

# Responses to the Housing Crisis in the UK

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# Focus of paper

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- Debates within the Labour Party and progressive policy groups on housing supply before and after the 2015 General Election
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# The shift in the ideology of the Labour Party since the 1970's

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- ❑ From public investment in social housing to promoting home ownership
  - ❑ LP support for council house sales
  - ❑ LP support for financial support for home ownership
  - ❑ The confused notion of mixed communities
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# Purpose of the Lyons Review

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- ❑ Announced at LP conference in 2013
  - ❑ To advise the Labour Party leadership on how to deliver commitment to increase housing output in England to 200,000 homes a year by 2020 – ie: end of 5 year term
  - ❑ Report published on 16 March 2014
  - ❑ Policy vacuum while Review underway. Shadow Ministers quiescent
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# The Lyons Commissioners

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- ❑ **Sir Michael Lyons + 12 expert commissioners**
  - ❑ **Tom Bloxham, Chairman and Co-Founder, Urban Splash**
  - ❑ **Mark Clare, Group Chief Executive, Barratt Developments Plc**
  - ❑ **Julia Evans, formerly Chief Executive, National Federation of Builders,**
  - ❑ **Kate Henderson, Chief Executive, Town and Country Planning Association**
  - ❑ **Bill Hughes, Managing Director, Legal and General Property**
  - ❑ **Grainia Long, Chief Executive, Chartered Institute of Housing**
  - ❑ **Simon Marsh, Head of Planning Policy, RSPB**
  - ❑ **David Orr, Chief Executive, National Housing Federation**
  - ❑ **Richard Parker, Partner and Head of Housing, PwC**
  - ❑ **Malcolm Sharp, Immediate Past President, Planning Officers' Society**
  - ❑ **Cllr Ed Turner, Deputy Leader, Oxford City Council**
  - ❑ **Cecilia Wong, Professor of Spatial Planning, University of Manchester**
  
- ❑ **Extensive and wide ranging exploration: over 250 submissions; meetings; roundtables; study visits**
- ❑ **BUT little engagement with LP membership or organised LP in local government or sympathetic practitioners**

# Lyons: The over-riding principles

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- ❑ No uniform solutions – a range of measures
  - ❑ Balance central drive and local flexibility
  - ❑ Early impact and long-lasting incremental change
  - ❑ Recognition of public expenditure constraints
  - ❑ Build on experience of what is working well
  - ❑ Beware unintended consequences
  - ❑ Additionality
  - ❑ Numbers and quality and sustainability
  - ❑ Hearts and minds – building support for new homes
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# The key issues for Lyons

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- ❑ Making more **land** available in the right places and ensuring it is developed
  - ❑ Putting **communities** in the driving seat to get the homes they want, when and where needed in attractive places
  - ❑ **More people building homes** - over reliance on volume house builders; need a wider range of commissioners and builders
  - ❑ **Investing in infrastructure** - ensuring homes come with roads, schools, utilities and services
  - ❑ **Building homes for all** – homes that are more affordable and offer more choice for different chapters in life
  - ❑ **Securing investment** for new homes and infrastructure
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# Three constraints and two false assumptions

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- ❑ Could not assume any increase in national housing budget
  - ❑ Tax reform off limits
  - ❑ Work within localism agenda
  - ❑ The Barker fallacy - increase market housing supply and housing affordability will be significantly improved
  - ❑ Focus on Government role in enabling the market not on managing the market
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# The development of alternative approaches: The Highbury Group on Housing Delivery

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- An academic/practitioner research and policy network, established in 2008
  - **Group objectives: Promote policies and delivery mechanisms which**
  - increase the overall supply of housing in line with need
  - ensure that the supply of both existing and new housing in all tenures is of good quality and affordable by households on middle and lower incomes.
  - support the most effective use of both existing stock and new supply
  - ensure that housing is properly supported by accessible infrastructure, facilities and employment opportunities
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# Highbury Group membership

