

# Policy: discussion paper

## Building more and better homes

Creating the framework for successful housing growth



# Shelter



# Foreword

Eddie MacDonald



Britain is not building enough homes. Year on year, the rate of building is falling short of the number of new households formed, worsening the housing shortage and affordability. The failure to provide enough new social rented housing has contributed to the rise in the number of households trapped in temporary accommodation or forced to live in overcrowded or unfit housing conditions.

There is now general recognition that more homes need to be built. The new Prime Minister Gordon Brown has recently announced a target to build three million homes by 2020 and has said that investment in social housing should be a priority.

We are at the threshold of an historic opportunity to ensure that Britain's housing needs are met. To realise this vision, it is essential that the necessary processes are in place to deliver the new homes successfully. It is also vital that key stakeholders such as local authorities, housebuilders and housing associations work together to ensure these new homes are well designed and form communities in which people want to live. Achieving this while also delivering value for money and increasing the pace of delivery will be a difficult, but crucial, task.

Shelter commissioned this paper to stimulate dialogue between the different partners in the housing delivery process. The paper reflects the practical experience of the author, Nick Townsend. Although not a statement of Shelter policy, we believe that it will assist the development of practical policy solutions to ensure the successful delivery of the homes Britain needs.

Adam Sampson  
Chief Executive, Shelter

Policy: discussion paper

## Building more and better homes

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The author asserts the moral right to be recognised as the author of this work.

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# Summary

The current rate of housing delivery is failing to meet either the demand for market housing or the need for affordable housing. Household projections far outstrip housing production figures. Shelter estimates that an extra 20,000 social rented homes are required each year between 2008-11 over and above the current target of 30,000.

## Current progress

The Government has acknowledged the inadequacy of current housing supply and has introduced a number of new initiatives designed to improve delivery and achieve the required increase in supply. These include reforms to the planning system to ensure the release of sufficient land on which to build.

Indeed, there are tangible signs of progress with increases in housing completions and improvements in the planning process; however, there is still more that needs to be done to ensure adequate and sustainable housing growth and address the potential constraints to growth.

## Addressing constraints to housing growth

A number of issues threaten housing growth. If left unchecked, they will undermine the Government's new initiatives and policy developments, and ultimately result in a failure to achieve the required rate of housing delivery.

By far the greatest of these constraints is the lack of available land for development. Various obstacles currently hinder the release of land for housing, including government policy requirements; the inadequate allocation of land by regional and local authorities; the continuing complexity of the planning system in spite of reforms; and the slow release of underused public sector land.

Finding financially viable sites for construction is a growing challenge for housebuilders given the levels of competition for land and the increases in the cost of development resulting from the Government's policy initiatives for new housing. This is even more

problematic when affordable housing enters the equation. Essentially affordable housing can only be delivered through some form of subsidy, either in the form of a government grant or through a private contribution taken from enhanced land values.

The failure to provide the necessary infrastructure to support new developments is another obstacle, making housing growth unpopular and an unsustainable burden on existing communities. The Government is currently conducting a review of the delivery of infrastructure, the results of which will be critical to ensuring that the infrastructure requirements of new developments are fulfilled.

The delivery of new housing is complex and misunderstandings between the different players in the delivery chain will also restrict growth if not addressed. Local authorities and developers in particular need to develop a better understanding of the issues surrounding housing planning and delivery to reduce confrontation and enable them to work together efficiently.

Housing growth depends on effective interaction between the public and private sectors. Private sector housebuilders deliver the majority of new housing, but must do so within the policy framework imposed by the public sector. Sustainable housing growth will only be possible if housing policy and initiatives are developed that reflect the dynamics of the housing market and its influence over the housebuilding industry.

Developers aim to complete as many houses each year as they can sell. However, they have to seek planning permission for more homes than this because of the unpredictability of the planning process, which means they cannot be sure when, if at all, development can start on a given site. Other factors can also delay the start of construction on a site once planning permission has been granted. New models of housing delivery that relieve housebuilders of some of the risk factors, transferring them onto other players in the delivery chain, may be one way of increasing the pace at which homes can be built.

# Introduction

‘The Government believes that everyone should have the opportunity of a decent home, which they can afford, within a sustainable mixed community.’<sup>1</sup>

This is the Government’s admirable vision for housing policy.

There is now a general acknowledgement that we have been consistently failing to build enough homes for a number of years. This shortfall in supply has in turn driven up house prices making the existing stock of homes increasingly unaffordable.<sup>2</sup> Being able to afford a decent home has become an unattainable dream for many people. As affordability in the market has worsened, the number of people unable to meet their housing needs and requiring affordable housing, such as social rented housing<sup>3</sup> and subsidised housing for sale, has increased. The only way to make decent housing for all a reality is through building more homes and putting in place initiatives and funding to ensure that a sufficient portion of these new homes are affordable.

The Government has taken a number of steps to increase housing supply, but the question is: do these initiatives go far enough? And, even if they do, are there other factors that will prevent timely delivery of the required growth in housing supply? Are further changes in policy or process required to improve delivery?

This discussion paper seeks to address these questions. The paper concludes by exploring some of the possible policy options for improving housing delivery and achieving the level of housing growth required.

1 Communities and Local Government (CLG), CLG website, 17 June 2007: [www.communities.gov.uk/index.asp?id=1150312](http://www.communities.gov.uk/index.asp?id=1150312)

2 See, for example, the ratio of lower-quartile house prices to lower-quartile earnings, which has risen from under 4:1 at the turn of the century to more than 7:1 in 2006; National Housing and Planning Advice Unit, *Affordability matters*, June 2007.

3 For a definition of ‘social rented housing’ see the glossary on page 22.

# Background

Despite some recent improvement in the rate of housing supply, current housing production is falling far short of meeting either the demand for new market housing or the need for affordable housing.<sup>4</sup>

## Inadequate supply

A comparison between the figures for household projections and housing production demonstrates the inadequacy of current housing delivery.

