delivered in the next three years as part of this wider regeneration programme.

Funding housing development

The funding for councils developing homes was not a major issue at the roundtables although it has been addressed in the direct and desk surveys. Some, like Cllr Peter Fleming Leader of Sevenoaks Council, have argued that since 200 councils receive no government funding, approaches such as commercial investment and building housing for sale or market rent are the only way open to them to maintain council services and meet local needs.

Section 106

As many councils use s106 to provide at least part of their affordable housing provision, there was considerable discussion at the roundtables about the ways in which local planning authorities could best negotiate the delivery of this housing, secure its quality and consider more complex issues of mixed tenure apartment buildings (see below for more discussion on this issue). In Charnwood, the council was intending to develop more housing through the use of a new company but after a change in the council's officer leadership, it was agreed that council income would be better increased through a property investment strategy. The council now relies on an increase of affordable housing through s106 than through direct development.

Some councils are using s106 because they have no access to Homes England funding and others report that developers are reluctant to meet NDSS in their s106 housing resulting in poor quality homes. While many councils reported that negotiation for affordable housing can be very difficult, depending on the developer, it was always better, where possible, to require a housing developer to identify the end owner of s106 housing – whether a housing association or the council – at the point when the planning application is mooted at pre-application stage and agreed before the application is submitted. Sedgemoor council takes the view that early identification of the housing association that will take on the s106 housing provides more control in negotiation. Some councils will not even enter into preapplication discussion unless the end owner has been identified.

Secondly, many councils stated that issues of design, including internal and external space standards should be set out in the local plan and developers should adhere to them. Some councils, such as Solihull, are using total space provided for affordable homes in planning applications rather than number of homes. Elsewhere such as in the Isle of Wight land is being taken rather than homes. Where space standards for proposed affordable housing to be provided through s106 are too small, then councils are refusing the planning applications.

There is a considerable debate about the location of affordable homes provided through s106 in any scheme with different views on separate buildings or the use of a mixed tenure pepper potting strategy. In Brighton and Hove, where there are more than 15 dwellings being delivered, the council requires that s106 affordable homes are delivered on site but has also found that where they are fewer than 10 affordable homes in a scheme, the housing associations are not interested in taking them on. The council is also finding that deeds of variation are being used on sites to remove s106 from on-site provision. Some councils said that it was important not to chase numbers for affordable homes but to ensure that tenure met local needs.

In Elmbridge, the Council has a housing group which decides how s106 funding is to be spent. The Council needs and therefore requires social rent affordable homes more than any other and there has been experience where developers have been providing

very large homes as part of s106 agreements rendering them unaffordable. In response, the council has set out space standards for s106 homes in its SPD on developer contributions (2020).¹⁰³ This has been generated after it was found that Housing Associations would not take on s106 properties because they had been designed as market housing. In Elmbridge, it is the Council's view that the housing association that will take on the s106 properties should be identified and agreed from the outset and the prices/rents that are set need to be those can be paid by those in need locally. It is also intended to appoint a delivery team to deliver the local plan and not to leave it to the market.

On the Isle of Wight, one of the major concerns is the speed with which s106 housing is delivered. Some developers have established their own housing associations to take on the s106 properties, so these are not coming into the mainstream system. Where schemes are for fewer than ten homes, the council takes a contribution, but much depends on the viability assessment. In the Council's SPD on contributions, the council takes 3% of the development value and this is paid on sale of the properties. This was done rather than use an overage/clawback system.

Some councils are purchasing s106 homes to add to their own stock such as County Durham and the Northumberland Council arms-length company. However, the quality of s106 homes on handover remains a live issue with councils reporting that both their own housing departments and housing associations are refusing to take them on. This may also relate to design and onward management and maintenance costs in tenure blind buildings. In Southwark, the council has set its own quality standards and negotiates on these from the outset to offset the risks of not being able to manage s106 stock in the future. Enfield stated that the provision of s106 homes does not match their needs for family housing with many families having teenage children and they are trying to develop a design approach to meet these specific needs. Some councils like Cheshire East report doing well in the provision of affordable housing through s106 agreements on planning applications. Where the developer does not provide affordable housing, the council's housing development framework provides for the council to purchase land instead. This approach is also used on the Isle of Wight. In Preston, there is a scheme with the Community Gateway Housing Association which includes the reuse of existing properties and refurbishment.

In some councils the requirements for flood mitigation from Natural England also takes a large proportion of the pot available for affordable housing and these payments are not negotiable.

Finding land for housing development

While the availability of land for housing development is one of the key challenges and blockages that councils face, some councils have started to work in a range of ways to identify housing land. In our research in 2017, we identified the innovative approach of

103. <https://www.elmbridge.gov.uk/planning/local-plan/strategic-planning/supplementary-planning-documents/>

Bournemouth in developing housing on over 20 of their council car parks and in 2019, we included the example of the use of Spelthorne's council offices as new apartments. The identification of council land has continued to be a major source of development provision as the surveys here have demonstrated. There are more councils systematically reviewing all sites in their ownership – not only those designated for housing. More councils are developing their car parks – surface and multi-storey- for housing as well as their own council buildings. Canterbury City Council is moving into one of the shopping centres it has purchased and releasing its current premises for development.¹⁰⁴ In Cornwall, the council is purchasing land for different sized schemes.

Some councils are assessing all sites that might be suitable for housing of different tenures. In County Durham 24 sites have been considered in this way and these reviews also consider viability and potential difficulties in undertaking housing development. Increasingly, councils have programmes of sites which are in different stages from development to pre-application discussions for planning consent. This systematic approach to land review is also being continued in Plymouth, as mentioned in the 2019 research. Here the Council is attempting to identify housing land more widely in a strategic land review and invited site owners with propositions for delivery to come forward. This has resulted in 45 sites and 1,800 homes being identified, of which 1,400 have been delivered.

At the RICS/ACES roundtable for the 2021 research, the use of council land and its acquisition for housing was discussed. There was a reflection on the way in which councils are now more systematically reviewing all land in their ownership with a consideration for the council's own development or to identify self-build plots. In some councils, it was reported that the identification of a range of small sites was making a difference to delivery. Small sites can also be useful additions as part of placemaking programmes by filling in gaps and refining places albeit they can come with their own planning and development challenges (for example neighbour objections and scheme viability, which can sometimes be managed through developing groups of different small sites together and demonstrated benefit for existing neighbouring residents such as new open or play space).

Councils have also reported that they are purchasing land for housing, sometimes as part of site assembly to enable the council to undertake larger developments. Southwark Council is building up its land portfolio for housing outside the HRA. Some councils are acting as master developers as in Enfield and Cheltenham. In Enfield, the council also has an HRA site which it is developing into a mixed-use scheme. Some councils such as Hackney have been reviewing the potential for air space above their own buildings for the provision of additional floors on existing residential blocks.

104. <https://www.kentonline.co.uk/canterbury/news/topshop-could-be-converted-into-council-offices-249625/>

In the Black Country, there had been an assumption that additional housing land would become available from employment land as the economy shrunk. However, this has not been the case and the requirements for employment land have remained the same or increased as the local economy has stabilized and grown.

While councils have been reviewing their longstanding land holdings, many councils are also purchasing land and buildings as part of their commercialisation strategies. In the desk survey, it was found that 25% of council have commercialisation strategies and they are making purchases for investment and development to meet housing need. Buckinghamshire Council, a recently formed UA, has purchased two retail centres, including one in High Wycombe which it intends to develop for housing. Some councils have been converting offices into homes. The pandemic has also encouraged councils to be more innovative in the provision of temporary accommodation. Councils such as Ealing and Cornwall have put temporary housing accommodation on their car parks.

Some councils are working with a wider range of partners to identify potential housing sites. One council undertaking this approach, Southwark, has started to work with faith partners as a one stop shop developer. For the Church of England, the Archbishop of Canterbury set an objective of providing social housing in 2018 and has just appointed a Bishop with responsibility for housing.¹⁰⁵ The council has also developed this approach with other faiths and is working with them to redevelop their premises and use their land to provide housing as well as places of worship.¹⁰⁶

One council mentioned that it had no land left for housing development but did not indicate if this conclusion was based on any specific survey or assessment of land in the local authority's ownership. As the pressure to find housing land continues there is now a different focus on brownfield sites, and these would not be developable unless they received financial support from the government. This was also seen as a necessary ingredient to secure private sector involvement and to reduce their perceived risks.

Social value procurement: finding local builders and architects

The 2012 Public Services (Social Value) Act provides means through which public bodies can identify social value outcomes as part of their tender specifications and subsequent evaluations. While procurement specifications and contracts require a considerable amount of experience and effort before going out to tender, a number of councils have reported on a range of ways in which they are moving towards using social value approaches to procure professional services and builders. The Mayor of Liverpool City Region, Steve Rotherham has a social value initiative across the MCA's authorities and in Sefton and Knowsley, there are social value Supplementary Planning Documents (SPDs) in draft.¹⁰⁷ Other organisations such as SCAPE, operated as a professional services company by Nottingham County Council, offer social value

105. <https://www.archbishopofcanterbury.org/priorities/archbishops-commission-housing-church-and-community>

106. <https://www.thevoiceofauthority.co.uk/webinar/>

107. <https://www.sefton.gov.uk/media/1248/social-value-from-development-spd-scoping-final.pdf> ; http://www.knowsley.gov.uk/knowsleycouncil/media/Documents/FINAL-Draft-Social-Value-SPD_EB.pdf ;

procurement advice. In Southwark, the council has developed a new framework contract that has included diversity as one of its procurement test for professional services and has now 30 new practices in the framework. Cornwall has been participating in a pilot project to use small builders and has now developed a framework contracting approach which has been approved by the LGA.

The Peabody Trust has incorporated social value into its own procurement practices, and they have argued that taking a social value perspective has allowed them to be more strategic. Other Housing associations have joined a task group in order to develop further approaches to using social value in procurement¹⁰⁸ while the Peabody Trust has also developed a social value portal for its own organisation and contractors.

Funding from other sources

Some councils have been able to access additional funding from specific devolution or housing deals made by the Government with Mayoral Combined Authorities (MCA). Cambridge City Council, for example, was able to access funding from the MCA in addition to the funding it invested from its own resources and the council has a programme of 700 homes of which 100 have been completed. The council also has an investment partnership with Hill. However, the government has since withdrawn the housing deal provided to the mayor to support delivery and since the May elections, a new mayor has come into office. There may also be concerns and confusion about who is responsible and can take the credit for housing delivery.

In the North East there are three MCAs and each have had different schemes to support housing delivery. In the North of the Tyne MCA, there has been a project to support the development of strategic sites with Homes England. In Northumberland, the council has received brownfield development funding from the MCA and report this as being a relatively simple and painless process. The council has also received accelerated construction funding from Homes England. In the West of England MCA, a £340m fund has been made available for unblocking sites and also to support regeneration feasibility. In South Tyneside, the council reported receiving local growth funding to support housing delivery while in Hartlepool the LEP was very helpful in supporting the local plan at examination in the ways in which it could support the local economy. The LEP has also been supportive in the funding application to Highways England for a road junction to support new housing development

In the West Midlands, the MCA and LEPs have provided some support for housing site delivery but mentioned that there was now a perfect storm of challenging sites, which are more expensive to develop and sales rates which may have slowed down. In Wolverhampton, the council is developing 3 sites with support from the MCA and that Homes England were also providing support for a redevelopment of a supermarket site.

