

Shelter Response

Manchester City Council Local Plan Issues Consultation

May 2020

1.0 Introduction

Shelter welcomes this opportunity to feed into Manchester City Council's (MCC's) Manchester Local Plan Issues Consultation 2020. Over the last two years, Shelter has been engaging with MCC to discuss measures that it can take to tackle the City of Manchester's housing emergency.¹ This is an emergency which has seen the number of people recorded as homeless, including those in temporary accommodation, rise nearly nine-fold between 2010 and 2019 from 722 in 6,294.²

Table 1: Rise in the estimated number of homeless people (rough sleeping and temporary accommodation) in Manchester, 2010 – 2019.

	Number of people recorded as rough sleeping	Estimated number of homeless people living in temporary accommodation	Estimated number of homeless people (rough sleeping and temporary accommodation)
2010	7	715	722
2011	15	868	883
2012	27	1,030	1,057
2013	24	681	705
2014	43	961	1,004
2015	70	1,205	1,275
2016	78	2,254	2,332
2017	94	3,547	3,641
2018	123	4,539	4,662
2019	91	6,203	6,294

The process informing the development of a new Local Plan for Manchester provides a key opportunity to identify and establish planning policy measures that can help the Council to tackle its housing emergency, and to help ensure that everyone who needs and wants to make this city their home can do.

Scaled-up delivery of social-rent housing, by both the Council and housing developers, is what is needed to tackle Manchester's housing emergency. It is the only tenure that will provide a genuinely affordable and quality housing option for the many people in the city experiencing homelessness, who are on the council's housing waiting list, as well as many others who are struggling in unaffordable, inappropriate and poor-quality housing in the city.

¹We will now use Manchester to refer to the City of Manchester

²Sources:

- MHCLG, Live tables on homelessness, [Rough sleeping tables](#), Table 1
- MHCLG, Live tables on homelessness, [Statutory homelessness live tables](#), Detailed local authority level tables, Table TA1 and TA2
- MHCLG, Live tables on homelessness, [Discontinued tables](#), Detailed local authority level homelessness figures, Section 6

Table 2: Average weekly rent levels for 2-bed social rent and “Affordable Rent” properties in Manchester, and lower quartile and average weekly private rent levels for 2-bed properties in Manchester, 2018-19.³

Local authority		Housing association		Private rented sector data	
Social rent	Affordable Rent	Social rent	Affordable Rent	Lower quartile private rent	Average Private rent
£74.15	£110.11	£77.56	£119.98	£155.35	£155.35

The rents that social-rent housing provides are much more affordable than other types of housing. Only these will give struggling households the best possible chance of residential stability that will allow them to thrive in the city.

As will be discussed in our response below, Local Plans have the potential to act as a useful tool for securing the social-rent housing that communities desperately need, particularly from private sector developers. In Manchester’s context, there is an important opportunity to use a new Local Plan to complement existing work that the Council has been doing to drive up social housing starts in the last couple of years. This work has seen social housing starts jump up from 0 in 2016-17 to 240 in 2018-19.

Our consultation response will identify how MCC can build on this recently improved record, as well as any plans it has to directly deliver social-rent housing, by using its Local Plan to set the strategic and detailed policy framework for securing greater levels of social-rent housing for communities in Manchester.

2.0 Spatial principles

Q1: Should the new Local Plan continue with the spatial principles as expressed in the current Core Strategy?

Q2: Are there any alternative spatial principles that should be included? If so what are they?

MCC’s proposals for Policy SP1 clearly indicate that providing housing that meets local needs will be a key spatial principle informing future development within Manchester. We are happy to see that there is an intention for housing to be given such prominence within the Local Plan. Planning for, and delivering, the housing that a diverse range of communities need will allow various existing communities to remain in the city whilst also allowing various new communities to put down roots. This approach to housing development will also help MCC to meet its mixed economic and cultural needs.

However, MCC should make amendments within Policy SP1. Amendments are needed to ensure that the Council’s spatial approach to housing development helps lead to the provision of housing that is genuinely affordable for households that want and need to call Manchester their home, particularly including:

- households experiencing homelessness including rough sleepers, those in temporary accommodation, and so-called “hidden homeless”- e.g. people who are sofa surfing;

³Social rent and Affordable Rent data - [2018-19 local authority housing statistics and CORE social housing lettings](#) data. Private rented sector data – [Private rental market summary statistics – April 2018 to March 2019](#).

