

# Housing Delivery – Future Plans

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**The challenge**

**The response – Housing Green Paper**

**More homes to meet growing demand**

**Support for delivery**

**Planning**

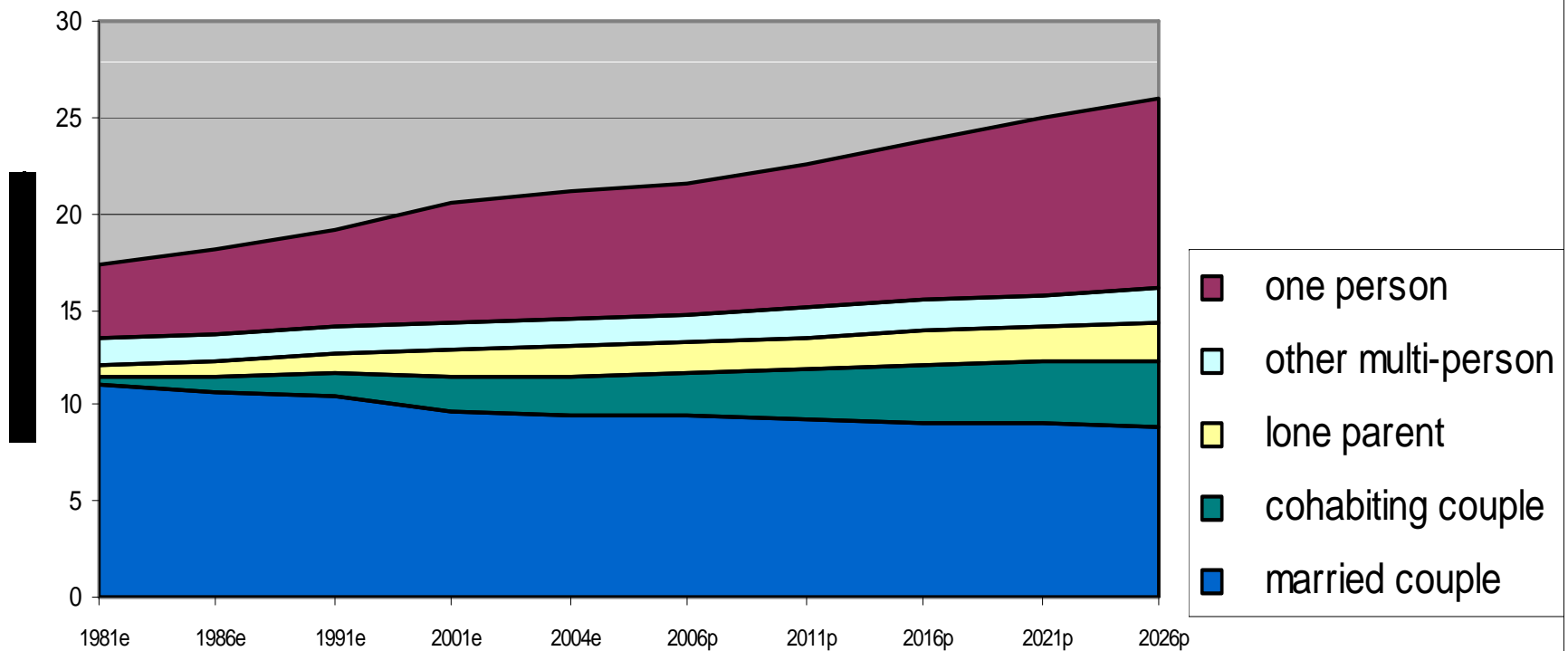
**Delivering better and greener homes**

**Conclusion**

### Demand for housing continues to exceed supply

Household projections project the number of **households to grow by 223,000 households a year until 2026**