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- Duncan Bowie -University of Westminster (convener); Stephen Ashworth – SRN Denton ; Julia Atkins - London Metropolitan University; Bob Colenutt - Northampton Institute for Urban Affairs ; Kathleen Dunmore - Three Dragons ; Michael Edwards - Bartlett School of Planning, UCL; Deborah Garvie SHELTER ; Stephen Hill - C20 Futureplanners ; Angela Housham - Consultant ; Andy von Bradsky -PRP ; Seema Manchanda – planning consultant; Tony Manzi - University of Westminster; James Stevens - HomeBuilders Federation ; Peter Studdert – Planning consultant ; Janet Sutherland - JTP Cities; Paul Watt - Birkbeck College ; Nicholas Falk- URBED; Catriona Riddell – Planning Officers Society; Richard Donnell – Hometrack; Pete Redman – Housing Futures; Richard Simmons- University of Greenwich; Richard Blyth /Joe Kilroy – RTPI ; Shane Brownie – National Housing Federation; Stephen Battersby- Pro-Housing Alliance; Roger Jarman – Consultant/ Housing Quality Network; Richard Bate- Green Balance; Eric Sorensen; Ken Bartlett; David Waterhouse- Design Council/CABE; Martin Crookston; Chris Shepley; Kath Scanlon – LSE; Nicky Morrison – University of Cambridge; Glen Bramley- Heriot Watt University; Tim Marshall – Oxford Brookes University. Alisdair Chant- Berkeley Group.

# Previous work of Highbury Group

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- ❑ Initial policy proposals to HCA in Autumn 2008
  - ❑ Pre-election policy papers for 2010 election
  - ❑ Response to CLG select committee on Financing new housing supply in 2011
  - ❑ Input into Localism Bill debates 2011
  - ❑ Response to drafts of National Planning Policy Framework 2012
  - ❑ Response to draft Neighbourhood Planning regulations 2012
  - ❑ Paper on Garden cities, garden suburbs and urban extensions in 2012
  - ❑ Policy proposals in 2013
  - ❑ Response to CLG Housing Strategy in 2014
  - ❑ + responses to numerous CLG consultation committees and House of Commons select committee inquiries
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- ❑ website: <http://www.westminster.ac.uk/research/a-z/highbury-group-on-housing-delivery/highbury-group-documents>

# Response to Lyons Call for Evidence (February 2014)

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- ❑ The land market:
  - ❑ Spread development risk between developers on larger sites to speed up delivery
  - ❑ Funding of transport and social infrastructure up front
  - ❑ Domestic sources for development finance to reduce dependence on internationally financed off-plan sales
  - ❑ LAs should take long term interest in development on public land rather than focus on maximising initial receipts
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# Response to Lyons review (2)

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- ❑ Investing in housing and infrastructure:
  - ❑ New developments should meet full range of needs for occupation not just requirements of investors.
  - ❑ Public sector investment in social rented homes critical - affordable housing should not rely on cross-subsidy from private development
  - ❑ Public sector should take equity stakes in new development, including shared ownership
  - ❑ National, regional and local investment funds
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# Response to Lyons Review (3)

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- ❑ Major new settlements:
  - ❑ Need for national spatial plan
  - ❑ Stand alone garden cities not the solution if residential dormitories
  - ❑ Access to jobs, public transport and social infrastructure
  - ❑ Focus on suburban intensification and urban extensions
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# Response to Lyons Review (4)

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- ❑ Right to Grow:
  - ❑ Failure of Duty to Cooperate
  - ❑ Need for statutory sub-regional planning framework
  - ❑ Sub-regional evidence base and statutory sub-regional plan
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# Response to Lyons Review (5)

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- ❑ Sharing benefits of development
  - ❑ Importance of infrastructure planning
  - ❑ Limitations to financial incentives  
New Homes Bonus, CIL  
neighbourhood component
  - ❑ Need to override NIMBYist  
neighbourhood planning to deliver  
strategic objectives
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# Issues not on Lyons agenda

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- ❑ 200,000 target insufficient
  - ❑ Need to focus on affordability for lower and middle income households
  - ❑ Improve housing standards in all tenures
  - ❑ Greater public control over land
  - ❑ Reform land and property taxation
  - ❑ Increase LA delivery capacity
  - ❑ Public policy objectives should over-ride private interests
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# The political debate within and beyond the Labour Party

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- ❑ The Labour Housing Group and the London Labour Housing Group
  - ❑ IPPR and the focus on Benefit to Bricks
  - ❑ COMPASS critique of home ownership and the Fabian Society on mixed neighbourhoods
  - ❑ Homes for Britain – the NHF and SHELTER – increasing housing output
  - ❑ The CLASS/UNITE manifesto
  - ❑ Defend Council Housing and the Radical Housing Network – the new housing protest movement
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# The Labour Party position

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- ❑ General support for Lyons report
  - ❑ Increase annual output to 200,000 homes by 2020
  - ❑ Double number of first time buyers
  - ❑ Hold down rents in private rented sector through cap on rent increases, with 3 year tenancy as default
  - ❑ Housing not one of the original 5 key pledges
  - ❑ Pledges include reducing deficit/reducing overall public expenditure and controlling immigration
  - ❑ Shadow Ministers saying housing will be a priority for investment but .....
  - ❑ Miliband supported Tory Starter Homes initiative with housing ISA top ups, but hoped banks would use savings to fund housing development
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# Other critiques of the consensus