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- households on low incomes (lower-quartile incomes) who are struggling with their housing costs;
 - households on the council's housing waiting list; and
 - households struggling in inappropriate and poor-quality housing in the city.⁴

There are three amendments that we recommend.

Firstly, the first bullet under Policy SP1 should state that:

- **“The Regional Centre will be the focus for economic, retail, leisure and cultural development, as well as city living that is genuinely affordable for all those in housing need and people at different income levels. This includes households that are homeless, on the council's waiting list, struggling in inappropriate and poor-quality housing and/or on low incomes.”**

This amendment will steer Regional Centre housing planning policies to include planning for delivering the social-rent housing that struggling households need so that they can afford to live in the Regional Centre. They will then be able to play an active role in developing its local economy, leisure and culture.

Secondly, the first sentence of the third bullet point under Policy SP1 should specifically reference affordability needs so that it says:

- **“Beyond these areas, emphasis will be on housing around district centres that meets the local affordability needs of all those in housing need and households at different income levels. This includes delivering social-rent housing to meet the affordability needs of homeless households and households on low incomes.”**

Again, this will give a strategic steer for developing planning policies for other parts of the city that plan for the social-rent housing needed by households who are homeless and other households on low incomes.

Thirdly, the third bullet under Policy SP1 also currently states that most new residential development will be in the Inner Areas within the North, East and Central Manchester Regeneration Framework. It is good to see that MCC is concerned with planning for the housing needs of these inner-city areas. However, this approach does not need to and should not come at the expense of placing strategic emphasis on planning for housing need that may exist in other parts of the city, especially where MCC has identified deliverable sites in these other parts of the city within an up-to-date *Strategic Housing Land Availability Assessment (SHLAA)*. We would strongly urge MCC to amend its approach in the third bullet under Policy SP1 accordingly. Our suggested wording is:

- **“Appropriate levels of residential development that is genuinely affordable to people at different income levels – which includes social-rent housing that is affordable to households that are homeless, on the council's waiting list, struggling in inappropriate and poor-quality housing and/or on low incomes –**

⁴See section 6.2 for our perspective on the list of household groups lying within these broad categories.

will take place in all locations within the city where need and deliverable sites exist.”

Making these three sets of changes to Policy SP1 will help MCC to develop spatial principles that embed planning for the housing affordability needs of households that are homeless, on the council’s waiting list, struggling in inappropriate and poor-quality housing and/or on low incomes. This will help to create the spatial framework that will allow MCC to develop more concrete objectives within its Local Plan that can, alongside direct delivery from the Council, help to secure and deliver the social-rent housing that Manchester desperately needs.

3.0 Vision and objectives

Q3: Do you agree or disagree with the draft vision?

Q5: Why do you agree or disagree with the vision?

The draft vision for Manchester importantly refers to: all residents being able to fulfil their potential; and ensuring that there is enough housing to meet the differing needs of its existing and future communities. But the vision does not go the next step and outline a brief explanation of what this means in terms of how we plan for housing. A useful addition would be to include, in line with our recommendations for the spatial principles, the following within the top-line bullets in the vision:

- **“Enable households that are homeless and all existing and future residents at different income levels to fulfil their potential by using deliverable sites to deliver genuinely affordable housing that meets their affordability needs. This includes delivering social-rent housing for households on low incomes.”**

As with our recommendations for spatial principles, this will feed into a top-line approach that creates a strong strategic framework for securing the social-rent housing that will help tackle Manchester’s housing emergency and provide residents with the stability to thrive in the city.

Q4: Do you agree or disagree with the draft objectives?

Q6: Why do you agree or disagree with the draft objectives?

This vision then needs to be realised through concrete objectives. As it stands, there are important objectives about building well-designed and sustainable affordable homes to rent and buy, and maintaining a balance between incomes and housing costs. But these objectives are not specific enough to guide housing development in a way which accounts for the specific needs of households that are homeless, on the council’s waiting list, struggling in inappropriate and poor-quality housing and/or on low incomes. To this end, we suggest the following alternative wording for these objectives:

- **“Build enough well-designed, energy efficient, sustainable and genuinely affordable homes, including social-rent homes, to meet the full-range of identified housing need on deliverable sites”**
- **“Maintain the balance between incomes and housing costs, including for households that are homeless and households on low incomes by delivering social-rent housing that provide genuinely affordable rents.”**

These more specific objectives will make clear that addressing the housing needs of households that are homeless and/or are on low incomes is a priority objective of MCC’s Local Plan. Moreover, it will set out that social-rent housing is the tenure that should be delivered to meet these needs. These objectives will also then help create a strong

foundation for the development of more detailed housing planning policies that can be used to secure the social-rent housing that is needed in Manchester.