- The household projections for England, published in March 2007, identified that there were more than 21 million households in 2004, which will grow to 26 million by 2029. This equates to an annual growth of 223,000 households.<sup>5</sup>
- By comparison, housebuilding figures indicate that only 167,691 houses ('permanent dwellings') were completed in 2006–07. It should be acknowledged, however, that this was an increase from the historic low of 129,866 in 2001–02.<sup>6</sup>
- Provisional figures for September 2006 indicate that the number of net additions to the housing stock totalled 183,000 per annum.<sup>7</sup> This figure takes into account gains and losses due to conversions, demolition and other factors, as well as new housing completions.

The situation regarding affordable housing is similarly bleak.

- Of those homes built in 2005–06, 42,689 constituted affordable housing – of which 23,160 were social rented and 19,529 low-cost home ownership.<sup>8</sup>

- An independent assessment of housing need until 2021, undertaken in 2005 by the Cambridge Centre for Housing and Planning Research, estimated the newly arising annual need for affordable housing as follows:<sup>9</sup>
  - 48,000 social rented units
  - 28,000 intermediate units.
- In addition to newly arising need for affordable housing, there is also a backlog of existing need, for example households living in temporary accommodation or overcrowded conditions. In March 2007, there were 87,120 households in temporary accommodation<sup>10</sup>, and more than half a million living in overcrowded accommodation.<sup>11</sup>

These data demonstrate the extent of the inadequacy of current housing production to meet housing demand and need.

## Meeting the demand

In 2005 the Government set a target to increase the number of annual net additions to housing stock in England to 200,000 by 2016.<sup>12</sup> However, even acknowledging the recent improvement in the rate of supply, there is a long way to go if this target is to be met. There are also powerful indications that

4 For definitions of 'market housing', 'affordable housing', 'housing demand' and 'housing need' see the glossary on page 22.

5 CLG, New projections of households for England and the regions to 2029, CLG statistical release 2007/0045, March 2007.

6 CLG, House building: January to March quarter 2007, CLG statistical release 2007/0093, May 2007.

7 CLG, *Housing market report*, January 2007.

8 Department for Communities and Local Government (DCLG), Memorandum by the Department for Communities and Local Government (DCLG)(SRH 44), November 2006. For a definition of 'low-cost home ownership' see the glossary on page 22.

9 Shelter, *Building for the future: 2005 update*, November 2005, page 11.

10 CLG, Statutory homelessness: 1st quarter 2007, England, CLG statistical release 2007/0109, June 2007. For a definition of 'temporary accommodation' see the glossary on page 22.

11 CLG, *Survey of English housing provisional results: 2005–06*, November 2006.

12 Office of the Deputy Prime Minister (ODPM), *The Government's response to Kate Barker's review of housing supply*, 2005.



this target is inadequate. Demographic data indicate a faster rate of household formation than the target provides for, and the target fails to address the existing annual shortfall in supply, which is likely to be more than 40,000 houses per annum. In July 2007, the new Prime Minister Gordon Brown announced an increase to the target from the original 200,000 to 240,000 new homes by 2016, and a total of three million by 2020.<sup>13</sup>

Looking at affordable housing specifically, Shelter estimates that an extra 20,000 social rented homes will be needed every year between 2008 and 2011, over and above the Government's planned target of 30,000. This is just to meet the most urgent newly arising need and to achieve the Government's target to halve the number of people living in temporary accommodation by 2010.

Government figures show that the private housebuilding industry currently produces almost 90 per cent of all new housing.<sup>14</sup> The private sector builds 85 per cent of new homes for sale to the private housebuyer and, through section 106 agreements<sup>15</sup>, it also provides a substantial proportion of the affordable housing built for the public sector. The Joseph Rowntree Foundation estimates that contributions through section 106 agreements now deliver almost 50 per cent of affordable housing units.<sup>16</sup> This also reflects the

growing difficulties that housing associations are experiencing in securing land through traditional procurement. The main reasons for this are increasing competition from private developers for brownfield sites, which they previously avoided, and inflated land values, which mean that a higher level of grant subsidy is required than is available from the Housing Corporation.

Leading figures in the housebuilding industry estimate that, given adequate land supply, the industry could typically increase its build rate by 10 per cent per annum.<sup>17</sup> This rate of growth indicates that new housing production could soon meet and exceed the Government's original target of 200,000 homes. However, there are currently a number of factors that will prevent this rate of growth from being achieved.

Given the high proportion of housing delivery from the private sector, it is clear that affordable housing cannot be treated in isolation from general housing supply. Unless the Government is prepared to invest substantially in enhancing the capacity of the public sector to build new homes, the private sector will remain the principal delivery agent for housing growth. The issues that will prevent the private sector increasing the supply of free market housing will therefore also impact on the delivery of affordable housing.

13 See the Prime Minister's legislative programme statement, 11 July 2007: <http://www.number-10.gov.uk/output/Page12422.asp>

14 CLG, Live tables on housebuilding, Table 204: permanent dwellings started and completed, by tenure, England, 2007.

15 For an explanation of 'section 106 agreements' see the glossary on page 22.

16 Monk, S, Crook, T, Lister, D, Rowley, S, Short, C, and Whitehead, C, *Land and finance for affordable housing: the complementary roles of Social Housing Grant and the provision of affordable housing through the planning system*, Joseph Rowntree Foundation/Housing Corporation, 2005, pages 15–16.

17 See, for example, 'Barratt chief calls for more help for first-time buyers – and planning reform', Barratt press release, 28 November 2005.

# Current policy and initiatives

The Government has acknowledged the inadequacy of current housing supply, and has introduced a number of new initiatives to improve delivery and achieve the increase in supply required. The question is whether these initiatives will be sufficient to deliver an adequate rate of housing growth to meet demand and need.