108. <https://www.hact.org.uk/news/uk-social-value-housing-taskforce>

In Preston, the Lancashire City deal is supporting the development of a garden village for 5,300-6,000 homes and was one of the main reasons for its formation. The development is in a fringe location and, while it will provide some of the housing required, it will not meet the types of housing need that the council has identified.

Some councils mentioned that access to funding was becoming more competitive and that in order to obtain funds from various providers, councils need to have a good pipeline of schemes and these schemes need to be compliant with the HM Treasury Green Book. However, even with these schemes the levels of VFM subsidy provided are often too small.

In London, the Boroughs reported that they would not be able to deliver housing on the scale now included in their programmes without the Mayor of London's funding. This funding has been for a five-year programme on sites identified at the outset that had a likelihood of being completed by 2023. While sites are specified at the outset, the Mayor has allowed site substitution at the borough's request. This programme has now been extended to 2026 with additional funding.

Some LEPs do not appear to have engaged in housing delivery at all and are struggling to make the connection between their economic remit and the provision of housing. This may be because they consider that the housing market is active enough without their support.

Councils' experiences of market homes: sales, build to rent and shared ownership

While some councils cannot see why they would move into sales of homes if they can finance their HRA or focus on providing affordable housing to meet their needs, others are developing homes for sale and market rent homes. The move into building for sale and shared ownership by councils is requiring the acquisition of some new skills and acting as a developer may be challenging initially, particularly when considering marketing and sales. When properties provided for market rent are in shared ownership then the council needs to consider how they are managed day to day. Also, some councils have reported that the value of their homes and the rents received can be lowered if the properties are managed by the council. Some councils have stated that mixed tenures can be more challenging to manage not least as there are different expectations on the provision of service when there are problems.

It has also demonstrated that in some councils, local authority services that deal with the responsive repairs and maintenance requests from the council's market rented properties regard these services as a nuisance and a problem and not built into the mainstream core of the council's work. This has meant that there has to be hard work inside the council to get this right and this needs to be ready on housing completion and handover. While the council has some responsibilities for properties that have been sold through RTB, other council leaseholders have an expectation of a service

comparable with other housing providers. This has meant specifying requirements for response times and quality of delivery at the start of the development process and working with council teams to incorporate these requirements into their work plans. This can be underestimated when it includes work on landscaping and open space, lifts and internal repair. In Camden, a special team has been established to manage these requirements. Lifts are a particular issue and it is important, when specifying lifts in a new development, that the council has some experience of working with that type of lift and has a contract with that provider. Some councils have no experience of taking on new stock and then managing it. New management arrangements need to be established before the stock handover from the builders. This also creates tensions within the workforce who may argue that some types of leaseholders should not be receiving better service than the others. Some councils are placing these management responsibilities with other providers.

Another major issue was raised in relation to the management of tenant services and repairs when the council has shared ownership properties. There are expectations that services will be provided more readily within the council and some councils have established separate teams for council tenants including those who have bought their properties under right to buy and those under more commercial PRS and shared ownership agreements. In Camden, there has been an attempt to consider these issues at the point of commissioning the development so that council teams for ground and other mech and etc maintenance can build in these additional properties into their workloads the homes are occupied.

Other issues have emerged when councils start to market developments. One council forgot to set up a system for collecting service charges from new leaseholders and there also needs to be a different approach to the tendering process for contractors which will meet the requirements of mortgage providers. Providing homes for affordable rent is very different from providing homes for sale or market rent. When selling properties, more information will be required overall including a report on the title and shared ownership homes require specific care and attention on this point. All of these factors can have an impact on marketing and speed of sale.

When councils move into this type of activity, all the advice from other councils and housing professionals is to focus on the end of the process, that is what is needed to achieve a sale or let and what will be required at this point. While it is possible for councils to spend a lot of time on design and process, in effect these homes are going to be on the council's books for many years and be an important source of regular income in some cases. This may affect practical matters such as design for longer management, ensuring that contractors can achieve practical completion for sales inspections and that the right contractor certification is available for the mortgage providers. Some councils have found that branding their homes works and in the desk survey, it is possible to see the range of housing company and JV names that councils have used.

In Camden, the council undertakes all the sales activities and uses estate agents within a framework, that is just being reviewed. In Kingston upon Thames, the council had not delivered much housing until three years ago and is now in the process of developing 2000 homes with a JV with Countryside. The council will retain the freehold on all properties after development including those for sale. The council will also retain the affordable homes and is undertaking this estate regeneration through a community-based approach. The council is now also developing on four smaller sites which together will provide 101 homes. These schemes are helping the council build up its skills and experience of housing delivery and it has recently appointed a former housing association director as director of development. The council is now considering more schemes including some based on heritage based regeneration of its own assets within its town centres. This is being led by the council's COVID recovery committee and will be considering providing homes on town centre sites in the council's ownership.

When councils are building for sale or market rent, it is important to remember that the market can go up and down. The market can be static and the assumed sale values of homes may not be achieved. This can have an effect on the rest of the programme and may reduce expected financial surplus. This may take longer to sort out and it may be necessary to redesign and/or re-finance schemes. It is also the case that different types of housing will sell at different rates in different locations. Where there are mostly apartments, then houses may sell better, and it is always important to keep the local markets under review and consider how far the proposed mix of dwellings is meeting this market. There may also be a case for considering varying space standards. Modern apartments may be small but larger footplates, as in mansion blocks, may be more attractive to purchasers.

Other issues in the sale of homes for councils to consider may depend on the availability of parking and outside space. In some locations the values on homes built for sale do not generate funding for cross-subsidy not least as council developments need to be viable and compliant with the council's planning policies. In Kingston upon Thames, the council's planning policy states that 30% of affordable homes should have three bedrooms.

Some councils have been learning that the requirements for housing sales differ from other tenancy agreements. Where councils are building homes for sale, then there are requirements for different construction guarantees to enable purchasers to obtain mortgages. Practical completion times also need to be considered as do the form of handover from the contractor. Some councils were delaying their consideration of the sales stage until the new homes were nearly completed but those councils that have been building for sale for much longer always start the consideration of the sale process before they procure constructors to ensure that the appropriate sale requirements are included in the contracts.

When considering non-social rent tenant and shared ownership, councils are undertaking this through a range of mechanisms. Some are using housing association structures and other companies such as Barking and Dagenham's Reside. In Hartlepool, the council is offering documented market sales as defined in Annexe 2 of the NPPF (2019).

Some councils have stated that it is critical to consider design for management and assess the potential services charges at the design stage. It is also useful to consider who will undertake management at this early stage and, if to be by a third party, to consider the requirements of the specification. This is also important for councils entering the build to rent market. Some councils are considering how to cap service charges as part of the design brief.

As this is a new area for councils, then acquiring the rights skills and/or advice is critical. It is important for councils to think like developers although it is recognised that this is a difficult balance. It is also important to understand buyer perceptions. There is experience across the country that demonstrates that councils are perceived as more reliable developers of new homes than market providers not least because the focus on space standards in and out of the dwelling are expected to be higher, a closer attention to finish of the development and the fact that the council will always be there and not be dissolved as a company in the future. Private developers are good at selling a housing 'dream' but this is not followed through subsequently. Some councils thought that the potential purchasers started with lower expectations but also there is an expectation of better value for money as councils will not be seeking the same levels of profit as private developers.

When designing homes intended for sale, in Nottingham the council has found that the sales are best if the homes have a traditional design. Where homes are less traditional, these have become associated with 'council' housing and have a lower status in the market, and they avoid design 'experiments'. They also take the view that the development of standard house types save money which is also an approach undertaken by private developers. However, in more mixed urban/rural areas such as Bolsover, then having standard house types can be more difficult as development sites need to have schemes that fit within their existing settings.

Sustainable Urban Extensions and other forms of new neighbourhood development

A number of councils mentioned the role of garden villages and Sustainable Urban Extensions (SUEs) in their own approaches to meeting local housing needs. However, there were also concerns, as in Hartlepool, when these are not being built out rapidly enough to meet delivery expectations. In Darlington, there are two garden villages, and it is expected that these will be associated with the HM Treasury move to Darlington when it occurs.

In Carlisle, the Council and its partners have established a development forum to ensure early engagement for the Garden Village and an SPD is at an advanced stage. The council wants the homes to be healthy and affordable but there are issues of viability. The council would like a more proactive approach supported by partners. In York there is a Garden Village of 3,000 homes or larger and the part of the will be used to meet housing needs although the local plan needs further clarification on this. York has had support for York Central from the West Yorkshire MCA and will have 2,500 homes. It will also be receiving accelerated site funding and has support from the LEP for a HIF bid. East Riding has an SUE for 2,000 homes that will take 20-30 years to build out and will not answer local housing needs. In Hull, if the LEP had not been supporting the development then the delivery would be less in a development of 650 homes of which 350 market and 300 receiving subsidy. Overall Hull is considered to be well supported. In Leeds there is an SUE with 5,000 homes which is now beginning to reach fruition in the provision of schools and open space.

Some councils considered that SUEs and garden villages are important contributors to the provision of housing in their areas such as Cheshire East with their Handforth Garden Village with 1,500 homes¹⁰⁹ including some affordable. However, others expressed concerns that the funding and delivery were uncertain, and the scheme had a degree of complexity to achieve. There was a view that this form of development does not provide quicker delivery. On the other hand, rural exception sites were regarded as the main means of delivering affordable housing. In Exeter, the council has identified nine large brownfield sites on which it is expecting to deliver its housing together with partnerships with the neighbouring authority.

On the Isle of Wight there has been some discussion about a new village, but instead smaller urban extensions have been used. In areas which have the Green Belt, then finding locations for SUEs without using the Green Belt are difficult but SUEs may be the only way to delivery affordable housing. In Greater Cambridgeshire, the councils have four growth areas and there have been no problems in building out the developments. Other councils reported new settlements where large numbers of dwellings have been anticipated but with only a proportion of these being included within the plan period. Some SUEs have low affordable housing allocations given the viability assessments, but housing associations have been engaging more in this type of development, although not necessarily for affordable housing provision.

Modern Methods of Construction

Many councils report their engagement with MMC as a means of delivery. Some are experimenting with small sites such as in York while others are seeking to develop larger sites using MMC. Wolverhampton council has a scheme with a partner for 182 homes to be constructed off site. Homes England stressed the risks of relying on traditional construction methods in the future as the labour pool is reducing. This is why

109.https://www.cheshireeast.gov.uk/council_and_democracy/council_information/media_hub/media_releases/handforth-garden-village-development-moves-a-step-closer.aspx

Homes England is incorporating more requirements for MMC in their agreements with developers and councils in order to support and develop the market. It also has a research programme of 8 schemes which are being delivered through 100% MMC and in Stockton on scheme for 117 homes is being built entirely through MMC.