4.0 Strategic issues

Q13: In the context of the scale of growth expected and the intention to create a dense, vibrant city, what form should development take to achieve this end?

Q14: Are there specific parts of the city where you think certain types of development are needed?

Q16: What evidence can you provide to support your views?

It is encouraging that housing delivery is being treated as a strategic issue by MCC and that the Council are seeking thoughts on the types of housing development that are needed in different parts of the city. **MCC should adopt an approach which, whilst accounting for barriers to delivery, aims to ensure that housing development responds to need as identified by a robust assessment of housing need across the city.** We are specifically concerned with ensuring that there are genuinely affordable housing options, through the provision of social-rent housing, for households that are homeless, on the council's waiting list, struggling in inappropriate and poor-quality housing and/or on low incomes. So, we would also emphasise the need for housing development across the city to respond to the housing affordability needs of these groups, as identified as part of a robust housing need assessment.

Rent data provided in Table 1 (see section 1.0) shows that social rent provides the cheapest rents and so will provide the most affordable option. This is particularly important for households at risk of being benefit capped – housing benefit recipients in housing need and who get placed in social-rent housing rather than “Affordable Rent” will require a lower level of housing benefit, will be less likely to be benefit capped and will therefore be more likely to be in receipt of housing benefit that covers their housing costs. Additionally, social-rent housing is the only tenure that is affordable by design in the long term, as rents are linked to local incomes. Given all of this, strategic housing policy that MCC develops in its Local Plan, and accompanying guidance, should outline that:

- **“Social-rent housing delivery is the only housing tenure that will enable households in need of low-cost housing to manage their long-term housing costs. Therefore a vital aspect of MCC’s housing policy is to plan for social-rent housing development across the city, on deliverable sites, that will meet the long-term housing needs of households that are homeless, on the council’s waiting list, struggling in unaffordable, inappropriate and poor-quality housing and/or on low incomes.”**

This approach will help secure the development of housing schemes that include social-rent housing within it. Social-rent housing delivery will not only help MCC to tackle its housing emergency across the city. It will also contribute to the vibrancy of the city as it will provide diverse households on low incomes with the foundation they need to actively participate in, and help shape, the local economy and their local community.

5.0 City centre

Q28: How can the Local Plan support the continued economic success of the city centre?

The consultation document outlines that Manchester's City Centre plays a strategically important economic role in Greater Manchester and the North of England, providing around 10% of all jobs in the sub region. This is a significant number of jobs and if the ambition is for this level of economic activity to continue then as wide a pool of people as possible need to have access to jobs in the City Centre. A sufficient strategy for providing required levels of housing, and the right tenures of housing for households who need to live in the City Centre to access low-salaried jobs, is crucial for achieving this.

To do this for households on low incomes, MCC needs to ensure that social-rent housing delivery plays a central role within its housing delivery plans for the City Centre. Scaling up social-rent housing delivery will enable households on low incomes to move to the City Centre to take up job opportunities and households to move to the City Centre to take up low-salaried jobs. Social-rent housing delivery will also avoid an unwanted situation where some cannot afford to move to the city for work, or where further economic growth in the city, and any related house price growth, prices more households on low incomes out of living in the City Centre – rents for social housing are linked to local income levels so are designed remain affordable to local people in the long term.

Social-rent housing delivery in the City Centre is especially important in a context where public transport services across the city are expensive and patchy.⁵ The combination of a lack of social-rent housing and the expense and patchy nature of public transport from the outer areas of the city to the City Centre will exclude low income households, who live in outer areas to access rents they can afford, from participating in the City Centre's local economy. Social-rent delivery can help households such as these to be active participants in the City Centre's local economy.

6.0 Housing

Q30: What specific housing needs should the review of the Local Plan be considering?

Q31: How can the Local Plan ensure that sufficient homes of a variety of types and tenures are delivered across Manchester to meet all people's housing needs, while creating attractive neighbourhoods where people want to live?

It is good to see that there is an intention for MCC's Local Plan to take into consideration the housing affordability needs of various groups when setting its housing planning policy. This should be the key pillar of planning policies shaping housing delivery within the city.