## The Government's response to the Barker Review

Following the worryingly low housing supply figures of 2002, the Government commissioned Kate Barker to review the issues surrounding housing supply. Her report concluded that the current rate of housebuilding was insufficient to meet demand.<sup>18</sup> It contained extensive recommendations to the Government and other stakeholders aimed at ensuring that supply matches demand more closely.

The Government has responded by introducing a range of policy initiatives designed to build on its earlier Sustainable Communities Plan<sup>19</sup> and to deliver on its commitment to implement the required increase in supply. These initiatives include reforms to the planning system to ensure the release of sufficient land on which to build housing. In November 2006 the Government issued Planning Policy Statement 3: Housing (PPS3).<sup>20</sup> The new planning statement replaces Planning Policy Guidance 3 and is likely to prove much more responsive to the requirements to increase housing supply than its predecessor.

The Government has also implemented a number of the Barker Review's practical recommendations for improving the planning process, for example:<sup>21</sup>

- merging Regional Planning Bodies and Regional Housing Boards
- increasing planning fees
- reviewing the effect of the Planning Delivery Grant<sup>22</sup> to eliminate perverse effects

- setting up the National Housing and Planning Advice Unit
- introducing a new approach to section 106 agreements.

In addition, the Barker report included a number of general proposals to improve the housing delivery process. The Government has responded to these by enhancing the role of English Partnerships, which is soon to be merged with the Housing Corporation to form Communities England. Most importantly, it has also committed to increase the volume of affordable housing to be delivered, with an additional 10,000 social rented homes each year by 2008 compared with 2004–05 figures.

A further area of importance highlighted by the Barker Review was the need to improve the delivery of the infrastructure required to support housing growth. In response to this, the Government has set up a Community Infrastructure Fund, and is exploring the possibility of introducing a Planning Gain Supplement to assist local communities in meeting the costs of infrastructure delivery. In addition, the Government is undertaking a cross-cutting review of infrastructure delivery, which will examine how a more joined-up interdepartmental approach could help to fulfil infrastructure requirements.

## Delivery outcomes to date

There are tangible signs of progress, indicating that these initiatives and reforms are having a positive impact on delivery. As highlighted earlier, housing completions have increased by nearly 30 per cent

<sup>18</sup> Barker, K, *Review of housing supply – Delivering stability: securing our future housing needs*, HM Treasury, 2004.

<sup>19</sup> ODPM, *Sustainable communities: building for the future*, February 2003.

<sup>20</sup> CLG, *Planning Policy Statement 3: Housing*, November 2006. For an explanation of 'Planning Policy Statement 3' see the glossary on page 22.

<sup>21</sup> ODPM, Circular 05/2005, July 2005.

<sup>22</sup> For an explanation of the 'Planning Delivery Grant' see the glossary on page 22.

since 2001–02.<sup>23</sup> The planning process is also improving: 60 per cent of district planning authorities now reach a decision on two-thirds of their major housing applications (those involving more than 10 houses) within the Government's target of 13 weeks.<sup>24</sup> However, there are still too many underperforming authorities and substandard planning applications. Of the 11,000 major housing applications received in 2005–06, one-third were refused<sup>25</sup>, implying that the system still has a long way to go to ensure a consistent supply of appropriate planning permissions.

While increasing the rate of housing supply, it is essential that we learn from and avoid the mistakes of the past when an upsurge in housing production was required, for example the tower blocks of the 1950s or the bland housing estates of the 1960s and 1970s. Nor can we afford to ignore the environmental impact that such an increase in housing will have. The Government has sought to address these issues by introducing a range of standards that new housing developments have to meet, to ensure that such developments are of good design, sustainable and environmentally friendly.<sup>26</sup>

Customer surveys suggest that the housebuilding industry has responded to the Barker Review recommendations by becoming more customer-focused, improving reliability, quality of finish and after-sales service<sup>27</sup>, as well as addressing the design and environmental issues required to deliver sustainable communities. Yet challenges remain. A recent housing audit of around 300 mid-market housing schemes, conducted by the Commission for Architecture and the Built Environment (CABE), concluded that, when judged against the Building for Life criteria<sup>28</sup>, fewer than 20 per cent of the schemes could be assessed as 'good' or 'very good' and nearly 30 per cent should not have been granted planning permission.<sup>29</sup> Admittedly many of these schemes were designed and built before the introduction of the current policy requirements and awareness increased of the necessity for improved design quality and sustainability, but whether the required step-change in supply can be delivered while meeting all the Government's other policy aspirations remains to be seen. There is a very fine balance to be achieved between potentially restrictive regulatory requirements and the desire for growth.

23 CLG, House building: January to March quarter 2007, CLG statistical release 2007/0093, May 2007.

24 CLG, Local authority performance statistics: comparative performance of local planning authorities in deciding planning applications, September 2006.

25 Ibid.

26 ODPM, *Planning Policy Statement 1: Delivering sustainable development*, February 2005; CLG, *Planning Policy Statement 3: Housing*, November 2006.