Some councils have reported that they would like to do more but it still feels quite risky and there are concerns about failure of future building safety regulations. Some councils still do not have sense of the direction of MMC. Others have expressed concerns about the mixture of standards and systems and concerns that components will be available for repair in the longer term. Some councils said it is necessary to consider how to overcome a range of barriers to delivery in MMC. Where everyone can see the benefits there are many practical issues about procurement and cost. Some suggest that looking at the methods for partial MMC used by major developers might be a better way forward.

As Homes England expects local authorities to use MMC, then councils are trying to engage with it but there remain issues of achieving the number of new homes in the programme and of longer-term maintenance. In Cheshire East, the council has a policy that is broadly supportive of delivering MMC constructed homes. In Brighton and Hove, the council is exploring MMC as a mechanism to achieve net zero and currently working on the number of homes required to make this approach viable. It is also a challenge to find sites of the right size to make these developments viable. Some councils want to go beyond the building regulations, but this is difficult in practice. It is also difficult to get space standards within the dwelling improved without specific wording on the local plan.

Some councils, like BCP, are using MMC to deliver components of new build. The council is also assessing the whole life carbon footprint of developments. Others like Plymouth are looking at MMC in smaller scale suburban developments and it is considered every time but at present the costs are prohibitive. In Cornwall, the use of MMC is not seen to add much, when considering issues of local transport through the road system. Other councils talked about failed MMC programmes where the proposed construction methods did not meet the councils' benchmarks and quality in delivery.

Many councils reported other challenges in using MMC. In the South West, councils reported procurement as an issue particularly when specifying MMC that has higher environmental performance. Others mentioned costs or concerns about insurance in the post-Grenfell environment. Some councils are choosing a component-based approach that is common in volume housebuilders including doors and windows as in Cornwall. Some councils reported both member and developer resistance to MMC and neither want to do something which they regard as being 'different'. While councils reported being impressed by visits to MMC factories and the speed and quality of the homes delivered through these methods, there were still concerns expressed about safety and certification for the final delivery and their mortgageability. Another of the main

challenges for MMC mentioned in the WM was that of design and how homes constructed this way could meet the council's design codes including where a heritage solution is required. It was felt that this could not be done and that specific local plan policies would be needed to deal with these issues.

In the West of England MCA, the use of MMC is being promoted and there is a current consideration of how to deal with the extra costs. In the WM, the MCA, has developed a route map for low carbon homes delivered through MMC. It has developed a list of suppliers that can support accelerated construction and it is requesting 20% MMC on the larger housing sites that it is supporting.

Quality in design and delivery

As in the 2019 research findings, the issue of quality has been identified as the third highest motivation for councils engaging in direct delivery of housing. Some councils have design frameworks for all developments, and some are using their own schemes to exemplify that improved quality of design and finish does not need to be more expensive. Some are using these schemes to encourage housing developers to improve their offers. Many councils mentioned that quality standards for housing need to be included within the local plan to have the most effectiveness and that have them in an SPD was not much use. Some councils said that they would like more strategic and national guidance on this so that they could uphold standards more and that all councils could and should do the same things on quality in housing. In delivering the councils own housing, some Councils mentioned the positive effects of the Homes England support.

Quality has been a major driver in councils engaging in housing delivery, but the delivery of genuinely affordable homes has overtaken this in importance it was reported at the roundtables. On the other hand, where councils are developing for sale, then the quality of the development is a major driver to support sales and distinguish the council's development to that provided by developers. This quality extends outside the dwelling into landscaping and the ambition is to improve the quality of private developments through introducing some competition into the market. As one council officer said, 'if you want better quality development, you have to do it yourself'. Some councils felt that there was a disconnection between the drive for quality and delivery and that this needs constant pressure to achieve. It was also stated that design is important in the longer term as part of the council's investment and its connection with longer term management and maintenance. It is also important that attention is paid to public realm and to consider whole life costing.

Quality in design is increasingly regarded as being a high priority not least in relation to the future management of s106 properties. Provision of good quality, dual aspect apartments was also seen to be a fundamental requirement in affordable homes, whoever provided them. In some councils, members take the view that the council should be delivering more and to a higher standard.

In the North West, there were comments from non-local authority roundtable attendees that councils were not adopting NDSS space standards because they believe that this will reduce the number of homes provided or affect the viability assessment. This has had the effect of making room sizes smaller. In Yorkshire and Humberside one council reported their engagement by their design team early in the planning process and this included highways and planning staff who are a part of the dedicated delivery team.

In Sefton, the council's company must submit schemes that are fully compliant as a demonstrator to developers who are submitting applications for small room sizes. In Brighton and Hove, much for the new development market is changing to build to rent which is creating development at higher density and on a larger scale. These dwellings are not affordable and do not meet that part of the council's housing need. Where local plans are out of date, then it is very difficult to apply room space standards within development management particularly where the council wishes to see affordable homes with large space standards and with some private outside space. In the Isle of Wight, the local plan is being reviewed and revised. In the new plan, the council is considering including policies on the quality of the build but there are issues in the provision of affordable homes with these standards given high development costs and viability issues.

Skills and support

The availability of staff with skills for housing development still remains an issue in the direct survey results. In the roundtables we heard about some initiatives that councils were using to increase the skill levels of existing staff as well as some for recruitment. In Haringey, staff in legal and finance departments are being offered the opportunity to train as housing project managers and then be liaison officers between housing and their former departments. This has proved to be popular among staff and progress through the training scheme has been more rapid than initially planned. In Southwark, graduate planning staff are being appointed to a mixed development team with housing and other officers so that they are able to enhance their implementation skills from the outset without have a particular planning focus. Some councils are appointing apprentices to these development teams. Others are creating council's own development teams or being restructured for planning, housing and regeneration staff to work under the same officer in the senior leadership team. Some councils are building up integrated development teams over time including Cornwall and Westminster. Some councils such as Kingston upon Thames are recruiting Development Directors from housing associations. In Central Bedfordshire, the council has established an academy to improve job access for local people and when inside the council, those involved in the housing academy rotate between functions when they start.

The Mayor of London has provided funding for skills development and training for the 28 London Boroughs that have received funding from his housing fund and also to recruit those with development experience and skills. Some of this support has been provided through the Future of London organisation together with graduate

development and apprenticeships programmes. There has also been skill sharing between the G15 housing associations and local authorities.

The role and use of project managers to develop local authority schemes was more frequently mentioned in discussions at roundtables than in previous years. Councils have been increasing the numbers of project managers and the teams that support them as their programmes have increased. The in-house training course for project managers provided by Haringey lasts for three years and includes a range of experience including sales and after care to provide a full picture of housing delivery. In some councils, project managers have been recruited from the private sector and housing associations e.g., Hertsmere and Barnsley. Teams are also being expanded as in Cornwall where the council has nine specific posts for the delivery of the HRA and is recruiting two more members of staff.

Senior leadership in the delivery of housing is also being supported by the appointment of officers who have had similar roles in the private sector or in housing associations as in Nottingham, Kingston upon Thames and Hertsmere.

Some councils have mentioned the benefits they have received from being part of support programmes. These include Derbyshire Dales and Preston that have been part of the LGA's Housing Advisers' Programme and Cornwall that has been part of a small builder's project also supported by the LGA. These programmes have allowed councils to develop and test their business plans through support provided by consultants through the programme. In Derbyshire Dales this enabled the council to show what might be viable in their area and what might work in terms of development. The programme also helped evaluate every element of their proposed approach including specification, procurement and market testing. The conclusion of Derbyshire Dales is, after this support and with the will of the council, that if they, as a small council, can reopen a housing delivery programme, then any council can.

Environmental standards

A number of councils are trying to improve the environmental performance of their homes both their existing stock through retrofitting and the design and construction standards of their new build programmes. One of the major concerns is that there is a paucity of supportive planning policy that enables this approach to be undertaken. While there is an anticipation of the application of the Future Homes Standards for all development, there are also concerns about construction costs and viability assessments for private sector housing. In Haringey, the council has a zero-carbon housing scheme starting on site and is looking at the way that passivhaus principles can be incorporated within the planning system. In future, the council wishes to avoid the need to retrofit housing and is considered whole life costing in its business case assessments. At present the council has 360 homes on site being developed to higher environmental standard and expects there to be 1,000 in due course as part of its programme. Southwark has a target to get net zero by 2030.

Some councils have been trying to develop flagship schemes with housing associations that have higher space and environmental standards. Some councils are relying on building regulation standards but if the council undertakes its own development it can deliver to higher standards. The pandemic has also led Brighton and Hove council to focus on passivhaus standards and the importance of energy efficiency in the homes and there is a sustainability/zero carbon group which is reviewing the solutions available to achieve net zero. This includes PVs, ground source heat pumps, living walls, landscape, using MMC and trying to achieve a reduction of 20% in embodied carbon. Some councils mentioned that there was no additional capacity to provide support for the developing and applying higher environmental standards

In some councils, the issue of viability for higher environmental standards is important. In Lancaster, the council has two specific groups that it is working with – one for passivhaus standards and the other reviewing the market for affordable housing for older people. In Eden there is a community land trust scheme for 10 homes in the National Park which has been supported through s106 funding to achieve passivhaus standards. In Barnsley, the council has a small lower value scheme for 16/17 homes developed with low carbon and its us undertaking an assessment on these with Leeds Beckett University.

In the South West, there is a major focus by councils on the climate emergency and achieving net zero. Those attending the roundtable mentioned the need for councils to be a role model for other developers in building to meet these standards. Some mentioned the challenges in providing higher sustainable standards when going through the procurement process and that not all contractors can meet these standards. This has led some councils to revise their specifications to see whether they can find contractors to meet their requirements. This problem is said to be particularly acute when trying to procure housing using MMC methods. Somerset West and Taunton Council have a current planning application to build 52 low carbon homes.

Some councils described the application of higher environmental standards in their own development as a trade-off between delivery and cost, not least as the resulting homes also need to be affordable. In Homes England there is an objective to reach higher environmental standards in the development that its supports and it wishes to achieve with private developers as well as through its grant regimes. In Enfield, the council is applying a range of approaches to meeting net zero in its own developments. These include energy networks and direct heating systems. It is also considering how it can develop standards for all housing. Many housing officers expressed the view that the planning system was not able to keep up with the greater environmental standards required to meet net zero. Some councils commented that to achieve low carbon homes, the regulatory system needs to be more joined up so that the standards required can be reinforced through building control. The climate emergency is not currently recognised as being an issue for the planning system and this is now causing problems. It was also stated that it is difficult to get climate change into master plans.

In Barnsley, the council is preparing a climate change SPD and it is recognised that it will be important to get the wording right to make this work.

Some councils are now requiring much higher standards in their own development including no gas boilers. In Wolverhampton, the council took the view that both the HRA and WV living had a leadership role. The councils found that homes with higher environmental standards attract a strong demand particularly when delivered with attention to design quality. Where the homes were affordable, they argued that there was a need to ensure that these higher standards are available. Also, there was a view that these standards should include internal space. In Wolverhampton, homes designed to higher environmental quality have been sold off-plan.