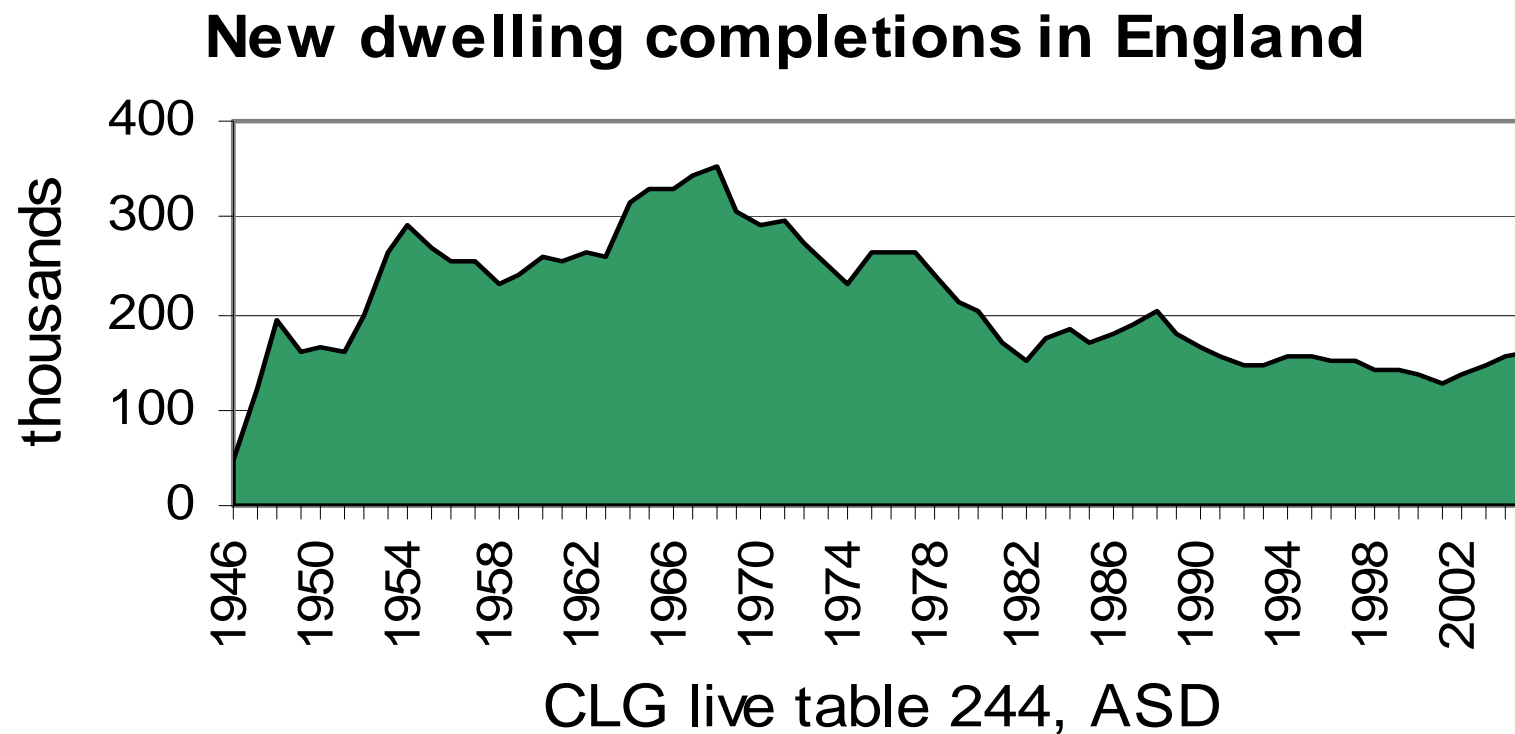
**Estimates and projections of the number of households in England**



Source: CLGhouseholdprojectionsmodel, ASD

### Housing completions still historically low

Although the level of housing completions has increased by 30% since 2002, **completions are still only running at around 180,000 compared to expected new household formation of 223,000 households a year**

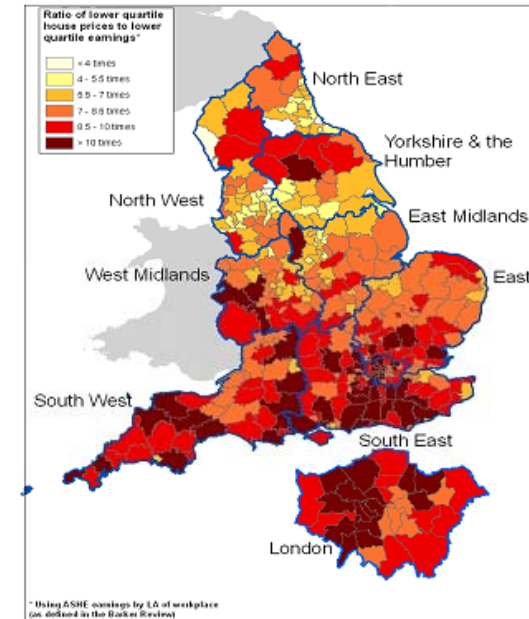
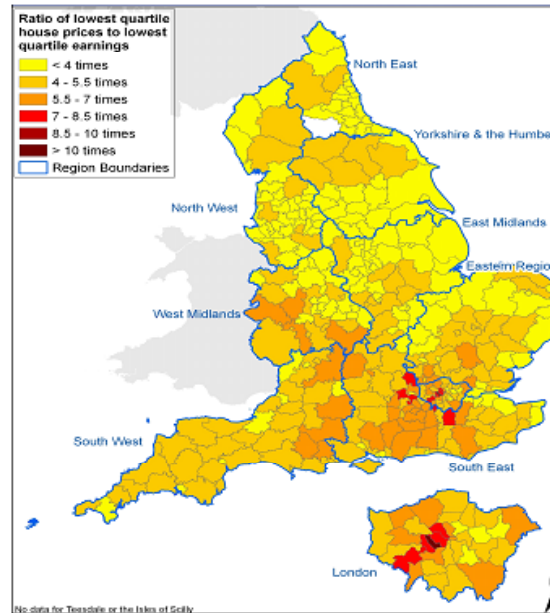