27 Home Builders Federation, *HBF new home customer satisfaction survey*, April 2007.

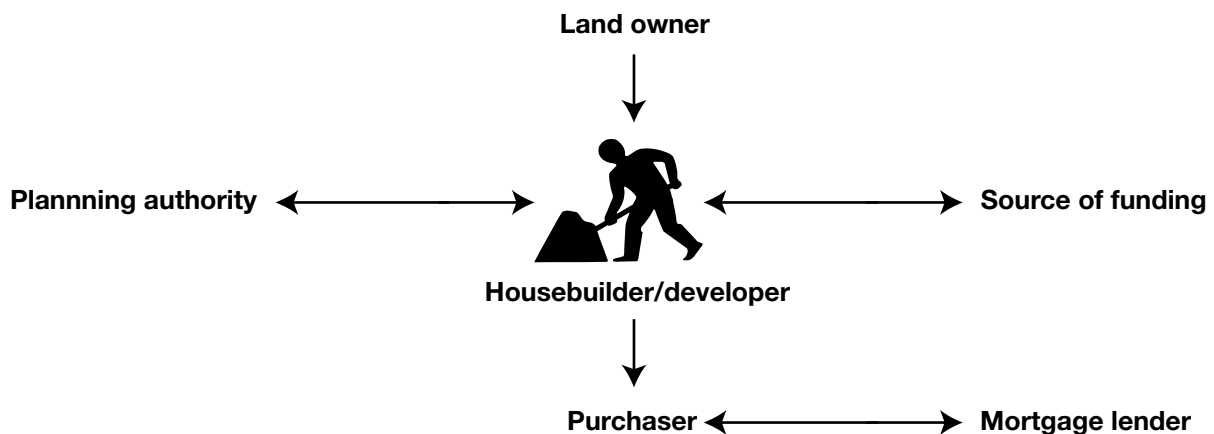
28 For an explanation of the 'Building for Life standard' see the glossary on page 22.

29 Commission for Architecture and the Built Environment, *Housing audit: assessing the design quality of new housing in the East Midlands, West Midlands and the South West*, February 2007.

# The delivery chain

The delivery chain for new housing is complex because of the interaction between the policy requirements of the public sector and the commercial drivers of the private sector. The rate of housing production will only increase if all players – public and private – start to interact more effectively.

At its simplest, the delivery chain looks like this:



However, the picture quickly becomes more complex, and the list of stakeholders expands, when other factors involved in housing delivery are added, such as:

- the complexity of the planning system
- the delivery of infrastructure to service the development
- public policy issues, such as providing for mixed and balanced communities (including the delivery of affordable housing)
- the application of design and environmental policy requirements.

## The private sector

As the supplier of the majority of new housing, the private sector provides the main model for housing supply. The sector is driven by the housing market and builds speculatively in response to the demands of the house-buying public. The capital intensive nature of housebuilding means that private housebuilders are naturally cautious and only respond to market triggers; they will build when they are confident of selling at a certain pace and a given price point. This potentially conflicts with the public

sector requirement for growth regardless of market demands and fluctuations. The private sector model also fails to respond to the needs of those who cannot afford to purchase in the open market and who therefore require publicly subsidised housing. The dynamics of the housing market are discussed in more detail on page 18.

## The public sector

Although the private sector dominates housing production, all developments are subject to policies and planning requirements set by the Government and other public sector players.

### Central Government

Central Government has a key role to play in setting the policies and the regulatory framework that stimulate and control housing supply. Wider public policy objectives, the necessity to respond to the need-driven sub-market, and the complexity of the system surrounding the delivery of new housing mean that getting such policies and the framework right is vital to achieving growth in the rate of supply.

## Regional Assemblies

Sitting below Central Government are the Regional Assemblies, which have now taken over the powers of the Regional Housing Boards. Their primary role is to identify the growth requirements in their regions and to ensure that the housing numbers prescribed in their Regional Spatial Strategies<sup>30</sup> are sufficient to meet the housing demand and need in their area.

## Local authorities

Local authorities come next in the chain. One of their principal tasks, working with the Regional Authority, is to calculate overall housing supply requirements in their area through their Strategic Housing Market Assessments.<sup>31</sup> This involves identifying both market demand and the need for affordable housing and ensuring that sufficient land is allocated in their Local Development Documents<sup>32</sup> to meet these requirements. Crucially, local authorities also have responsibility for granting the planning permission that allows housebuilding to take place.

Overall, local authorities play a critical role in the delivery of new housing. As expressed by the Commission for Architecture and the Built Environment (CABE): 'Housing growth is not just to do with the planning function of a local authority; it requires joined-up thinking at the political and executive level within the authority before policies are prepared.'<sup>33</sup>

## Communities England

Another key player in the delivery chain will be the new body known as Communities England, which will combine English Partnerships and the Housing Corporation. Its role is to enable the delivery of new affordable housing by providing funding through the National Affordable Housing Programme<sup>34</sup>, and to support housing development of all types by maximising the release of redundant and underused public sector land and assisting with site decontamination and assembly.

## Registered social landlords

At the end of the chain come registered social landlords (RSLs) delivering the National Affordable Housing Programme. The delivery of affordable housing by RSLs is efficient because they have access to private funding as well as public (in the form of the Social Housing Grant<sup>35</sup>): larger RSLs can leverage their assets by borrowing from private lenders to increase the volume of delivery. The Government is in favour of such borrowing because it does not count as part of the public sector net cash requirement<sup>36</sup>.

Improving the interaction between all these players, from housebuilders to local authorities, is vital to achieving growth in housing delivery.

30 For an explanation of 'Regional Spatial Strategies' see the glossary on page 22.

31 CLG, *Planning Policy Statement 3: Housing*, November 2006, para 32. For an explanation of 'Strategic Housing Market Assessments' see the glossary on page 22.

32 For an explanation of 'Local Development Documents' see the glossary on page 22.

33 CABE, *Actions for housing growth: creating a legacy of great places*, February 2007.

34 For an explanation of the 'National Affordable Housing Programme' see the glossary on page 22.

35 For an explanation of the 'Social Housing Grant' see the glossary on page 22.

36 For a definition of 'public sector net cash requirement' see the glossary on page 22.

# Potential constraints to growth

There are a number of issues that threaten housing growth. Unless these are addressed, housing delivery will continue to fail to meet demand and need, in spite of changes in housing policy and new government initiatives.