As the consultation document outlines, the city is experiencing increasing levels of homelessness (which for instance includes increases in people staying in temporary accommodation, as well as increases in rough sleeping). Additionally, expensive rents in the private rented sector risk pushing households on low incomes towards homelessness, exacerbating Manchester's housing emergency. There is a need to develop housing planning

⁵J. Williams. 2019. [Patchy, expensive and non-sensical'- what's up with Greater Manchester's bus service?](#)

policies that directly respond to the needs of households who are at homeless and are at risk of homelessness. Additionally, as has already been discussed, housing planning policies should also aim to provide genuinely affordable, high quality housing for households on low incomes so that they can have the residential stability that will provide them with a foundation to actively participate in, and help shape, their local economy and community.

Below, we outline current issues with MCC's affordable housing planning policy and the measures that will help enhance MCC's capacity to use its affordable housing planning policy to secure more social-rent housing that its communities need, particularly from private developers.

6.1 Issues with MCC's existing affordable housing planning policy

In 2019, we published a briefing on MCC's affordable housing policy.⁶ This briefing outlined issues with MCC's current affordable housing policy that are affecting its ability to secure higher levels of social-rent housing delivery from private developers within the context of the current national planning policy landscape. Please see our briefing for a full discussion of this, but headline issues we raised are:

- MCC not having a social-rent housing delivery policy meaning it has not been able to use its planning policy to require that developers provide social-rent housing as part of their development schemes. This is undermining any current Council efforts to scale up social-rent housing contributions from developers.
- MCC's affordable housing policy only applying to schemes providing 15+ units, meaning that it cannot use planning policy to secure contributions from sites of 15 units or less. This is despite government guidance enabling contributions to be secured on sites of 10+ units.
- MCC's current 20% affordable housing policy only acting as a "starting point" for calculating "affordable housing" contributions within schemes, meaning that this level of contribution is not a firm target but can instead be negotiated down.
- MCC's policy allowing for a review mechanism within Section 106 agreements that can amend the amount of "affordable housing" provided in light of changed economic conditions. This guidance gives the wrong impression that review mechanisms can be used to allow developers to negotiate down their affordable housing contributions.
- MCC's policy reflecting old national viability guidance, enabling developers to use old viability rules to get out of providing social-rent housing or other "affordable housing" tenure, or to provide affordable housing at levels that are much lower than are required under MCC's policy.
- MCC's affordable housing policy exempting schemes from providing social-rent housing or other "affordable housing" tenures, or allowing schemes to provide a lower proportion of social-rent housing or other "affordable housing" tenures, as a result of vaguely defined material considerations. For example, social-rent or other "affordable" housing contributions do not need to be policy compliant where it would:

⁶C. Sagoe. 2019. [Shelter Briefing Note: Manchester City Council's Affordable Housing Policy](#)

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- take place in areas with high levels of social-rent and/or “affordable” housing and so “would be prejudicial to the diversification of the existing housing mix”;
 - “prejudice the achievement of other important planning or regeneration objectives”; and
 - “financially undermine significant development proposals critical to economic growth within the City”.

These vaguely defined material considerations within MCC’s current Local Plan have provided developers with ample room to use this guidance to get out of providing required levels of social-rent and “affordable” housing, including on schemes we believe could contribute to meeting Manchester’s social-rent and “affordable” housing need.

These are issues with MCC must address as part of updating its Local Plan in order to develop an affordable housing policy that secures needed contributions from developers.

6.2 Recommendations for improving MCC’s affordable housing planning policy

To tackle these issues MCC should make the following amendments to its affordable housing policy within its updated Local Plan, which fall under three broad categories.

1. MCC should develop a social-rent delivery policy within its Local Plan which does not conflate social-rent housing with any other “affordable housing” tenures. The Council must ensure that its policy is used to secure decent social-rent homes for households that are homeless, on the council’s waiting list, struggling in inappropriate and poor-quality housing and/or on low incomes.

To deliver a social-rent delivery policy *which does not conflate social-rent housing with other “affordable housing” tenures*, and helps to secure the social-rent housing that Manchester needs, MCC should conduct a new housing need assessment which assesses the full range of social-rent housing need for its boundary. This need should be distinguished from need for other “affordable housing” tenures. Based on this assessment, and an assessment of the capacity to deliver the social-rent housing that is needed (taking into account the current national planning policy context), MCC would be able to set a figure for the level of social-rent housing that should be delivered within Manchester, as a proportion of overall housing delivery. In Section 106 negotiations, MCC would then have the evidence base and policy basis to require particular levels of social-rent housing contributions, over other “affordable housing” contributions from developers.