## Today's Challenges (III)

### Ratio of house prices to earnings (lower quartile) 1999 and 2006

#### As a consequence

- As demand has grown faster than supply affordability has worsened in all regions
- The lower quartile house price to earnings ratio increased from 3.84 in 1999 to 7.12 in 2006.

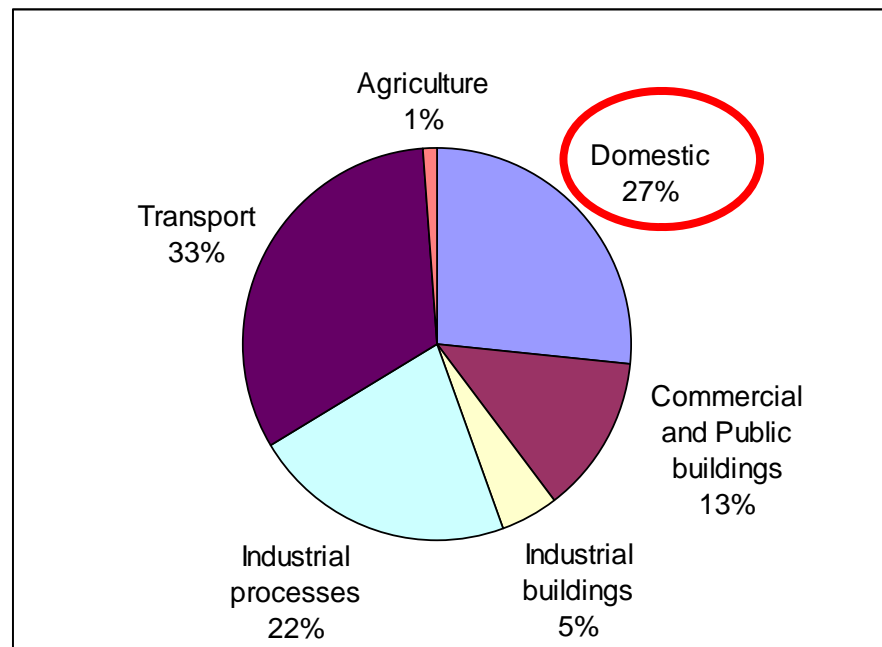


- Households waiting for social housing has risen by 60% in 10 years
- 0.5 million households are living in overcrowded accommodation
- Households in temporary accommodation has doubled in 10 years

## Today's Challenges (IV)

**Climate change** means that we need to **deliver greener and better designed housing** to minimise impact on the environment. Emissions from energy use in homes accounts for nearly 27% of UK carbon emissions

**In 2005, the UK emitted 550m tonnes of CO<sub>2</sub><sup>(1)</sup>**



We also need to **deliver better designed homes that are better linked to key infrastructure** such as schools, transport and healthcare

**Overall, despite signs of a slowdown during 2008, in the longer term we expect house price growth to continue**

Over recent months increasing interest rates and falling real income growth have led to **weakening demand** indicated by declining buyer inquiries, increasing time properties spend on the market, and more recently monthly price falls. This trend is likely to be **exacerbated by the recent credit crunch** causing funding constraints and a tightening of lending criteria.

In response, **the emerging view is of a slowing in the housing market** with many commentators forecasting flat house price growth in 2008, and some predicting price falls.