## Land supply

The single biggest constraint to increasing housing delivery is the lack of available land, in suitable locations, with planning permission. The Home Builders Federation (HBF) estimates that planning permission for an additional 1,000 to 1,200 sites a year, equivalent to a 25 per cent increase in land, will be needed to meet the Government's original housebuilding target of 200,000 new dwellings per year by 2016.<sup>37</sup> Based on the HBF's estimate, to meet the recently announced increase to this target – 240,000 new homes each year – a further 200 to 240 sites will be needed.

There are a number of potential obstacles to the release of land for housing at the required pace. These are discussed below.

## Government policy requirements

Although the Government has introduced a more positive approach to the release of housing land for development, as outlined in Planning Policy Statement 3 (PPS3)<sup>38</sup>, there are still aspects of policy that may prevent the rapid release of sites.

A key example is the target for at least 60 per cent of new housing to be built on previously developed brownfield land. As a result of the target, the percentage of homes built on brownfield sites has increased from 54 per cent in 1996 to over 70 per cent in 2005–06.<sup>39</sup> While this change in the profile of housing supply may meet the Government's environmental policy requirements,

it is unsustainable in the long term if the volume of supply is to increase to the required levels. The reasons are clear:

- the market needs a balanced mix of different types of housing: there is only a limited number of brownfield sites that allow for the production of a range of housing to meet the requirements of mixed and balanced sustainable communities
- while it is right that suitable brownfield land should be developed, the amount of such land is finite and does not always match the supply requirements in a given area<sup>40</sup>
- the 'easy' sites have already been developed, leaving the more complex and least viable sites to be developed now
- the policies lead to the protection of low-value greenfield sites, resulting in over-intensive development in urban areas.

Another important issue is housing density. The increase in housing supply over the past five years has been achieved on 10 per cent less land.<sup>41</sup> This has been done by increasing the density of new development from an average of 25 dwellings per hectare to 42 dwellings per hectare.<sup>42</sup> The result has been a change in the mix of housing: the proportion of flats has increased from 23 per cent of total completions in 2001–02 to 46 per cent in 2005–06, and the volume of four-bedroom houses has fallen from 37 to 20 per cent over the same period.<sup>43</sup> Unsurprisingly, the average size of dwellings has also fallen over that period.<sup>44</sup>

37 HBF, *Callcutt review of housebuilding delivery – Submission by Home Builders Federation (HBF)*, April 2007.

38 CLG, *Planning Policy Statement 3: Housing*, November 2006.

39 DCLG, *Land use change in England: residential development to 2005* (LUCS21), October 2006.

40 See, for example, National Land Use Database, English Partnerships regional summaries, 2004.

41 DCLG, *Land use change in England: residential development to 2005* (LUCS21), October 2006.

42 Ibid.

43 CLG, *Live tables on housebuilding: Table 251*, 2007.

44 For example, David Wilson Homes had an average dwelling size of 1339 sq ft in 2000, which had fallen to 1104 sq ft by 2006.

However, increasing supply through producing higher-density housing and smaller units is unlikely to meet wider policy objectives of providing a broader choice of homes (both affordable and market housing), freeing up more supply within the market as households move to larger properties, and creating sustainable mixed communities. Nor does it reflect the needs of the market for more diverse housing opportunities.

Research predicts that, although households are becoming smaller on average, over the next 20 years there will be a steady rise in demand for large houses and a decline in demand for smaller ones.<sup>45</sup> A MORI poll conducted in 2005 for the Commission for Architecture and the Built Environment (CABE) found that more than half of housebuyers wanted a detached house, compared with 14 percent who wanted a semi-detached home and seven per cent who wanted a terraced home.<sup>46</sup>

Since the private sector only responds to market triggers, it is vital that policy provides a framework in which housebuilders are confident that they will be able to sell the homes that they are building.

### **Inadequate land allocation**

Another potential constraint to adequate land supply is failure by the planning system to allocate enough land to meet the level of housing growth required. PPS3<sup>47</sup> is clear in placing the obligation of allocating sufficient land for housing production on regional and local authorities, but at present authorities are not always obliging.<sup>48</sup>

One of the worst examples of inadequate land allocation is the South East Plan proposed by the South East Regional Assembly. The plan reflects a regional growth target of 28,900 houses per year. However, current household projections for the region show an average annual rate of household formation of 36,300.<sup>49</sup> This results in an estimated requirement of between 38,000 and 40,000 new homes to satisfy existing and newly arising need. If this estimate is correct, or even close, then the south east – the area with the worst affordability in the UK outside London – will be condemned to a shortfall in housing supply of up to 20 per cent for the lifetime of the region's 20-year plan.

At a local level it is vital that local authorities complete their Strategic Housing Market Assessments and adopt their Local Development Documents without delay, to enable land to be released for housing. Without up-to-date Local Development Documents based on strong evidence, it will be impossible for local authorities to ensure that housing planning applications are processed quickly and efficiently. Although PPS3 makes it clear that local authorities should not refuse planning permission simply because they have not yet adopted their Local Development Document, it is still crucial that they do so as a matter of urgency to ensure that the framework for housing growth is in place. The uncertainty created by the current policy vacuum is causing delay and confusion.

### **The complexity of the planning system**

The effective operation of the planning system is the key to delivering land for housing growth. However, obtaining planning permission for housing development has become a lengthy, complex and expensive business.

Developers need to balance the web of policy requirements (housing density, land use, environmental requirements etc) with meeting the aspirations of housebuyers in terms of location, design, size and price to ensure that developments are profitable. On top of this, there are the practical requirements of applying for planning permission. Before submitting an application for a large housing site, a developer must spend several months preparing detailed technical information (the current system allows the planning authority to request 29 reports), master plans and drawings, all of which must conform to national, regional and local policy requirements.

Unsurprisingly, such complexity can lead to misunderstanding and confusion between the planning authority and the developer. This in turn can cause delay and potential confrontation, resulting in the deferral of the processing of the application or even the refusal of the application, both of which simply compound the problem.