MCC’s assessment of social-rent housing need should incorporate all of the following types of need:

- the number of homeless households;
- the number of those in priority need who are currently housed in temporary accommodation;
- the number of households in overcrowded housing;
- the number of concealed households;
- the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);

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- the number of households on the social-rent housing waiting list who are not in priority need;
 - households who are not on the social-rent housing waiting list who are in priority need; and
 - households on low incomes in the private rented sector who are trapped out of home ownership.

By robustly assessing both the need for social-rent housing and the capacity for new developments to meet that need through the Section 106 system, MCC can increase the number of social-rent homes delivered through existing planning powers and resources. This, alongside MCC adopting measures to scale up its direct delivery of the social-rent housing, would be a significant step forwards for meeting social-rent housing need in Manchester.

2. MCC should remove social-rent housing get out clauses from local planning to make sure developers are unable to sidestep their responsibility to build social-rent homes.

MCC should do this by:

- **Seeking social-rent housing contributions from all housing schemes, including those providing less than 10 units after conducting robust research evidencing the need for contributions from sites providing less than 10 units.**⁷ Importantly, this change would widen the scope of housing developments that MCC could require social-rent housing contributions from.
- **Taking account of new government guidance on viability in its site allocations policies, its affordable housing policy and within its overall housing provision policy.** This guidance sets out a new approach to assessing site viability. It clearly states that “policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.” It also states that “Where [a] viability assessment is used to inform decision making under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan.”⁸ Including these pieces of national planning guidance within MCC’s updated Local Plan will leave no ambiguity over the fact that: (1) MCC’s social-rent housing policy requirements have been required to be, and deemed to be, deliverable by the Planning Inspectorate; and (2) developers will need to factor in policy compliant levels of social-rent housing contributions when deciding how much to pay for land that will be used for housing.
- **Incorporating, within its new Local Plan, new government guidance which states that “Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities’ ability to seek compliance with relevant policies over the lifetime of the project.”**⁹ This will make clear that review

⁷We acknowledge that a Written Ministerial Statement in 2014 stated that affordable housing contributions should not normally be sought on housing sites providing less than 10 units. However, it is also important to point [to clarification from the Planning Inspectorate](#) that local authorities are able to seek affordable housing contributions from small sites if they are able to provide robust evidence for the need to get contributions from small sites.

⁸MHCLG. 2019. [Viability](#)

⁹MHCLG. 2019. [Viability](#)

mechanisms are for the specific purpose of increasing developers' social-rent housing and other "affordable housing" contributions, in order for these contributions to be policy compliant.

- **No longer including reference to vague material considerations that exempt schemes in particular locations or types of site from providing social-rent and "affordable" housing, even where a robust housing need assessment identifies a need for social-rent and "affordable" housing delivery in these locations and sites and even where a review of capacity identifies that development can support social-rent and "affordable" housing delivery.** This ask refers specifically to the following material considerations currently cited by MCC:
 - where social-rent and "affordable" housing delivery "would be prejudicial to the diversification of the existing housing mix";
 - where social-rent and "affordable" housing delivery would "prejudice the achievement of other important planning or regeneration objectives"; and where social-rent and "affordable" housing delivery would "financially undermine significant development proposals critical to economic growth within the City".

3. MCC should ensure that developers are required to provide social-rent housing at levels required within any social-rent delivery policy it develops.

Concretely this means **no longer using a clause which says that MCC's "x%" social-rent or "affordable" housing delivery policy only acts as a "starting point" for social-rent or "affordable" housing contributions.** Removing this clause will remove the policy base that developers have to negotiate down social-rent housing contributions and contributions for other "affordable housing" tenures. It will send a strong signal to developers that their housing schemes will need to comply with the delivery requirements of any social-rent delivery policy that MCC develops.

MCC Making these changes to its existing affordable housing policy will help ensure that its primary role is to secure the social-rent housing Manchester needs through the Section 106 process, as far as is possible given the capacity for delivery in Manchester. Together with current efforts by MCC to scale up direct social-rent housing delivery, and Shelter campaigning to enhance local authority and developer capacity to scale-up social-rent housing delivery,¹⁰ this would create a much more favourable framework for securing the social-rent housing that Manchester needs to end its housing emergency. It would also create a framework that will enhance the Council's capacity to secure genuinely affordable social-rent housing for all households on low incomes who need and want to live in this city, allowing them to also play a significant role in developing Manchester's economy and shaping its communities.

If you have any queries about this response, please email cecil_sagoe@shelter.org.uk

¹⁰https://england.shelter.org.uk/support_us/campaigns/build_more_social_housing

Shelter helps millions of people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

Please support us at shelter.org.uk

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