Councils are keen to drive up the standards of delivery where they are the housing provider but there are significant impacts on building costs and then how this will affect rent levels and the role of this housing in the market. In Exeter, the Council's company, Exeter City Living, has been developing to high environmental standards for a long period and has improved its cost performance over time. Once completed, business case assessment undertaken by the council has found that rent arrears are lower as utility bills are reduced for tenants and the costs of long-term maintenance of the council are also reduced. Also, anti-social behaviour has reduced.¹¹⁰ If councils enter the bond markets and use other forms of financing for housing, other than the PWLB, they may find that their environmental credentials will need to be much more clearly established. This is the case for Housing Associations which now have to demonstrate how that are meeting the UN's SDGs through their development and maintenance programmes through their ESG as mentioned earlier. This is rapidly being normalised as an approach in the fund market and as part of demonstrating their compliance, housing associations are now auditing their contributions towards meeting the SDGs.

Disposition of mixed tenures on sites and within buildings

There is now a considerable amount of debate and experience about the design and maintenance of mixed tenure apartment blocks developed directly by councils and by other providers. There are concerns about services charges being unaffordable and this can relate to the initial design including the number and type of lifts included in the building. In Westminster, some apartments in a mixed tenure block have been placed in the ownership of a community land trust and rents from these offset the service charges of affordable tenants.

A variety of views were expressed on the ways in which mixed tenures could best be designed and managed on sites and within buildings. Some councils prefer to have mixed tenure peppered across developments and within buildings arguing that this is better for social mix. Others stated that peppering of tenures is also an outcome of RTB policies and that this is now the common way of managing local authority stock.

110. https://www.passivhaustrust.org.uk/UserFiles/File/research%20papers/Costs/2019.10_Passivhaus%20Construction%20Costs.pdf

Other councils and some housing associations prefer to have affordable homes in single locations or buildings as they find the homes easier to manage and allows for different design specifications which have links to building management, maintenance and service costs for the tenant or shared owners. In all settings, there are concerns about 'poor doors', access to facilities particularly play areas and open space for affordable tenants and councils are seeking to address this in the design and management agreements for s106 homes.

There also needs to be an ambition in development so that if things go wrong, the team has to have a problem-solving attitude. In Camden, the council has appointed a head of sales and a head of customer care from the private sector and the difference in expectations of what the council should be providing its leaseholders is marked. Where tenures are mixed within buildings, then there are considerable changes in terms of expectations between tenants and those purchasing at market value. Those purchasing will expect to have concierge and other facilities funded through their service charges whereas these services will be expensive for other affordable tenants who may nevertheless need parcel reception and access to their properties provided by concierge services.

Housing for specific needs

As seen in the direct survey and the case studies below, many councils are working to provide housing for different types of special needs. In the pandemic this has been primarily focused on the homeless and rough sleepers, but this has added to underlying programmes for older, disabled and autistic people. For some councils, like Wigan, the focus on older people's housing is linked to the provision of social care in a common approach across the whole age group. Other councils, like Bedford and South Cambridgeshire, have undertaken specific studies to support their provision of housing for older people. Both the GLA and Homes England are also providing support for this type of housing. In South Tyneside, the council reported specific assistance from Homes England in providing special needs housing and extra care schemes.

In Lancaster, the council has a relationship with a community housing trust which is seeking to provide affordable housing for older people where the council is subsidising the scheme with grant and commuted sums for land. This is a scheme for 20 homes, and it will be used to assess what else might be achieved at a different scale and with other providers. In Kingston upon Thames, the council is developing some of its own sites with social care and trying to do something different.

Addressing very different needs, as shown in the desk survey, some councils are providing student accommodation. In Brighton and Hove, which has two universities, there was a significant drop in demand for rented properties of 3,500 homes. It is as yet uncertain where these properties will end up within the market.

Similarly, although the research did not specifically address self-build and custom build issues, they did emerge at some of the roundtables. The issues raised included the

difficulties in providing plots in London given land prices and the role of small builders in being able to meet this kind of need. In York, the council is providing self and customer build plots on the same site as community housing in one of its housing schemes.

The relationship and working arrangements between planning department and housing development within the council

On the whole, relationships between the planning and housing development teams were reported as being closer than in previous surveys. In some councils, specific joint development teams have been established as in Southwark or are being considered as in BCP. Councils increasingly have planners embedded in housing teams or specifically dedicated to their schemes as part of wider development management arrangements. In Barking and Dagenham, planning and housing are all undertaken together. In Southwark, the council has established a client-side service and within the planning division had added a new homes delivery team as part of its major applications group of staff. The manager of this team sits on the New Homes Board that has been set up by the council and works directly with the regeneration team. The council is also delivering major schemes through the Mayor of London's Old Kent Road opportunity area which will have 20,000 new homes including 500 homes for the council. This close working relationship is also supporting the development programme for 11,000 homes, of which 2500-3000 will be on site by 2022. In Homes for Lambeth, 1.5 officers have been funded through the Homes for London programme.

Some councils have reported greater working relationships in order to achieve the council's objectives as in York where there is a programme for 600 homes on eight sites in development. There has also been the establishment of a housing delivery team and a significance increase in resources for project coordination. Hull has increased the housing development team over the last 2-3 years. In the past the council had defined its role as a facilitator for developers, but the council has changed its approach since it has recognised that this market provision is not meeting all the requirements of housing need. This has led the council into direct delivery. In Barnsley, the issues of council's own housing delivery including for affordable housing has been developing as part of the implementation of its local plan. The council has been willing to engage in master planning and take a more proactive approach to infrastructure delivery. The council is also taking a more proactive approach to bring homes back into use and acquiring former RTB properties.

In Brighton and Hove there is a well-established system for delivery including the use of project managers and the provision of support from a longstanding contractor for QS, civil engineering and the management of sub-contractors. However, it would be useful; to have a wider team of people including finance, legal and in-house architects who could help to develop design solutions for specific sites.

In Haringey, there has not been any specific restructuring to bring housing and planning together but it has carried through change using different means. The teams working

on housing delivery are being scaled up and there is now a development team of 40 officers and the last time it was at this size was 40 years ago. This scaling up was reported from a number of councils. In Plymouth, where the council is the developer, there is a focus on pre-application discussions and attempting to resolve all issues at this stage. Most councils do not want a public fight about their own development. Some of the issues relate to the application of parking standards for achieve net zero or meet the declared climate emergency.

In some councils, such as BCP, the concerns about the resources in the planning team to deal with housing applications, including the council's own development, has led to a review of the resources made available in planning. There has also been much closer working between the housing and planning teams in practice since the establishment of a housing delivery team which operates across the council. This team has developed a client-side approach which is also supporting the delivery of the local plan. This focus on housing delivery through the local plan and housing programme was described by one roundtable participant as the golden thread that links them together and provides delivery for the council. In some councils, there are coordinators working to manage all housing development, regardless of type and tenure and this was an approach that was noticed in 2019 research findings. This appears to being used slightly more now, but it is not the norm.

Some planners still consider these issues to be 'delicate' with the council's planning service being regarded as impartial. However, there is still much closer working on housing development delivery in councils where the council is a main developer. Like BCP, Cornwall also have clear governance processes where the council's housing development is being considered. Planners also reported that the role of the council as a housing deliverer will feature much more in the forthcoming local plans and the use of local plan implementation plans that are led by the council. Other councils mentioned the establishment of specific housing delivery groups with planning and housing and other parts of the council. There were also reports of more regular meetings between those involved in housing development led by the council which included issues such as training and skills in addition to more mainstream delivery supply issues. Some housing leads mentioned the need to challenge planners who could sometimes act as gatekeepers. Some councils also mentioned the closer working between planning, housing and health services. Some housing officers mentioned the speed of planning decision-making being problematic and again having no policies to support the low carbon agenda. There was universally a view that planning policy need to be brought up to date rapidly to meet the net zero agendas there is frequently a political appetite to build more to meet these standards.

Other councils reported that they had not changed their working arrangements, but they had been working more closely with housing colleagues to attempt to meet the local shortfall in delivery including increasing the amount of affordable housing included within schemes. However, this could be hampered by the cost and delays

in infrastructure delivery. These challenges were mentioned as particularly affecting smaller councils which may have significant development going on in their areas, but which are overlooked by utility companies.

Overall a case was made for early engagement between planning and housing on all sites including those that were part of the council's business plan and the local plan. It was said to be important for housing and planning teams to start on the same page. Some councils reported that they were looking closely at the housing requirements in appendix 2 of the NPPF. In one council, it was reported that the review of the local plan is going to express its social housing need far more explicitly than in the past and this may relate more specifically to different locations in the local authority area including, for example, differences in need expressed between urban and rural areas.

Changes in the planning system

Since 2019, there have been some changes in the planning system including for the NPPF and Permitted Development Rights. The NPPF has allowed councils to be more specific about the provision of housing for need groups as mentioned above. However, despite this, officers at the roundtables reported Councillor frustration at the inability to identify sites for affordable housing in the local plan. There was also a view that the local plan should be more aligned to the council's housing strategy that considers housing need across all tenures and types and also use this as evidence to safeguard more sites for affordable housing.

For the most part, councils did not report any changes to their provision of housing as a consequence of the changes in the NPPF in 2019, although each local authority will be at a different stage for its local plan. Some suggested that the NPPF made the leeway for delivery more flexible but also that it was unhelpful that the NPPF is always in a state of flux and that the opportunity to apply zero carbon standards was also eating into viability and affordable housing delivery.

Some councils in the South East stated that the planning system still has major issues of viability assessment when providing new homes and that the government needs to take more action to resolve these issues. In Brighton and Hove, in its JV with Hyde Housing Association, the council is going to provide 300 homes at living wage rents. Councils are strongly opposed to First Homes, as these will reduce the affordable housing available to the council through s106 and this is reducing council flexibility in negotiation. Inevitably, it is concluded, that affordable and particularly social rent housing will suffer. There remains a fear that every time the planning system changes, affordable housing loses out.

One of the major concerns expressed about the planning reforms was how low-cost housing could continue to be provided even where it is a major council priority. There was also a concern that now the 'affordable' housing being provided through the planning system is not affordable in practice and leaving many excluded from its

provision. Councils mentioned the levels of household income required to take these affordable homes in their areas as being much higher than the average household income. This has become particularly salient when planning officers calculated that most of the local authority's staff would not be able to afford one of the new affordable homes being provided by the council. These exclusions are increasingly raising concerns in local authorities and is one of the motivations that councils have expressed for building their own homes. Others expressed the view that the focus on market housing delivery in local plans led to a saturation of certain types of housing in particular areas but no provision of a wider range of housing that is required. People are also being pushed out of some areas as rents rise and being effectively decanted into lower priced areas. There were also concerns at the use of the models to determine market rents in the NPPF and councils said that they need also to be concerned with the quality of affordable homes with rents aligned to local household incomes in local plan land allocations.

In London, Boroughs reported that the London Plan had more effects than the NPPF. Some councils reported on their inability to meet the housing delivery test and self-build plots as land values are so high. Some councils in the North East expressed concerns that the NPPF appeared to offer a 'one size fits all' approach to affordable housing which did not meet their needs in provision through the local plan system. A number of councils expressed concerns about the Government's First Homes scheme and the effect that this would have on provision through s106. Also, whether these first homes could be in mixed tenure schemes.

Some planners in the roundtables reported that the revised NPPF raised the bar on the deliverability test not least when sites are now required for employment rather than housing purposes. Although not part of the planning reforms, councils reported that the Growth Plans prepared by the LEPs had spatial dimensions within them that have an effect on plan making and delivery.