Even once the planning authority has decided to grant consent, there are often major delays in finalising

45 HBF, *Room to move? Reconciling housing consumption aspirations and land-use planning*, March 2005.

46 CABE, 'A national of desperate housewives? Staple of suburbia tops poll for England's favourite house type', CABE news, 21 March 2005.

47 CLG, *Planning Policy Statement 3: Housing*, November 2006.

48 The National Housing and Planning Advice Unit (NHPAU) estimates that, based on the building levels currently set out in Regional Spatial Strategies, by 2026 only 40 per cent of the 30 to 34 age group will be able to afford to buy a home; NHPAU, *Affordability matters*, June 2007.

49 CLG, New projections of households for England and the regions to 2029, CLG statistical release 2007/0045, March 2007.

planning gain<sup>50</sup> issues and enabling work to start on site. Industry estimates vary but the consensus is that it now takes a minimum of 18 months from submission of a planning application to having a house ready for occupation. Often it takes much longer.

Although there is no question about the necessity of the policy requirements surrounding housing delivery, the process must be streamlined to allow a more rapid release of planning consent, and therefore land, if the rate of housing delivery is to be increased.

### **Slow release of underused public sector land**

Much of the land required for development is in public sector ownership. To date, around 50 public sector agencies have supplied details of more than 760 sites, totalling more than 5,000 hectares of land, to the Register of Surplus Public Sector Land.<sup>51</sup> English Partnerships (soon to be Communities England), which maintains the register, also claims a portfolio of 6,000 hectares of land, 'much of it allocated for residential or commercial development'.<sup>52</sup> However, the processes that public sector authorities are required to follow when selling land remain slow and cumbersome.

If this land, alongside the substantial surplus of underused landholdings owned by local authorities, can be released for development, it is clear that there is a major opportunity for the public sector to contribute to the supply of land for housing delivery. PPS3 emphasises the importance of releasing public sector land for housing<sup>53</sup> and it is crucial that this is implemented effectively.

### **Site viability: land price**

Even when a developer has identified a suitable site for a development, for which planning permission can be obtained, problems can still occur. The price of new homes is largely set by the second-hand housing market in the area, and build costs and overheads are generally similar for all large developers. This means that often the only major variable in calculating whether a housing development is viable will be the price of the land.

Housebuilders value land using what is known as the 'residual method'. This involves calculating the revenue they can generate from selling houses on a site and then deducting the cost of the development, plus overheads, finance costs and a profit margin. The resulting residual figure (if there is one) is the amount the housebuilder can afford to pay for the land. For the site to be viable, and for the market to

operate, this figure has to be at a level acceptable to the landowner selling the site in question.

In all areas (except those where there is housing market failure), there is intense competition to acquire land for development. Sites are sold to the highest bidder. The cost of development is a key element to determining the residual value of land – and thus the housebuilder's 'bid' for the site – and this cost is inevitably increased by the implementation of many of the Government's housing policy initiatives. For example, English Partnerships estimates that to meet Level 3 of the Code of Sustainable Homes could add between £2,800 and £5,100 to the cost of building a house.<sup>54</sup>

Housebuyers are not prepared to pay a premium for most of the requirements imposed by such policy initiatives, which means that the extra costs can make a housebuilder's bid for a site uncompetitive or reduce the residual value of the land to a level that is unacceptable to the landowner. The result of this is that a site that is otherwise suitable for housing will become unviable.

If the Government wants to encourage delivery of its full policy aspirations, such as the Code for Sustainable Homes and the delivery of affordable housing, it must create a level playing field between housebuilders in terms of the development costs associated with these. The introduction of a clear minimum requirement for the amount of affordable housing required on any site and making compliance with the Code mandatory would be important steps towards achieving this. If nothing is done, the only developers able to buy development sites will be those who cut back on these elements to drive down costs. Developers trying to fulfil the Government's initiatives will not have land on which to build.

Local authorities seeking too high a provision of affordable housing can cause the supply of land to dry up, and thus inhibit development (which may be a political end in itself). Authorities need to recognise the implications of increasing the proportion of affordable housing that has to come from each site – namely that the sale of the site becomes less attractive for the landowner and the development overall becomes a less attractive prospect for the housebuilder. This will be a real constraint where viability is marginal. When setting levels of affordable housing, local authorities must keep this in mind and achieve a balance between meeting affordable housing needs in their area and enabling housing delivery to be viable.

50 For a definition of 'planning gain' see the glossary on page 22.

51 English Partnerships, Register of surplus public sector land: [www.englishpartnerships.co.uk](http://www.englishpartnerships.co.uk)

52 English Partnerships, Land Sales Programme: [www.englishpartnerships.co.uk/landsales](http://www.englishpartnerships.co.uk/landsales)

53 CLG, *Planning Policy Statement 3: Housing*, November 2006, para 36.

54 English Partnerships, *A cost review of the Code for Sustainable Homes*, February 2007.



## Delivery of infrastructure

The provision of suitable infrastructure as part of planned housing growth is essential to the delivery of sustainable communities.

The most frequently voiced objection to proposed new housing is the burden it will place on the existing infrastructure. Overcrowded roads, lack of education and health facilities, and overburdened sewage and water supply systems are all given as reasons for objecting to the release of land for more housing. Although the concerns may be justified, they are often used to mask a deep-seated objection to housing growth within local communities. The only way to remove such objections and achieve sustainable communities is to address the failure to upgrade infrastructure.

Under the present system, a development scheme is only required to meet the immediate infrastructure requirements arising from the specific site and not to contribute to the wider infrastructure needs of the local community. It is therefore unsurprising that most local authorities are politically opposed to growth, given that it will bring no immediate financial benefits, but will often add to pressures on local facilities.

