INTERNATIONAL CASE STUDY: Councils getting creative on housing delivery

Housebuiding Summit 2021

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What did we do?

- In 2017, we noticed that some local authorities in England were directly engaging in housing delivery again after having their role reduced by **Mrs Thatcher** in 1980
- So we undertook a **major research project** to find out what was going on in more detail
- We **repeated the project** in 2019 and we are now doing again in 2021

How have we done the research?

The same each time:

- **Desk survey** of all councils in England
- **Direct survey** to all councils in England
- 12 **round tables** – 9 regional, 3 topic
- 10+ case studies on range of issues each time

- Supported by the same advisory group from RTPI, CIPFA, RICS, RIBA, CIH, LGA, POS plus practitioner and legal representatives

Local authority direct provision of housing: reports etc

- 2017 first round

https://www.rtpi.org.uk/research/2017/june/local-authority-direct-provision-of-housing-i/

- 2019 second round
  https://www.rtpi.org.uk/research/2019/july/local-authority-direct-delivery-of-housing-ii-continuation-research/
- 2021 third round
  - Desk survey May 2021
  - Full report July 2021

What have we found in general?

- Local authority engagement in housing delivery has moved from **marginal to mainstream** 2017-2021
- Councils each choosing their own **menu of methods** – trading company, joint venture, partnership with Housing Associations, own HA, using own funds on general budget; using residual housing powers; working with charities and alms houses; using planning powers- but not enough
- **Companies** – development, construction, professional services, management, maintenance

Why are councils engaging in housing delivery again?

- To create an **income stream** acting like a patient investor
- Because **electorate have** expectations
- Increased **homelessness**
- **Planning** system not providing range of housing needed for local community
- Private sector housing **quality** can be poor
- To provide **exemplar** development
- To support **local businesses**

What types of housing are being provided?

- **All tenures** – social, affordable and market rent, for sale, intermediate market housing, rent to mortgage, local living wage rents, student accommodation plus other special needs
- **How?** – new development, sale of consented sites, buy back of council stock, purchase from developers – single apartments to whole blocks, purchase of street properties, purchase s106 properties, conversions including office to residential and individual properties

How are councils doing this in detail?

- In 2017, 57% had **companies**; in 2019 it was 78%
- In 2019, 57% councils had some form of **JV** (JVs not counted separately in 2017)
- Of those councils without a company, 23% of councils **exploring establishing** a company
- Some councils that had a company in 2017 do not have one now
- Since January 2018-March 2019, at least **119 new companies were** established
- Many councils not having, JVs or HRA are delivering through ‘**partnerships’** with housing associations

What practices have we have found that support this delivery of housing

1. Planners need to operate in councils where there is a **corporate commitment** to delivery in housing provision
2. The approach to achieving delivery needs to be established in the **Local Plan** and other documents
3. Delivery needs to be a key issue in **negotiation** for each development
4. Delivery needs to be **monitored**

Councils that are delivering often have:

- their own **development surveyor** with experience of HAs and the private sector
- brought planning and housing officers together into a **housing delivery team** (HDT)
- the HDT monitoring **all housing sites** for progress, quality and delivery of **affordable** housing
- a **housing delivery group** of all providers that meets regularly
- a **housing delivery board** that meets regularly to review progress

- Using **deliverability** as a test in call for sites in terms of profit margins and type of development proposed
- have joint working on direct supply with **neighbouring authorities** e.g. funding, nomination rights
- have a clear strategy for providing for the needs of its **population** not just market homes in plan e.g. older people in Wigan (strategy for new homes)
- have **practical** elements e.g. space standards, access standards, design SPDs (such as Croydon)
- directly developing its own stock to **demonstrate** what quality standards are required
- **monitoring** actively to achieve ends and intervening if necessary i.e. directly through acquisition and conversion of homes

Land and planning

- 61% of authorities **acquiring** more land and/or buildings as part of a longer term investment strategy to support income
- For those authorities directly delivering housing, 95% are **building on their own land**, 44% are purchasing sites to develop, 42% are purchasing existing residential buildings, 17% are using land from the One Public Estate initiative and 13% using other public land

Conclusions

- English local authorities are **delivering housing** now in one form or another
- The **pandemic** appears to have increased this focus and priority for delivery of housing
- There is **no single approach** being used
- But…there are some common emergent practices
- In **2021** – not finished research yet but appear to be the establishment of many more practical and **integrated working** arrangements within local authorities