Strong house price growth since the mid 1990's has been driven by a number of **key fundamentals**, which we expect to return to trend. Therefore, **in the long run we expect:**

- low and stable interest rates;
- high employment rates leading to growth in real income;
- strong household growth; and
- demand to continue to outstrip supply in the medium term.

These factors will **act to boost demand and drive house price growth**. It also highlights the importance of the Government maintaining its ambition to increase housing supply in order to improve affordability.

### Housing Green Paper

**new target to deliver 240,000 additional homes a year by 2016 - two million new homes by 2016, and three million by 2020;**

**£8bn programme for new affordable housing** delivering an estimated **70,000 affordable homes per year by 2010/11**, at least 45,000 of these for social rent and goal for 50,000 in next spending review;

increasing target to **200,000 new homes to be delivered on public sector land by 2016;**

**new round of Growth Points** and plans for **10 new eco-towns** delivering between 25,000 and 100,000 homes;

new **£300m Community Infrastructure Fund;**

**mini reviews of RSSs** to meet additional growth

**New Housing and Planning Delivery Grant** for councils achieving high housing delivery;

confirmed **target for all new homes to be zero carbon from 2016**, have **consulted on making rating against the Code for Sustainable Homes mandatory (not assessment)**, and plans to introduce **minimum standards for water efficiency** for new homes;



## Creating better places and better homes

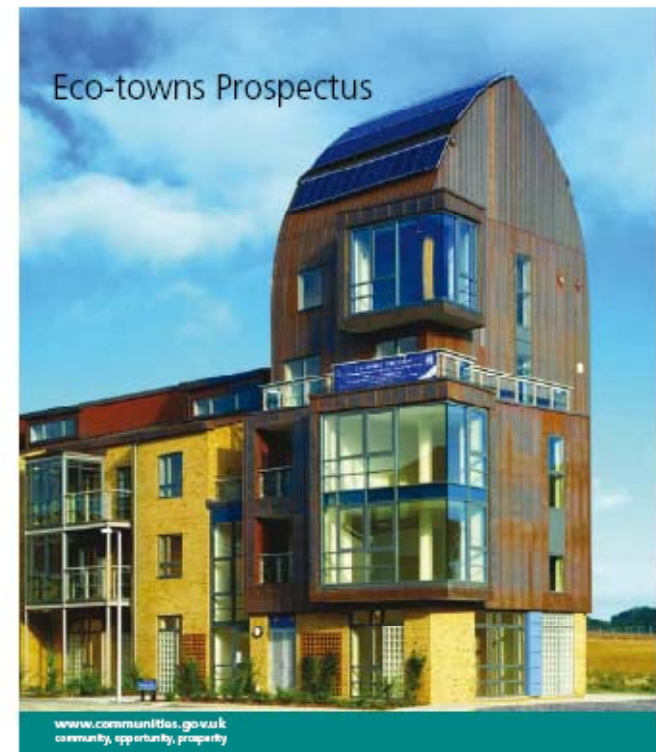
### Not just more homes, but better homes:

new procedures to **ensure mainstream Government programmes provide effective support for high growth areas;**

**new £300m Community Infrastructure Fund over the next three years** to help fund infrastructure for the Growth Areas, New Growth Points and eco-towns;

ensuring **local communities receive significantly more of the benefit from planning gain by introducing Community Infrastructure Levy (CIL)**

**encouragement of innovative design** through competitions such as eco-towns programme.



- Free standing exemplar green developments of 5-20,000 homes across all regions
- Up to five eco-towns by 2016 and 10 by 2020 – with up to 100,000 homes being built by 2016. Ultimately the scheme could provide up to 200,000 additional homes by 2020
- Over 50 bids have been received and are being taken forward in a strategic review across Government and its agencies.
- Proposals are being assessed against the criteria set out in the Eco-towns Prospectus. This includes transport, land use and the infrastructure needed to make the development deliverable and sustainable. Also consulting with local authorities in the relevant areas covered by proposed eco-towns during January as part of an initial assessment
- Proposals for eco-towns will then be published shortly and there will be considerable opportunity for consultation on the proposals, involving local authorities, wider stakeholders and the public before the process is completed

## Growth initiatives - key points

- £1.07bn of CLG funding has been made available for 2003/4 - 2007/8 through Growth Areas Fund (c£400m) and Thames Gateway (c£670m) programmes and the £200m Community Infrastructure Fund.
- New Growth Points have been allocated start up funding totalling around £40m for 2007/8 up to £2m of which will be available to help develop proposals for small new settlements or 'eco-towns'.
- To date the three newer Growth Areas have delivered over 100,000 new homes, while Thames Gateway has delivered in excess of 24,000.
- £732m Growth Funds for Growth Areas and Growth Points and £500m to support regeneration and growth in Thames Gateway for next three years announced December 2007. Move to a system of unringfenced grant gives local authorities more flexibility in how to meet local priorities.