The Government's proposals for a Planning Gain Supplement<sup>55</sup> – effectively a levy on the increase in land value that results from the granting of planning permission – are designed to solve this problem. The supplement is intended to create a funding pot for the delivery of regional and local infrastructure beyond that required specifically to service each new development.

There is considerable political and industry opposition to the proposals, but they are a genuine attempt to provide funding for much-needed improvements to infrastructure, which will make essential housing growth more acceptable at a local level. Unless a solution such as the supplement is put in place, entrenched opposition to housing growth will continue to hinder the delivery of housing at the required pace.

Kate Barker's Review of Land Use Planning examined this issue and recommended practical solutions, including drawing up national Statements of Strategic Objectives to provide a clearer framework for decisions on major infrastructure and setting up an independent Planning Commission to decide on infrastructure applications.<sup>56</sup> These proposals have now moved forward with the publication of the Government's White Paper *Planning for a sustainable*

*future* in May 2007. There are also indications that the Government may be exploring possible alternatives to the introduction of a Planning Gain Supplement, such as a variable-rate tariff system or an optional planning charge that developers could choose to pay in lieu of planning gain.

The Government must ensure that appropriate mechanisms for identifying and funding infrastructure requirements are in place as soon as possible. Critical to this will be the outcome of the Government's infrastructure review, which will report in the autumn as part of the Comprehensive Spending Review.

## Skills and training

Planning and delivering new housing is a highly complex business requiring a range of specialist skills and knowledge. There is an urgent need for training to ensure all stakeholders in the delivery chain have the necessary skills. Stakeholders also need to work together more effectively, with an understanding of other parties' roles and a collective commitment to achieving effective delivery.

In particular, the protagonists in the chain – the local authority and the developer – need to develop a much better understanding of the issues surrounding the planning and delivery of housing development. This will reduce confrontation and enable planning consents to be delivered more quickly and at less cost.

A recent survey conducted by the Chartered Institute of Housing for the Improvement and Development Agency (IDeA) revealed that 20 per cent of local authority housing managers believe that they are hindered in carrying out their strategic housing role by difficulties in recruiting and retaining suitable staff.<sup>57</sup> Furthermore, only 53 per cent of housing managers thought that an understanding of housing markets was available in their team.

The Academy for Sustainable Communities (ASC) is currently running a national study to look at the shortages of skills threatening the delivery of sustainable communities, for example in the areas of planning, engineering, surveying, economic development, housing and community development.<sup>58</sup> Stakeholders in housing delivery should take advantage of this opportunity to help the ASC devise training programmes to improve skills within the industry.

55 HM Treasury, *Planning-gain Supplement: a consultation*, December 2005. For an explanation of 'Planning Gain Supplement' see the glossary on page 22.

56 Barker, K, *Barker review of land use planning: final report – recommendations*, HM Treasury, December 2006.

57 IDeA, 'Survey reveals gaps in local authority housing strategy', IDeA press release, 14 June 2007.

58 See [www.ascskills.org.uk/pages/research/sector\\_skills](http://www.ascskills.org.uk/pages/research/sector_skills) for details.

# Understanding the housing market

As housing production stands at present, housing growth will only be delivered through the successful operation of the private sector. Private sector housebuilders, in turn, will only build in response to the trigger of market demand in a given local area. Therefore, for their contribution to housing growth to be realised, it is essential that the policy initiatives designed to facilitate housing growth reflect the dynamics of the housing market.

As mentioned already in this paper, affordable housing delivery requirements can render developments financially unviable for housebuilders (see page 15). Essentially, affordable housing can only be delivered through some form of subsidy. This can be a public sector intervention through a government grant or land transfers at less than the market value, or it can be provided through a private contribution taken from enhanced land values (planning gain). With the housing market in its current state, subsidies are the only way that new housing can be provided at a price that is affordable to an increasing proportion of the population.

Given the finite amount of publicly funded grant subsidy available to enable the provision of affordable homes, it is essential that what is available is used as efficiently as possible. In particular, this means reducing the proportion of funding that comes from grants and increasing the proportion from private borrowing by housing associations. A recent report by the Housing Corporation looking at how to deliver more affordable homes from the Comprehensive Spending Review highlighted that the average grant cost per affordable home subsidised has fallen between 2004–05 and 2007–08.<sup>59</sup> The report attributes this trend largely to the introduction of more competitive bidding arrangements for grants, including allowing private sector developers to bid for Housing Corporation grants. Looking ahead, the report also suggests that a further reduction of around 10 per cent of grant intervention rates could be achieved if registered social landlords used their spare financial capacity to increase their private borrowing.

The slow delivery of housing has led to misunderstandings in the past and, in particular, to concerns that some housebuilders may be hoarding land in order to benefit from future increases in land prices. The Royal Town Planning Institute (RTPI) has recently published estimates of the number of years' supply of land with planning permission held by a number of major housebuilders. It has called for measures to help understand whether problems exist with land that has planning permission not being developed in a timely fashion.<sup>60</sup> However, the Barker Review of Housing Supply concluded that the landbanks held by the major housebuilders were primarily operational and not evidence of land hoarding.<sup>61</sup> Such concerns about land hoarding and the rate of development arise as a result of having a speculative housing supply model, in which housebuilders must aim to build at the rate at which they can sell into the market, and an unpredictable planning process, which means that they cannot be sure when land will become for available for development.

The eight largest housebuilders produced nearly 80,000 new homes in 2006, approaching 50 per cent of the new private sector homes built that year.<sup>62</sup> These are substantial businesses fully committed to increasing shareholder value through growth in annual turnover and profitability. As such, they will strive to release the value in their landholdings by completing as many houses each year as the market will permit in order to satisfy shareholder expectations and their borrowing commitments.

<sup>59</sup> Housing Corporation, *Unlocking the door: delivering more homes from the Comprehensive Spending Review 2007*, February 2007.

