



RESPUBLICA
society · prosperity · virtue

DOUBLE DEVOLUTION WILL PUT COMMUNITIES AT HEART OF HOUSE BUILDING REVOLUTION

EMBARGOED: 00:01 JUNE 16, 2015

Double devolution is needed to solve the nation's housing crisis, giving communities the power to make decisions about long term home building, a new report - ***Devo Home: A double devolution of housing to people and places*** - by leading independent think tank ResPublica has found.

ResPublica says the only way to plug a shortage of affordable housing (1) is through the creation of new local institutions that devolve housing to people and places. What they call '*Local Place Partnerships*' can dramatically increase the numbers of homes built through bringing together all the interested parties: private developers, housing associations, residents, civil society and local business and addressing their concerns and wishes through one decision point.

And with the power to instigate local place partnerships devolved to residents, people can take real control of house building and help shape future of their neighbourhoods, building more to a higher quality in a shorter time frame.

Local people should have a real say in the future of their neighbourhoods. Residents should therefore have the right to call upon and petition their council to instigate a Local Place Partnership (LPP) in their area and the council should have a duty to respond with the reasons why an LPP has not been created. If residents feel this response is insufficient and the council is not utilising this new ability to create and shape building, they should be able to appeal to the Department for Communities and Local Government and put forward a case for the creation of a LPP in their locality.

Director of ResPublica, Phillip Blond, said: "*For too long, housing policy has been controlled by Whitehall, and the lack of local authority involvement has been a primary driver behind the failure to build new homes at the scale needed.*"

“The only way that we will mitigate the Whitehall ‘command and control’ model, and an old local authority led model is by introducing a new institution that draws a wide range of partners together to coordinate the building of genuinely affordable and aesthetically pleasing homes, and provide the infrastructure needed for communities to thrive.”

“Local Place Partnerships can offer the ecosystem of support and single point of decision making needed to ensure the swift delivery of the homes we need.”

We live off the inheritance of Victorian and post-war mass house building schemes, and given the extent of our current housing woes, ResPublica says we must take the responsibility both for ourselves and for future generations. The social and economic cost of our housing crisis means that all actors in the house building process must create and support a new vision, and narrative and create a new dedicated institution that can legitimise and deliver a new era of mass house building.

Addressing the housing crisis should be an urgent government priority and we need action that goes beyond piecemeal reform. We need a new approach that returns housing to the local, builds the homes to the quality and look that we need and creates thereby sustainable communities with the necessary infrastructure for people to flourish.

The double devolution to people and place offered by Local Place Partnerships has the potential to achieve this and engineer a more positive attitude from central government, placing housing at the centre of UK infrastructure and a vital element of local authority responsibility. Through this new institution, the pivotal role of local authorities as providers of council homes in the post-war era will be recast as the coordinators and place makers of the new house building revolution enabling residents can play a central part in the development of their neighbourhoods into beautiful sustainable areas.

Shadow Housing Minister, Roberta Blackman-Woods MP, said: *“We are in the middle of a housing crisis - home ownership is at a 30 year low whilst rents are at a record high.*”

“We need to encourage new ways of thinking about housing, so I welcome the contribution ResPublica are making to the debate on some of the key challenges, such as how we deliver affordable housing, encourage home ownership, and empower local authorities to meet the needs of their residents.”

Conservative Bob Blackman MP said: *“Despite significant improvements in the housing market since 2010, we still need to do more to help first-time buyers and hard-working families – whether they own their own home or rent.*

“Transformative ideas like Local Place Partnerships are needed to give local people more control of planning, unlock homes on brownfield land and ultimately provide the homes and infrastructure local communities want and need. I therefore warmly welcome ResPublica's proposals.”