Risk

During the course of the research, Brick-by-Brick, the housing company in Croydon was put up for sale as part of the need to restore the council's finances. There has been private sector interest in purchasing the company who have already developed over 900 homes. We asked about this issue in the direct survey and the roundtables. In the desk survey only one council, the neighbouring borough of Merton had closed down its housing company in response to what had occurred in Croydon. Otherwise, there were no significant effects mentioned of the Croydon experience in the roundtables albeit in the case studies, some interviewees did mention that they were keen to ensure a careful approach to avoid risks of over-reach with their own activity, with many preferring to build-up activity more gradually.

The roundtables represent a response to the same questions put in the desk and direct surveys but also provide an opportunity for practitioners to reflect on their current and future expected concerns. As seen in the discussion above, the roundtable responses ranged across a wide number of issues with some being more significant than others in specific regions. This reflects local environmental and political concerns and issues of the effect of government policies on local markets. As can be seen here, the conclusions for issues such as the effects of the pandemic and planning reform reflect those in other parts of this research; the roundtables have also been able to highlight some specific emerging concerns which are associated with the delivery of housing that, as this survey is showing, is increasing across more than 80% of local authorities in England. These issues relate to negotiation for the development of affordable homes through the planning system, the design and onward management for these homes and the continuing role of the planning system to be able to support the provision of the scale and type of social and family housing needed in specific areas. The roundtables reflect more detailed discussions about the mechanisms being used to manage these negotiations, the changing content of planning policy, the movement of staff within councils to reinforce these negotiations and upskilling of staff all feature here as reported by different councils.

Other issues discussed in the roundtables and also covered elsewhere in the research includes responses to the use of MMC in delivery of homes and the issues related to the application of higher environmental planning standards both through planning and the council's own development. In the planning context, one of the main concerns expressed in these roundtables that did not surface in other parts of the research was that the planning system is not strong enough nor keeping pace with what is required to achieve carbon neutral targets through new build. The system is seen to be lagging behind not least as housing associations are now much more focused on their environmental and social commitments in delivery through their use of ESG. This may have an effect in their willingness to take on private development provided homes delivered though s106.

The other major issue to emerge in the roundtables not covered elsewhere is the growing interest and concern about management of the newly acquired and growing stock. While councils may consider tenure blind development to be preferable, from cross subsidy or other policy objectives, the design and onward management costs of such buildings are emerging as critical issues.



Our 2021 case studies

These case studies were undertaken by interview in May and June 2021. The case study authorities were selected from those offering to participate in this way through the direct survey. The case studies were selected to provide a range of councils by type and experience.

Bolsover

In Bolsover, the housing and planning teams work closely together (under a single 'Development Director') to promote housing delivery generally, and affordable housing supply in particular, by any means possible. There is a strong political commitment from the Council to social housing delivery, which they believe can help address market failure and provide good quality housing accessible to residents in the way that other products like Starter Homes do not seem to be. This aligns with the need identified in their SHMAA.

The council themselves have a target to deliver 200 homes over the next four years under their HRA and general fund, having already delivered 103 over the last four years. The lifting of the HRA debt cap has helped this delivery. These new council homes are branded 'Bolsover Homes'. They also have a JV with a local SME developer – Dragon Fly Developments – which seeks to stimulate development where private actors may not have confidence due to the local market conditions and lower values by demonstrating sales. It also seeks to generate income from marking housing provision

which can then be reinvested in social housing. The JV has so far delivered one site of 10 homes, and got planning permission for another, but viability is challenging, and they are currently trying to cross-subsidise a scheme between three sites to ensure delivery.

The developer partner in the JV had been the construction partner for the Bolsover Homes council housing scheme. The relationship between them and the Council also includes broader benefits such as apprenticeships, training and other social value outputs such as Schools talks. This social value thread in council procurement is taken seriously, with quality and sourcing locally seen as important.

The viability locally supports a planning policy of 10% affordable housing on schemes over 25 units only and sometimes only 5% is achieved, so commercial schemes do not meet local need. There is little local interest from commercial developers in rural exception sites either. The council are therefore keen to develop a package of different approaches, including their own direct schemes, working with RSLs, securing some affordable housing through Section 106 and doing what they can to support Starter Homes / First Homes.

The Council feel they are able to deliver at better quality than volume housebuilders, for example with higher build quality, more generous space standards, Lifetime homes standards and so on. They have explored MMC with 19 properties so far and have a plan to improve from bronze to platinum standard on MCC. They have also won awards on sustainability and considerate constructions, wanting to take a holistic approach to build quality. Members want to be proud of the housing that has been delivered and act as an example to other developers. There is also a view that delivering new council housing can help support wider placemaking agendas, improving areas.

Bolsover feel they are quite land poor as an authority and have already developed the easier sites. They have a strategy to bring together multiple small sites in order to bring sufficient volume to make schemes vulnerable even though individually many are difficult infill sites. The council have been talking to parish and town councils, Homes England, the One Public Estate and the fire service to try and identify more sites. The county council have been more challenging to work with.

Land availability is the key barrier to delivering more housing, but viability is a concern too. The standard Green Book approach is a real challenge as the land and housing values mean the usual cost: benefit ratio just will not stack-up. Grant funding is needed to deliver truly affordable housing in Bolsover but is hard to get for a small council. Right to Buy does remain a challenge as well, having lost 400 homes over the last five years, and the new build plans meaning they are essentially just breaking even in terms of the housing stock numbers.

Skills are seen as less of a barrier because there are already many skills in-house and there is already a good construction partner who they are working with, and with a

helpful joined-up directorate structure within the Council bringing together housing and planning. As a small council, they can adapt readily to take advantage of opportunities when they do present themselves and have 'oven ready schemes' that can be delivered at pace if sufficient funding becomes available. An external QS ensures scrutiny of value accounting for the Council's own schemes.

Bolsover are currently thinking about the future pipeline of sites for council housing and allocating these in the local plan. The Housing Delivery Test is not seen as a particular challenge locally, with 400 homes delivered in total last year against the target of 264 and 7-8 years' worth of sites identified. It is just that whilst the overall numbers are fine, the affordable provision is not sufficient.

Brent

There is strong political will in the council around the delivery of truly affordable housing for the people of Brent, with a 'can do' attitude shared by the Council Leader and Chief Executive. There are lots of registered providers who operate in the borough; however, they can tend towards smaller 1 and 2 bed homes, often acting in a business-like manner considering income slightly more than local need. This means there is lack of affordable family housing being delivered by other providers. There is also a view that the council, acting as a landlord, can offer the lowest rents and a desire to focus more on social housing. There has been a bold political commitment for the council to support the delivery of 5,000 more affordable homes in Brent from 2019-2024, which they are on target to meet. This includes the council directly delivering 1,000 new homes directly.

The Council has used a variety of means to deliver on its ambitions. They have their own company, i4B Holdings, which was established in November 2016 as a wholly owned investment company who buy and manage properties which can then be offered as affordable PSRS accommodation to temporary accommodation residents. A particular focus is ensuring sufficient housing suitable for families at risk of homelessness.

For the council's direct house building under their HRA, they will use their own land, and this can involve infill sites on existing estates. There has been consideration on a development company for housing delivery, but it was decided instead to do this directly within the council, drawing on the general fund and HRA. Provision of £16million through GLA funding is seen as transformative in increasing affordable housing delivery. Lifting the HRA debt cap has also made a real difference, with the council happy to borrow if schemes will pay over a 60-year timeframe.

Members do not wish to use housing as an income generation stream for the council, and instead actually want to put money into boosting affordable housing supply. In the past, some council land seen as surplus was sold to try and raise income but there is now a clear steer from members not to do that and they are actively seeking new sites, including one significant one through the One Public Estate initiative.

There are some challenges around opposition to development from existing residents, particularly those living in Right to Buy properties who then object to more housing being built near to them. Land availability is also a challenge, meaning the council have to rely on small infill sites or estate regeneration in order to deliver. There are concerns that central government will no longer grant fund replacing existing homes as the lack of suitable land means there is little opportunity other than densifying existing sites, which can be done in a way which engages and accounts for existing residents. The pandemic has not been a significant challenge, having delayed delivery by about 2-3 months but this being something that they can work around.

Skills can be brought in but at a cost, so there is a desire to develop more in-house skills around project management and commercial skills and having access to a good Quantity Surveyor, which would help support their growing ambitions. There's a full collaboration agreement with one RP, Network Homes, so that their development team can help the council build capacity very quickly for when opportunities arise needing fast time work to deliver housing, but the agreement also includes skills transfer arrangements to build in-house capacity within the council over the longer term and land transfer arrangements as well. This is an agreement between two non-profit organisations wanting to work together to mutual benefit. The Council also meets the Chief Executives of the major RPs operating in the borough quarterly to see how they can work together most effectively and try to take a partnership approach, for example avoiding bidding against each other on the same sites.

The housing team have worked closely with the council's planners to increase understanding around types of affordable housing, for example the differences between social rent, London living rent and so on, which in turn has helped them be more assertive with developers during planning negotiations. The housing scheme also funds an in-house planner to boost capacity. They are currently looking at potential sites for regeneration in the next 10 years, however there are social and physical infrastructure issues going from 300 to 2,500 homes on a site. This needs to align to wider placemaking strategies and thinking what wider benefits can come from the housing development to support community aspirations and life chances. Brent Council has also declared a climate emergency and the Council's own new build housing will need to be zero carbon in future, however there are currently some challenges around expensive up-front costs.

The Housing Delivery Test has caused some concern locally and there is a feeling that if the government really wants these high housing targets met then they need to do more to support the council in this. If there was more grant available then more social housing could be delivered, and Brent believe that they have already demonstrated they can scale-up if given the opportunity and funding. This would in turn deliver a range of benefits, including housing benefit payments.

Cambridge

Cambridge City Council have received a £70million fund through the devolution agreement for Cambridgeshire and Peterborough to deliver new affordable rented homes in the city. This, supported by some RTB receipts, will fund 500 homes through the HRA. These will all have started on site by the end of 2021 and have really boosted corporate momentum around housing delivery in the council.

The council also has two companies, a wholly owned company – the Cambridge Housing Company – which holds and rents properties at intermediate levels (complementing the HRA stock) and a JV – Cambridge Investment Partnership – which seeks to optimise the development of council owned property (land in the general fund and land purchased by the general fund) for mixed tenure projects, with market sales supporting more affordable rented homes. The JV is with the Hill Group and does have a motivator of income generation but is also about skills development, quality and sustainability. A previous experience of a more arm's length arrangement is perceived to have led to poorer quality housing, so the JV arrangement is seen as a way to ensure higher quality as well as giving skills development to help deliver the affordable housing programme under a tight timeframe.

The council would like to deliver 1,000 affordable homes and have put in a bid for the Homes England strategic partnership grant as such grant funding is essential but delivering 1,500 homes in the constrained geography of a local authority compared to a RP across multiple areas and with greater scope for cross-subsidy is a challenge. Indeed, the main barriers to delivering more housing are funding and sites. Although there is some funding for the affordable housing programme, more funding would allow higher delivery of affordable homes. Lack of suitable sites is also a key issue, particularly given the tightly drawn boundaries of the local authority area (indeed Cambridge City Council have purchased one site in neighbouring South Cambridgeshire district). The pandemic led to stopping work on some sites for a while last year, but things are now going ahead again.