## Housing and Planning Delivery Grant

Housing and Planning Delivery Grant - £510m

Housing element - based on % of stock

- Majority of Local Authorities have opposed allocation model – common message: developers and not LAs who deliver

Planning element – LDF and land supply

Consultation closed 17 January – responses under consideration



## Planning process: Regional Spatial Strategies

RSSs provide the strategic context in which local plans are agreed

Regional Planning Guidance previously provided framework to deliver 150,000 houses per annum in England

Draft RSSs currently set out framework to deliver around 204,000 houses per annum in England

Housing Green Paper committed CLG to deliver an additional 240,000 homes by 2016, prompting further review of RSSs, in whole or part, by 2011 to ensure delivery of the ambitious plan

Work is underway with Government Offices to ensure that the current round of RSS revisions are completed as quickly as possible and prepare for future reviews

Housing allocations in RSSs are not ceilings – they are floors!

### Local Development Framework Core Strategy as the spatial vision

**LDF core strategy isn't just a planning document, it is the vision of what a local authority wants to achieve, expressed in spatial terms.**

**It brings together the land, infrastructure and capital investment needs for key services / outcomes over the long term** including housing, education, health, transport, economic development etc

**Other Development Plan Documents** set out more detail for action areas or specific themes – but only where necessary for delivery of the core strategy.

The core strategy is underpinned by the **infrastructure plan** and – with the **new planning charge** – provides the means to fund and deliver the vision.

By bringing together key agencies and the private sector it should provide the platform to **deliver this in a planned way – so get involved early!**

Planning Policy Statement 3 (PPS3), published in November 2006, sets out a proactive 'plan-led' approach to the supply of land for housing.

Local authorities should be proactive and identify enough suitable land in suitable locations to deliver the homes needed in their area. They should have a supply of at least 15 years of sites, including a continuous 5 year supply of specific sites ready to be built on.

This will ensure local communities get the right development, in the right place, at the right time, reflecting the principles of sustainable development.

Local authorities should work with local communities and stakeholders to ensure they've got the right planning framework in place to deliver the homes that local people need and create sustainable, mixed communities.

## Quality and design



The framework we have created for delivery:

Planning system that demands quality, especially PPS1 and PPS3  
– appeals inspectors will look at quality, therefore invest upfront

Raising capacity in skills and leadership

Provision of advice and support

Spreading the best practice

Demonstrating innovation, in process and product

New tools and techniques, more best practice to spread



## Delivering greener homes

- One third of the homes standing in 2050 will have been built between now and then
- Government target to reduce CO<sub>2</sub> by 20% by 2010 and goal of 60% by 2050
- Government confirmed in July 2007 that new homes will be zero carbon from 2016
  - All energy used in the home – including appliances
  - Net zero carbon over the course of the year
  - At individual building or development level



## Towards zero carbon

Intermediate changes in **2010** (25% improvement) and **2013** (44% improvement) to building regulations

This will be supported by:

- **Stamp duty relief for zero carbon homes**
- **Code for Sustainable Homes**
- **Planning Policy Statement on Climate Change**
- **Energy Performance Certificates**



## PPS on climate change

The PPS puts climate change at the heart of planning. Planning Reform Bill includes new duty on local planners to take actions on climate change

Means support for our low carbon ambition and promotion of technological innovation

Clear expectations on planners of what they can ask for in development, avoiding a multitude of local standards

Local requirements on energy and sustainable buildings tested through DPDs to ensure they are deliverable and viable

Support for innovation and investment in sustainable buildings; expectation of quick and sympathetic handling of applications for proposals that contribute to delivery of PPS's key objectives.

**New target to deliver 240,000 additional homes a year by 2016 - two million new homes by 2016, and three million by 2020;**

**New round of Growth Points** and plans for **10 new eco-towns** delivering between 25,000 and 100,000 homes;

**Support for infrastructure** (Community Infrastructure Levy, Community Infrastructure Fund, Housing and Planning Delivery Grant);

Local Authority **Planning Improvements**;

**Support for better quality and design**;

**Confirmed target for all new homes to be zero carbon from 2016**



***Just do it !***