Sir Michael Lyons, author of the Lyons Housing Review, said *“ResPublica have come up with another lively contribution to active debates on devolution and the housing crisis. They focus on the bigger role that local councils can play. They are right. The mobilisation of the skills, assets and other resources of Local Government is critical in achieving a step change in the supply of new homes. More important still is their potential contribution to the difficult tasks of designing great places and winning public consent for development. ResPublica recognise this and the importance of Councils working in partnership with others.”*

HOUSING SHORTAGE

The report found that the gap left by the post-war retreat of local authorities as house builders remains unplugged with house building levels not reaching 200,000 since 1988. This is despite it being generally accepted that we need to build 250,000 new homes a year to meet both population growth and tackle the backlog caused by decades of undersupply. (2)

This has not only led to a shortage of homes, but a shortage of affordable homes. With the current Government planning to extend the Right to Buy to housing associations, fears are growing that without a new house building plan the situation will get even worse. (3)

The lack of house building has accompanied a drastic shift in funding from bricks to benefits; over the last Parliament 95% of public spending on housing was funnelled through the benefit system, whilst only 5% was invested in new homes. (4)

THE SOLUTION

ResPublica's proposals are designed to build on the model of Urban Development Corporations, which have a mandate to regenerate areas, such as

the Garden City settlement of up to 15,000 homes at Ebbsfleet, and the recently announced Housing Zones, which will speed-up house building across England.

20 housing zones have been created across England in a bid to make it easier and quicker to build new homes on brownfield land but under ResPublica's proposals this system would be improved further with greater autonomy, legislative powers, geographical reach and community involvement.

ResPublica believes developers will need to look to long-term place-making: regenerating areas and delivering public spaces and communities in which people want to live. This means that, in order to create an environment to attract employment and business, it is just as crucial to build social and economic infrastructure (such as schools, hospitals, and transport links) as it is to build homes.

FUNDING

The report said that the investment needed to build new homes could not be borne by local government and housing associations. Instead it calls for private and public partnerships, linking investors and local or central government funding.

In order to attract international investment, however, there has to be confidence in local authorities. ResPublica says using local government investment to stimulate foreign demand presents a huge and relatively untapped opportunity.

The report points to the Local Government Association's upcoming launch of a Municipal Bonds Agency which will help unlock the role of local government in funding, using the sale of bonds of up to £300m to fund development.

ResPublica also says the Local Government Pension scheme represents another source of finance to dramatically increase home building. Currently, very little of this £178bn is invested in housing with the exception of trailblazing councils, such as Islington and Manchester City, which have outlined plans to invest part of their pension schemes into building new homes. (5)

Notes to the Editor:

- 1) Only **125,110 of the 250,000 homes we need** each year were built in the last 12 months. This has led to rising house prices (the fastest growth in prices in the OECD in the last 40 years).

Home ownership is at its lowest level for 25 years. Rents are also at an all-time high. Housing Benefit is projected to cost the public purse **£25.4bn a year by 2019.**

Since 1979, local authorities have played a diminished role in house building – in the **late 1960s 300,000 local authority homes were built** each year, but **since 1989 that figure has not surpassed 15,000.**

- 2) The Government's Housing Bill has a commitment to build 200,000 starter homes for first-time buyers at a 20% discount as well as a pledge to speed up and simplify the planning system.
- 3) Plans to extend the right to buy to 1.3 million housing association tenants were also contained in the Housing Bill, outlined in the Queen's Speech in May.
- 4) Between 2011/12 to 2014/15 an estimated £93.9 billion was spent on housing benefit, according to the IPPR. During the same period £4.5 billion of central government funding went towards new affordable housing to rent and buy. This means 95p of every pound went on benefits and subsidies, rather than building.
- 5) In December 2014, Islington Council said it would invest up to £150 million from its pension scheme to build social housing. Manchester's Housing Investment Fund – a joint partnership between Manchester City Council, Greater Manchester Pension Fund (GMPF) and the Homes and Communities Agency – also involves the use of pension scheme money to finance new housing.

This report has been published in partnership with Galliford Try, Peabody, Places for People and Trowers & Hamblins.

For further details or to get an embargoed copy of the report please call Oruj on 07866 685130 or email her on oruj@sogold.co.uk