Last year there was a loss of circa 18 homes to Right to Buy, against circa 70 new homes being delivered. The loss in recent years previously has been about 30 homes per annum to Right to Buy and in 2019 more homes were lost than built. The hope is now that there will be more homes delivered than lost to RTB but this can still present a further challenge.

Skills have not been a particular barrier, however there is a demand for a wide range of skills to successfully deliver housing directly, including finance, planning, leadership, project management as well as development skills. There is a requirement for support from across the council, and resource to support this, which has been happening in Cambridge. There is also the JV which has added a significant resource: technical skills around sustainability from the JV partner have been very useful recently and helped more quickly to getting construction on site after getting planning permission.

In terms of planning policy, there have been some schemes which are not policy compliant however this is positively because there have been some cases where they have wanted a higher density than the SPD and also because there has been some cases where they've effectively breached a policy promoting mixed tenure by having 70 affordable homes on one site, but in both cases these were seen as justifiable and acceptable when planning permission was given. There is a PPA to fund a planning officer to support the housing programme. There have been recent discussions about how to work more closely and share skills between the housing development and planning teams in future, in particular because the council's own housing development activity can actively help the achievement of some local plan policy objectives.

There is a housing sustainable design guide in place, and this is seen as very important to the council, so their own schemes have been enhanced such as making them gas free, improving the fabric and now looking towards Passivhaus where possible. This does lead to increased costs, and Passivhaus standards are still not fully mainstream in the construction industry so can present some challenges. The housing council's own housing development activity can also help wider placemaking agendas as well, for example delivering new community centres, play areas, open spaces and cycle routes which can benefit existing as well as new residents. This can be particularly important in estate regeneration activity, of which there has been some in Cambridge, although this so far has been small in scale and with people rehoused locally.

There is good governance arrangements around the companies and the wholly owned housing company has only got 23 homes so whilst there is an awareness of some of the controversies elsewhere, these have not caused concern in Cambridge. The focus for the council in these companies has been housing investment, not commercial property investment. There is also consideration being given to establishing another housing company which could act as an RP and give more flexibility, by having one company which is an RP and one which is not, allowing a range of types, tenures and approaches to housing provision to be taken.

In terms of other activity to secure affordable housing beyond the council's own direct delivery, there is a housing enabling function within the planning team who worked with other RPs. A local plan policy of 40% affordable housing is generally achieved on market development. Most of these tend to go straight to an RP but there have been cases where there have been smaller sites giving just 9 or 15 units.

Cheltenham

Cheltenham Borough Council (CBC), in collaboration with Cheltenham Borough Homes (CBH), the Council's Arm's Length Management Company (ALMO), has set an ambitious target to realise a step change in affordable housing delivery within the Borough via the Housing Investment Plan. This will see £180m invested to deliver quality homes and to support thriving communities, with CBC and CBH aiming to build 500 new affordable homes over 5 years. CBH manage, allocate and deliver the council's social housing stock.

A key motivation behind the Council's decision to deliver a step-change in affordable housing provision derives from acute affordability issues with the Borough. Cheltenham's average house price is nine times greater than the average local wage. Future schemes will aim to improve size standards and progress towards realising the council's carbon neutral pledge as part of its Climate Change Emergency declaration.

Cheltenham's land availability is significantly constrained by the designated Cotswold AONB and greenbelt that surrounds the borough. These planning constraints have been compounded by delays in completing key infrastructure to support the delivery of the council's large strategic allocation sites identified in the Joint Core Strategy (JCS). Two of these sites, (Elms Park and Golden Valley) are expected to deliver approximately 7,815 homes, of which 2735 will be delivered as affordable homes. The latest Local Housing Needs Assessment has identified that the borough should deliver 3,874 new affordable homes 2021-2041 to meet need.

To offset the delayed delivery of the Borough's strategic locations, the council has sought to maximise strategic housing delivery by securing 'additionality' i.e. seeking to achieve affordable housing delivery above the level the open market would be expected to deliver, particularly using council owned land. Working with CBH, the council is actively seeking to acquire new sites across the borough to expand its affordable housing pipeline of schemes. The council is also acquiring former RTB homes through a combination of commuted sums and the HRA to offset the on-going impact of RTB on the existing housing stock.

In addition to the 500 affordable homes, plus private rented homes, the council is seeking to address the stigma of living in social housing. In order to provide housing in the PRS sector, for those who have little other choice, CBC and CBH are working together on providing rented accommodation, managed well and on a long-term basis. The council, alongside other JCS authorities, works with six housing associations to deliver on the strategic allocation sites. These preferred providers have been chosen based on their experience of managing, delivering and creating sustainable communities.

The council is also acting as a master developer. The council has recently acquired 45 hectares of prime development land in the Golden Valley strategic allocation area, which is adjacent to GCHQ. This makes the council the majority landowner on this strategic site allocation. Through this site acquisition, the council will also be playing an integral role in the delivery of the new Cyber Hub. The intention of these developments for 3,700 homes (of which 1,300 will be affordable) and employment is to enable young people to remain in Cheltenham. The council is also working hard to integrate this development into existing amenities in West Cheltenham including sustainable transport, green space and allotments.

The council has a blank sheet for estate regeneration schemes. The council has also noticed a shift of housing association partners to move away from acquiring s106

properties to focus rather on land-led schemes. This is in part due to the quality issues faced when acquiring s106 properties from developers. The housing associations are seeking assurances from developers on matters of quality, design and affordability and in order to achieve this the council is seeking to secure more detailed agreements on the affordable housing provision, including for design, quality, mix and management, as early as possible with developers.

The council is uncertain about the effects of the Government's First Homes initiative as there is an expectation that 30%-40% of First Homes Discounts will not be affordable in Cheltenham. There is also expected to be an impact on the viability of housing schemes and concerns about the relationship between this initiative and the interests of housing associations including their interests in shared ownership.

The council works in partnership with district and county partners on a range of issues including homelessness and rough sleeping, domestic abuse, mental health issues and autism. The council's housing schemes are compliant with or above council policy standards.

Cornwall

Cornwall Council, which is Unitary Authority, has had an increasing focus on housing delivery since 2009, following the economic downturn in 2008. The council is taking a rounded approach to maintaining the provision of housing. Since then, the delivery of affordable housing has been a priority and the council established Homes for Cornwall as its company, which is catering for all housing needs through direct delivery, including private rent and as a means of unlocking the HRA. The main motivation is the inequality in housing provision in Cornwall and that there is not enough social housing to meet local needs or to support the economy. Cornwall also has one of the highest levels of homelessness in the country. What rented accommodation is available, is of poor quality. The provision of rented accommodation is also important to support the seasonal economy, including the needs of SMEs and the construction industry.

The council is funding its housing programme from a range of sources. It has not had any specific funding support from the LEP. It has had specific support from Homes England for two projects – one in Hayle and the other for Langarth Garden Village, both of which are funding for infrastructure.

The council has a Head of Development, who is responsible for the Housing Revenue Account, working with Registered Providers and other community delivery. In considering the effects of COVID-19, the housing delivery team has never been busier, and it is continuing to expand. The pandemic has seen a greater focus on the provision for temporary accommodation (TA) and the needs of rough sleepers. The council has prepared a rough sleepers accommodation strategy and is expecting to make a further bid to Government for more funding for TA. It is also considering more options for the provision of homes for TA including a project in Truro.

The council is also undertaking estate regeneration and in 2016 appointed an estate regeneration manager to focus on the improvement of poorer quality stock. This programme has a scheme in East Cornwall which includes homes that were sold under RTB. These have now been repurchased, the estate decanted and there will be a redevelopment for 16 new homes. The regeneration programme is ambitious with 10,500 homes but estate regeneration is expensive and time consuming. The council could do more with increased funding.

The council has an independently funded 3-year programme with RPs of £15m with a maximum spend of £5m pa. As part of this programme, RPs agree to provide a specified number of homes. The council also uses homes provided through s106 for this programme, although RPs prefer homes provided through larger developers. In Cornwall, 1 in 7 homes is built by an RP and they were the greatest providers of affordable homes in 2020. Cornwall council is also operating as an RP and is purchasing s106 homes from smaller developers. The Local Plan is strong on quality standards for housing including the use of NDSS space standards. As the council has an HRA, its status as an RP has entitled it to investment partner status with Homes England and this makes a difference in terms of the programme and budget for housing development.

The Council is engaged in a national pilot programme to support small builders. This includes engaging in apprenticeships. There have been some delays in the programme to offer schemes to small builders due to discussions about due diligence at the LGA. However, the Council now has procurement documents approved and is the only one of the three pilots to be offering schemes to small builders through this contracting process. They now have four sites in build with four builders and have been pleasantly surprised at the outcomes. However, these schemes do need funding and risk assessment. There are more small schemes to be offered through this pilot in preparation.

The council has considered MMC but does not consider that it is a solution on its own but one of the options to be considered. Many of Cornwall's sites are hilly and this poses specific challenges. The council has long owned a doors and windows company that supplies to the council and other housing providers in the council's area.

In conclusion, the council has had cross party support for its delivery of housing, and this is likely to continue given a change in administration in the 2021 local elections. The housing delivery company continues to expand with additional staff each year and the schemes that it undertakes are policy compliant with the local plan.

Derbyshire Dales

Affordable housing supply has been a concern in Derbyshire Dales for some time, with a real political drive following people being worried as to whether their children will be able to afford a home locally. There is also, as a result of austerity, a desire to consider ways to make savings and generate income for the council budget with the Council

having established a commercial board. The desire to build council housing flows from both these concerns. The Council's commercial activities are within their own boundaries, for example generating significant income from car parking charges and enabling community events.

Grant funding from the LGA to develop ideas related to housing helped secure consultancy advice to confirm the feasibility of the council undertaking a programme of direct housing development. A plan was developed to use S.106 income to build 50 homes over 5 years, which would generate £200k per annum income after costs. There were some concerns in the authority about risks, so a full risk assessment was conducted before pressing ahead with the plan. The plan was deemed low risk, with a Housing Association appointed to do the development work and then to manage the properties on behalf of the council, given they have existing experience doing this type of work daily and had a longstanding existing relationship with the council. These will be mainly affordable rent.

This plan is on track and has included taking on a long lease for some existing social rented properties after another Housing Association decided to leave the district. The plan will be to fill a gap in the market in relation to smaller site Section 106 units, rather than competing directly with a Housing Association. The Council are now a Registered Provider, which was fairly straightforward to achieve as a local authority. The council's plans have also been assisted by being offered some properties to purchase and think with a likely increase in the council tax premium to 300% on empty properties next year they may be offered more properties in future which could become part of their supply, albeit there are high house prices in the Peak District National Park and the council would not be able to afford to purchase where there would not be a viable return on their investment.

As well as high prices of existing properties, there are some challenges around land and site availability as well. Over the past couple of decades, many of the best sites for housing which the council owned have already been gifted to RPs, sites which could accommodate up to 20 homes each. It is now more challenging to find sites in the council's ownership for their own housing development, and much of what remains has constraints, including sites on the edge of existing settlements beyond the planned development boundary and including even looking at redeveloping the sites of public toilets as housing.