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- ❑ Lapavistas on the financialisation of capital
  - ❑ Dorling on the distributionalist critique
  - ❑ The neo-liberal critique of planning - Cheshire, Evans and Policy Exchange
  - ❑ The Edwards/ Colenutt critique - Leverhulme research project: The Foresight report
  - ❑ Stephen Hill and the critique of land policy
  - ❑ The Wolfson 5 garden cities proposals
  - ❑ IPPR/ SHELTER report on Growing Cities
  - ❑ John Healey and SHOUT – Social Housing Under Threat
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# Lyons report - positives

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- ❑ Recognition of need for a national spatial plan
  - ❑ Government intervention to deliver 'Right to Grow'
  - ❑ Taxing undeveloped sites to incentivise delivery
  - ❑ Revolving infrastructure funds
  - ❑ Importance of land assembly – use of compulsory purchase powers at existing use value + uplift
  - ❑ Guidance on viability assessment
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# Lyons Report - negatives

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- No target for affordable housing
  - No target for investment
  - No land and property tax reform package
  - Inadequate recognition of housing affordability
  - Over-reliance on the market
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# Agenda for a new Government

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- ❑ Highbury Group pre-election policy statement: April 2015
  - ❑ Focusing on genuinely affordable homes
  - ❑ Using existing public bodies more effectively
  - ❑ A statutory sub-regional planning framework
  - ❑ Land acquisition and compulsory purchase
  - ❑ Reforming development viability assessments to maximise affordable housing output
  - ❑ Investment subsidy for social rented housing
  - ❑ Tax reform to support effective use of housing supply
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# The General election campaign

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- ❑ The missing LP housing pledge
  - ❑ Homes to Buy and Action on Rents
  - ❑ General support for Lyons but no detail and no commitment to investment in social housing and no flexibility on local authority borrowing
  - ❑ The 'triple lock' on expenditure
  - ❑ Maintaining the benefit cap at £26,000 a year, irrespective of local housing costs – abandonment on the Emma Reynolds proposal for regional variations in cap to reflect differential costs
  - ❑ Mansion tax of £2m+ properties
  - ❑ The CLASS housing manifesto
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# The Conservative agenda

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- ❑ The Starter Homes Initiative and grants to prospective home owners
  - ❑ The extension of ' Right to Buy' to Housing associations
  - ❑ Reducing benefit cap to £23,000 a year
  - ❑ Simplifying planning (again)
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# The Labour response

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- ❑ Support grants to home owners
  - ❑ Ambiguous on extension of Right to Buy
  - ❑ Localism, localism, localism + neighbourhood planning
  - ❑ Post election:
    - ❑ - support some benefit cuts
    - ❑ - Drop mansion tax
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# The next intervention

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- ❑ The London Mayoral Election 2016
  - ❑ Housing as the key issue
  - ❑ The City Villages report – maximising development value the wrong approach
  - ❑ Campaigns for rent control
  - ❑ Campaigns against estate redevelopment
  - ❑ Generation rent
  - ❑ The Radical Housing Network
  - ❑ London Citizens
  - ❑ UNITE : Our Homes Our London
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# The Response so far

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- ❑ Blairites discover home ownership not the solution  
'Homes for Londoners'
  - ❑ The discovery of the affordability crisis – squeezed middle and squashed bottom
  - ❑ Making the case for intervention
  - ❑ Making the case for subsidy
  - ❑ Making the case for public planning
  - ❑ Making the case for public development, collective housing home ownership and public land ownership
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# The Fundamentals

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- ❑ Control over development land
  - ❑ Ownership of assets
  - ❑ Money – public investment
  - ❑ Accountable Power  
and transparency of political choice
  - ❑ Affordability – 30% of net income as definition
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# Concluding thoughts

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- ❑ The continuity of the market and deregulatory orientation of policy
  - ❑ The limited role of evidence and analysis in policy development
  - ❑ The fear of back to the future
  - ❑ The electoral politics of the squeezed middle
  - ❑ The rejection of Keynes, Bentham and the concept of Government investment for the public good
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# The Challenge

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- ❑ The failure of the 'academy' to fully engage with policy and practice
  - ❑ Theory needs to relate to policy and political practice
  - ❑ Engaging with resistance insufficient on its own
  - ❑ We need to argue for policy change based on evidence if we are to impact on the policy debate as well as ensure a shift in the intellectual paradigm
  - ❑ The opportunity presented by the Labour Party leadership election and the London Mayoral election
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