There is an ambition for the Council's own new homes to have an EPC rating of A for the new builds and B for any existing properties they acquire (which may be retrofitted) and their Housing Association development partner have preferred contractors with relevant skills. This is seen as important given the council have declared a climate emergency, but can add to the build costs, as can meeting the Peak District Design Guide for sites within the National Park.

The local plan is currently under review. An SPD on climate change is being developed. The council also have a 'placemaking hub' bringing together housing, planning and regeneration functions. There are some large brownfield sites allocated which councillors are very keen to see developed in preference to greenfield sites and the council have utilised QSs to try and help private developers move things along on these sites.

The council have been keen to use a wide variety of means and partnerships to enable and support housing delivery. They have used revenue funding to support Community Land Trusts in the past. The Council works in partnership with Platform Housing Group, Nottingham Community HA and Peak District Rural Housing Association providing on average 76 homes per year and have also supported some local almshouses in renovation and improving their energy efficiency EPC rating from F to B, drawing on community led funding from central government. Partnership working, including supportive policies, grant funding and providing planning pre-app advice for free is seen as important in helping to get RPs to invest in the district and help increase affordable housing supply, but small rural sites which can take a while to develop due to their constraints are often unattractive for Housing Associations.

There is also the local plan policy of 33% affordable housing contributions on schemes of 10 units or more (albeit in the past the council had secured contributions from even smaller schemes and did not agree with government introducing that minimum). There is also a small income stream from protected RTB on the Council's former housing (long since stock transferred), and although RTB is diminishing as the eligible population declines there are now some villages with no affordable homes left in them at all. Further, the extra council tax on second homes is supporting some activity around homeless provision.

A corporate approach is seen as vital with housing, planning, legal and finance working together to support the council's housing development activity. It also needs real energy and enthusiasm, and to build a sense of momentum and delivery with ongoing commitment. Despite the constraints of being a very small district council, with a protected landscape and with real local concern about development in general, Derbyshire Dales have now started direct delivery of housing and so believe there are options to do this open to any council.

Gravesham

Gravesham's current direct delivery of housing dates back to 2009 when they secured some funding for local authority new build activity. At that time nobody internally had any experience how to do this, but five bungalows were delivered, followed by three small schemes with a partner. Their activity has gradually grown since then. In 2012, the council signed-up to use Right to Buy receipts, which have part funded a programme to deliver hundreds of houses. The largest development to date has been 48 homes, and there is a pipeline of about 400 homes to be delivered by 2024. Funding so far has been from RTB receipts and HRA balances and they have just started to borrow. They are also re-registering with Homes England as an investment partner.

This activity has been directly through the HRA, although there is also Rosherville Ltd, a wholly owned Local Authority Trading Company which has been established to generate income through a range of activity including housing maintenance and property development. There is a political desire for 1,000 new homes by 2024, including Rosherville developing some build-to-rent schemes, which is a separate team for this different tenure but may help cross-subsidise some social housing. Some coordination will be required over timing and sites between the different delivery approaches and the company will take a cautious approach, seeing how the first town centre scheme goes first.

The aim of the council's housing development activity is to deliver more social housing, as well as help with some regeneration and improvement of problematic sites. There is a need to deliver what the market won't, such as an accessible scheme for over 55 year olds, as well as to use council land productively. There is an income generation aspect insofar as new building housing can have lower maintenance costs and there is some profit possible from affordable rents built on the council's own land. The Council are lucky to have lots of land holdings, including sites usually unattractive to commercial developers. The combination of low borrowing costs and land ownership by the council allows affordable housing to be delivered. If the council did not own land, they think they would struggle and other landowners often have high expectations of potential values.

The council have also found that direct delivery gives them more control in design and in energy efficiency, given there are hugely high energy bills on some existing 1970s social housing, and they are currently working on a scheme for 30-50 carbon neutral homes. The Council are committed to being carbon neutral by 2030 and so this will include new housing. They have a sustainability consultant and are looking to deliver energy efficiency in a straightforward way which is user friendly for the new residents. The Council's retained stock is about 7,000 homes and better energy efficiency could help reduce maintenance costs in future.

There is also a wider placemaking aspect to the council's own direct delivery as they look at the wider footprint of sites, for example one scheme of 23 new apartments in the middle of an existing estate will also provide a new play area and improved waste facilities for everyone whilst another scheme will provide some new communal amenity space. There has been less local controversy around estate regeneration than has sometimes been the case because they have been demolishing sub-standard homes and offering local replacements. The importance of keeping residents and neighbours engaged and updated is recognised, ensuring people feel listened to and when new development is taking place on existing estates there are visible benefits for existing residents too.

Skills can be a barrier. There is now a new director in place and a desire to build up more staff resource within the council in future but at present a consultant from an RP is employed 2 days per week to drive delivery forward. Where homes in the middle of

existing estates have been lost to RTB this presents a barrier to estate regeneration and can lead to huge costs. There is a council strategy to buy back former RTB properties where they still own the freehold. There has been a higher rate of loss to RTB than building new homes, but the rates are likely to equal out by the end of this year. The pandemic has not proven too much of a delay overall although there have been some delays on sites with issues like material shortages and avoiding different contractors being on site at the same time.

The housing team are involved in S.106 negotiations so that they can help ensure what will be secured matches actual local need (including some family housing and specialist housing such as wheelchair accessibility). The units secured from S.106 normally go to RPs. The council could, in theory, take them on but they do not want to be in a bidding war with RPs but rather leave this as a back-up option when required so ensure good relations with all partners. There is partnership working with RPs and they may look to work together further in future, for example around intermediate tenure housing.

The housing delivery test does place some challenges for the council and has influenced the setting of their own direct delivery target of 1,000 new homes. There is pressure from the government's increased housing targets. There is a good relationship between planning and the housing development teams. Joint working between housing and planning teams have created better schemes, including through pre-app discussions and use of the Kent Design Studios. The Council's own schemes are only submitted for planning permission following extensive pre-application meetings leading to a proposed detailed scheme being submitted where the Council has confidence permission is likely to be granted.

The council's own schemes are policy compliant and indeed often exceed standards on things like space standards, water consumption and energy efficiency. Resources in the planning team can be a struggle at times though.

Activity is scaling-up locally, and there is higher design standards compared to many commercial schemes. However, there is caution about being over-ambitious. There is a huge learning curve and internal resources needed to deliver housing effectively, and so the view is that it is better to start small and build-up, drawing on skills of partners like RPs and housing associations where possible whilst building that in-house expertise.

Wigan

Wigan Council has a focus and priority for providing housing for those with specific needs including older people and those with learning disabilities and autism. The council has an HRA which was formerly managed by an ALMO. This was brought back in house. The Council is providing housing for older people to plug the gaps in its housing stock including bungalows but much of the existing stock needs investment. The Wigan Deal has a target to provide homes for all by 2030 and the housing approach has close links with adult social care.

There are a range of barriers experienced by the Council in delivering more homes. There are resource constraints in the use of the HRA and there are competing priorities for investment in the Council including the delivery of the low carbon agenda. The financial planning for the council runs in three-year cycles rather than longer term. There are other barriers in relation to the provision of land for housing development and the Council has been building on its own land, with a few sites remaining. The council is also undertaking a small sites study. The council has three housing project managers and much of the effort in delivery goes into the handover of schemes that support vulnerable residents. For older people, the council is developing HAPI homes with additional facilities. Some of the delivery of housing for older people has been supported by Homes England but now some of these schemes need additionality to fund them.

The pandemic has intensified the need for affordable housing. In particular, there has been a focus on temporary accommodation for those with complex needs, including in response to homelessness and rough sleepers and the numbers are increasing for both. The housing waiting list has increased from 9,000 to 10,300 and it is critical that this is addressed. Initially, the housing delivery programme slowed down but the effects of this are now less as projects have been reprofiled. A review of the capital expenditure has also put the programme back on track.

The Council's housing service is trying to align its capital objectives in an approach that is integrated across the council. This is intended to be tenure neutral and 'just' be the council. For the wider regeneration agenda, the Council is trying to diversify and improve the market. The Council has been using education sites but there is now less of this land available. The council has bid with Bolton for HIF funding to Homes England to open up a major site. This was not successful partly because the subsequent housing development could not be completed within the HIF timescales as set. There is now more focus in housing in town centre regeneration.

In estate regeneration, the council has undertaken two schemes which have been supported through tenant consultation. Ward councillors have also been supportive of these schemes. These have been on a small scale and have involved demolition of some existing poor quality stock. The council also works with RP partners and liaises with other landowners, including one scheme that has had financial support from the GMCA investment fund for town centre regeneration. RPs have taken on s106 properties. Some, like L&G and Halo, have bought completed properties from developers and there is an appetite to do more of this. Much of the land identified for housing in the local plan has been on the outer edges of the city with large scale housing sites in Standish that are being built out by major developers. This delivery has been supported by Help to Buy. In the current approach to the local plan, the housing numbers required have reduced from 905 to 872 but the council is delivering 1300 homes pa, primarily through completions on these outer edge large sites. It may be difficult to sustain this level of delivery in the future.

The housing and planning teams work closely together and report to the same Assistant Director. All the Council's housing schemes are compliant with local plan policies and there is an effort to ensure that they comply with every element of the policy. Housing and planning teams also sit with the regeneration team and together they have access to advice from legal, financial, surveying and other professional services. The housing delivery team is integrated into the planning process and there is a focus on direct delivery. Across the town centres, there is a Town Centre board that focusses on regeneration and is considering other sites that can contribute towards housing delivery.

York

The new approach to delivering a greater number of new homes directly by the Council has been led by the creation of a new role of Head of Housing Delivery and recruited a former Joseph Rowntree Housing Trust housing development manager to the council. Previously small-scale in-house developments were undertaken but the opportunity for a step-change was identified and, following an options appraisal, the Council's Housing Delivery Programme was initiated. The Council issued a framework tender and recruited architects Mikhail Richards as designers to lead the Council's programme. The council identified housing as a high priority as well as declaring a climate emergency and this combination of initiatives has informed the Housing Design Guide Standards. However, there are challenges in meeting higher environmental standards in development, especially in achieving passivhaus/net zero carbon standards.

The Council has other motivations for the delivery of housing. York has always been known as an innovator with New Earswick pre-dating Letchworth. The Council has identified a programme of developments including Lowfield Green where there are 140 homes including 6 self-build plots and 19 community homes currently on site. The Council is keen to provide better designed places and has identified the social benefits of this including council housing and shared ownership provision within these areas. The Council is keen to promote higher levels of happiness and wellbeing in the City.

The Council considered a range of means of delivery including a development company but decided to proceed through the HRA when the debt cap was lifted. As a small unitary, the Council adopted a target of 600 homes over a five-year period. In choosing to work through the HRA, this could be a challenge. The council is using RTB receipts and intend to deliver 20% social rent, 20% shared ownership making 40% affordable altogether. In previous years, the Council has returned some RTB receipts making it a priority for Homes England Grant Support. However, there are some frustrations with both monitoring and delivery in accordance with their programmes. There are also some tensions between the delivery of new housing in the HRA or stock improvement. The Council is a partner in York Central to develop the brownfield land behind the railway station as a high-quality mixed-use development and hopes to deliver housing as part of this scheme.

The Council does not have an adopted local plan, but this has not proved to be problematic in the delivery of the Council's housing, where the sites are allocations in the draft plan and relatively modest in scale. On estate regeneration, the schemes have also been small and associated with other improvements such as experimental traffic orders to achieve wider place-based community improvements to support the council's happier and healthier objectives. There has also been an approach to improve EPC ratings in some of the Council's poorer performing properties. The Council has considered the role of parking standards and electric vehicle charging provision in their schemes. This remains an issue in more suburban locations where councillors are concerned about street parking pressure as a result of lower levels of parking provision on sites. There is an on-going feasibility work on an estate within the city walls for a combination of new development and associated regeneration. The Council continues to engage with Housing Associations including the Joseph Rowntree Housing Trust.



Conclusions

There are a number of conclusions that can be drawn from the 2021 research, and these are summarised here:

From the desk survey

1. Councils are continuing to diversify the way in which they are providing housing;
2. Councils are using JVs to support delivery more than in the past and there are increasing numbers of councils that are using a range of JVs each to support a specific project;
3. There is some evidence of a growing ambition to provide homes through the HRA in some councils as evidenced here, although this is by no means universal;
4. There is evidence that councils are more systematically reviewing their own land holdings and using them as a means of providing more homes;
5. The different funding system for London Boroughs means that all councils are providing homes and at numbers larger than elsewhere;
6. A number of councils have strong delivery arrangements with local Housing Associations;
7. While it is not possible to aggregate the total number of homes that councils are providing, the information in this table demonstrates that the numbers of homes being provided by councils is continuing to grow each year;
8. The pandemic has encouraged a large proportion of councils to review their corporate plans and strategies and it is noticeable, that overall, 80% of councils are

identifying their need to deliver affordable housing. This is across the country, all types of council and within councils of all political control. Where councils are acknowledging this need, they are not necessarily putting in place actions to help to meet this shortfall. Where councils have not identified affordable housing in their corporate strategies, they are nevertheless taking steps to provide affordable housing;

9. The failure of councils to 'claim' the homes that are being delivered through their investment including regeneration is leading to a general underreporting of their housing delivery activity to their local communities, the government and the wider commentariat; and
10. Some councils are mentioning their use of MMC or passivhaus/ higher environmental standards

From the direct survey

1. This 2021 direct survey, like the two previous direct surveys we administered in 2017 and 2018 (published in 2019), has attracted a high response rate, indicating a real interest in the topic within local government and a desire by officers to share their activity and experience;
2. 80% of authorities now say they are directly engaged in housing delivery (up from 69% previously);
3. Meeting housing requirements, tackling homelessness and improving design quality remain the top motivators for this activity, with income generation having dropped slightly as a factor driving this increased activity;
4. 55% of authorities now report having a local housing company (usually understood as a company directly about housing development as opposed to a wider range of property and related companies), up from 42% previously, but with evidence of a variety of other types of activity including some authorities having increased delivery following the HRA debt cap having been lifted;
5. Although many respondents still did not complete the questions in the survey on the number of new homes delivered by local authorities directly over the last year (from all means, and of all tenures), from those who did complete this question, there was evidence of a total of 20,249 homes having been delivered, which is considerably higher than the 8,992 homes reported in the 2018 survey;
6. There are some barriers and concerns still reported. The top barriers preventing local authorities delivering more housing directly were reported as a lack of land (with 95% of local authority housing development being on their own land), lack of suitable sites, and viability concerns (particularly the need for grant funding to support truly affordable housing);
7. There were concerns around some recent government policies, such as the Right to Regenerate, as potentially hindering rather than helping local authority direct delivery of housing;
8. Nevertheless, more respondents were optimistic than pessimistic about the future;
9. There was increase corporate priority around housing development, particularly around maximising affordable housing delivery;
10. Overall, in many councils there is a growing sense of momentum.

From the roundtables

1. Affordable housing remains a residual in planning negotiation and viability and is being further marginalised though the implementation of the Government's First Homes policies and other charges which take precedence such as for flooding;
2. While some councils find this very difficult, given the way in which developers and planning agents undertake their planning processes, negotiation with developers for affordable homes through the planning system needs to be undertaken at the earliest stages in pre-application negotiation to be most effective in terms of quality and onward management;
3. The design and onward management for these affordable homes included within s106 agreements is a critical component of these negotiations, consents and agreements
4. The continuing role of the planning system to be able to support the provision of the scale and type of social and family housing needed in specific areas is important but will not produce the volume and type of homes to meet housing need;
5. The Government's definition of an affordable homes needs to be re-examined when most of a local authority's staff would not be eligible to acquire a shared ownership home in their area;
6. Upskilling of staff to undertake planning negotiation and project management of housing delivery is increasing;
7. Councils need to consider a project plan that includes marketing and sales requirements and the service charges from the outset of the development, not at the end;
8. There is quite a lot of support for the use of the use of MMC in delivery of homes;
9. There is a frustration that the planning system does not include supportive policies to achieve net zero; one of the main concerns expressed in these roundtables that did not surface in other parts of the research was that the planning system is not strong enough nor keeping pace with what is required to achieve carbon neutral targets through new build;
10. The system is seen to be lagging behind not least as housing associations are now much more focused on their environmental and social commitments in delivery. This may have an effect in their willingness to take on private development provided homes delivered through s106;
11. There is a growing interest and concern about the management of the newly acquired and growing stock. Councils may consider tenure blind development to be preferable, from cross subsidy or other policy objectives, the design and onward management costs of such buildings are emerging as critical issues;
12. There is growing interest in social value procurement.

Our case studies provide further detail that tends to reinforce the issues identified through the surveys and roundtables. In drawing together the findings for all four parts of this research, we can see that

- Councils are increasing their levels of housing delivery in all ways including development, acquisition, regeneration and joint working;
- Council are now regarding the provision of affordable housing as a corporate priority in their areas;
- The pandemic has led to more housing delivery and the increase in local authority capital expenditure for 2021-2022 confirms this;
- Many councils that were not active in housing delivery in 2017 and 2019 are active now;
- There is a greater recognition of the role of housing in regeneration and town centre schemes to bring life to these areas and to anchor other uses;
- MMC is being increasingly used by councils and this is expected to grow as skills shortages continue;
- Councils are becoming more active in estate regeneration particularly through JVs and there are best practices emerging that are worth considering e.g., maintaining the long term freehold of the estate even where tenures are mixed and improved approaches to work with existing residents;
- There is growing experience of managing different types of housing tenures and development and councils can learn from each other;
- The planning system needs to include more active policies for promoting the delivery of net zero;
- Higher environmental standards in development may cost more but they may result in fewer arrears and lower maintenance costs;
- There will be major considerations about the extent housing budget should be used for new build or to improve existing dwellings through retrofitting;
- Where more funding for housing is provided to councils in five year programmes, as in London, then more housing is delivered, and such funding is vital for truly affordable housing to be delivered at scale;
- Councils now regard housing delivery as a central priority to meet housing, planning, regeneration and community objectives

MHCLG

- That there should be some means of collecting data on all housing completions which credits local authorities with the contribution and added value they are making to the delivery of these homes through negotiation, master planning, advocacy, finance and land
- That outside London, Homes England should provide five year funding for councils to support their housing programmes in ways analogous to the Mayor of London and this should be supported by direct funding for skills training to support this housing delivery again as in London;
- Local plans need to be able to identify sites for social housing, family housing and housing for older people to support their local economies;
- Councils need to be able to acquire land for housing delivery and there should be reversal of the CPO provisions in the 1961 Land Compensation Act to acquire land at existing use value;
- There is no policy or international obligation for competition to continue the requirements for Right to Buy policies in England and these should be halted given the continued net loss of social housing across the country this is causing, despite the best efforts of many local authorities;
- The integrated approaches to planning for places, neighbourhoods and housing and Scotland and Wales should be applied in England;
- Local plans need to be able to adopt policies that will enable development at net zero more rapidly than through the local plan system.

Local authorities

- Local authorities are undertaking housing delivery in a number of ways including regeneration – this needs to be considered in a more integrated way so that councils have the recognition for their total housing delivery programme;
- While planning and housing appear to be working together more corporately, there is less evidence of the role of the council's role in direct delivery in local plans although some councils are now developing local plan delivery plans – this could be a more widespread practice and link with the 10-20 year local levelling up plans to be required by government;
- Many councils are now regarding housing delivery as part of placemaking with happiness, health and wellbeing as primary objectives and this could be extended in post-pandemic recovery plans;
- Opportunities for up-skilling staff inside local authorities is reported as being an effective way of meeting some skills gaps. These could be more widely applied within and between councils.

Appendix A:

Local authorities that mentioned MMC and Modular

Modular

Broxbourne
Coventry
Hertsmere
Leeds
Milton Keynes

MMC

BCP
Bracknell
Bradford
Corby
Cornwall
Cotswold
Coventry
Greenwich
Kings Lynn and West Norfolk
Leeds
Lewisham
Medway
Mendip
Milton Keynes
Mole Valley
North Somerset
Nottingham
Nottinghamshire
Nuneaton and Bedworth
Oxford
Oxfordshire
Redcar and Cleveland
Richmond
Rotherham
Rutland
South Ribble
Stroud
Tewksbury
Walsall
West Somerset and Taunton

Appendix B:

Councils developing student housing

Brighton and Hove
Camden
Gloucester
Hartlepool
Leeds
Milton Keynes
Newcastle under Lyme
Newcastle upon Tyne
North East Lincs
Nottingham
Peterborough
Rushmoor
Scarborough
Southwark

Appendix C:

Councils developing their own civic buildings and car parks

Adur
 Bromsgrove
 Cannock Chase
 Hammersmith and Fulham
 Harborough
 Hart
 East Staffs
 Mid Suffolk
 Plymouth
 Richmondshire
 Trafford
 Waltham Forest

Car parks

Brentwood
 Cheltenham
 Craven
 Epping
 Guilford
 Kingston upon Thames
 Maidstone
 Oldham
 Peterborough
 Wyre Forest

Appendix D:

Councils working with other public bodies

One Public Estate

Bedford
 Derby
 Gloucs CC
 Kings Lynn and W Norfolk
 Redditch
 Rutland
 South Staffs
 St Helens
 Torbay
 Wolverhampton

NHS

North Somerset

MoD

Gosport

Garrisons

Folkestone and Hythe
 Richmondshire
 Wokingham

Barracks

Brighton and Hove
 Harrogate
 Vale of White Horse
 York

Appendix E:
Councils using higher environmental
standards in some of their developments

Passivhaus

Broadland
Mendip
North Somerset
Norwich
South Ribble
Wolverhampton
York

Eco friendly

Blackpool
Pendle

Eco hamlet

Isle of Wight

Higher environmental standards

Rother
Sheffield
South Derbyshire
Southampton
Sutton

Low carbon development

BCP
Exeter
Forest of Dean
Greenwich
NW Leicestershire
Oxford
Rother
Scarborough
West Lancashire
West Somerset and Taunton
Wiltshire
York

Net zero

Reading
Scarborough
Solihull
South Cambridgeshire
West Somerset and Taunton
Wiltshire

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