<sup>60</sup> RTPI, *Opening up the debate: exploring housing land supply myths*, June 2007

<sup>61</sup> Barker, K, *Review of housing supply – Delivering stability: securing our future housing needs*, HM Treasury, March 2004.

<sup>62</sup> Costello, M, 'Bovis banks on summer and autumn sales after a slump in homebuyer confidence', *The Times*, 10 July.

Figures collected by the Home Builders Federation (HBF) show an average over the previous 15 years of 32 house sales per year from a typical new housing site in England.<sup>63</sup> The rate of sales will vary between locations, but even a fast-selling site will probably only achieve 50 sales per year. This sales figure could be doubled on a large site where there is more than one builder producing a range of products, but the pace of delivery will ultimately depend on the market.

Given the uncertainties regarding the length of time that it takes to obtain planning permission and the unpredictability of planning obligations, a prudent developer will seek planning permission for more houses than can be sold immediately in the market (say enough for three to five years production). A developer cannot afford to run out of development land, which is the basic raw material of housing production. The situation could be alleviated by allowing a quicker and more certain process for gaining planning consent. This would stimulate growth by allowing the housebuilders to build in a way that was more responsive to market requirements, and would also lessen the need for housebuilders to hold land banks.

Once planning permission has been granted, there are other factors that can delay the start of construction on a site. These can include site assembly, environmental works, delivery of infrastructure, procurement of services, demolition and decontamination. A developer will not start construction on a site until all of these issues are resolved and the viability of the site has been confirmed. This can mean many months of delay between the grant of planning consent and the start of development.

Changing the dynamics of the housing market by removing some of the risk factors for housebuilders may be one way to help them improve their pace of delivery. Pre-purchasing new housing from housebuilders would reduce some of the risk they face. To a certain extent this happens already through discounted bulk purchases by registered social landlords (RSLs) of completed or in-production market housing from housebuilders. Pre-purchasing also occurs before production, where under a section 106 agreement the housebuilder agrees to transfer a number of affordable housing units to an RSL.

There is a positive side to the shortage of land supply, in that it drives an increase in land values that, in turn, provides uplift to fund policy initiatives. However, as with all inflationary spirals, there is a danger that prices will become unsustainable. Statistics show that over the past 20 years residential land values have risen at almost double the rate of residential house prices,<sup>64</sup> which puts the housebuilding industry in the dangerous situation of overpaying for its basic raw material.

This imbalance in the market could lead to a major market correction if house prices fell, even marginally, resulting in a dramatic decrease in land values. This would be disastrous for the continued growth of housing supply. Such a correction would cause housebuilders to incur a loss, which would mean large-scale housebuilders downsizing their businesses at a time when they should be increasing housing supply. The solution is to increase the supply of housing land steadily to deliver as many of the policy initiatives as possible without threatening the equilibrium of the land market.

As the land market operates at present, the risk is that a downturn in house prices will have a significant adverse impact on the delivery of new homes by undermining the finances of the large-scale housebuilders. In the past landowners have not been prepared to share this risk, but they are of course happy to share additional profits if sales prices increase. More innovative ways of sharing this risk would encourage a less cautious approach by the housebuilders. For example, if landowners were to hold development sites, housebuilders could purchase plots only once they are ready to develop them to meet market demand. This would enable some of the risk that is currently discouraging housebuilders to be transferred to landowners, in turn freeing up housebuilders to respond more boldly to housing growth needs.

63 HBF, *Callcutt review of housebuilding delivery: submission by Home Builders Federation (HBF)*, April 2007.

64 English Partnerships, *Housing statistics briefing*, September 2006.

# Conclusions and policy measures

It is clear that a marked increase in the rate of housing delivery is needed if housing supply is to meet the demand for market housing and the need for affordable housing. This paper has discussed how such housing growth can be achieved; this chapter explores some of the policy measures that could contribute towards this end.

## Conclusions

The main conclusions from the discussion are clear.

- Despite the Government's response to the recommendations of Kate Barker's Review of Housing Supply, the volume of both market and affordable housing being built remains insufficient to meet housing demand and need.
- Current plans for an increase in housing delivery are inadequate and need to be scaled up if housing production is to fulfil housing supply requirements.
- Housing and planning policy and processes require fine-tuning to enable the necessary increase in supply to be delivered.

Building new housing invariably attracts controversy at both a macro level (such as environmental concerns) and a micro level (such as opposition from local objectors). If the required increase in housing supply is to be achieved, the case for growth must be made at all levels. This is certainly achievable, but far more debate and discussion are necessary to improve understanding of the issues and try to achieve a consensus for progress.

Stakeholders in the delivery chain are currently grappling not only with a new planning system, but also with a wealth of new policy initiatives. This inevitably impacts on their ability to respond to the need for housing growth. A period without further changes would enable those involved to understand and implement the current policies and processes, and learn to work together to deliver housing growth. At the same time, however, there are a number of measures that should be implemented now to tackle some of the issues raised in this paper and improve efficiency throughout the delivery chain. These measures are outlined in this chapter.

## Policy measures

There are a number of different policy measures that should be considered in the light of the issues raised in this paper. Central Government has the key role to play in changing policies and processes to improve the effectiveness of housing delivery and thus achieve the required rate of housing growth. However, the policy measures below also include actions that other stakeholders lower down the chain could take to maximise their role in the process.

### Central Government

#### Planning policy

- Review, and where appropriate increase, housing supply targets to ensure that they take into account and fully satisfy demand and need, both existing and newly arising.
- Review green-belt policy, and replace the current brownfield-first policy with a 'sustainability test' that properly assesses the environmental value of potential development sites.
- Review the requirements for housing density set out in Planning Policy Statement 3 to allow housebuilders to respond to local market demand.
- Introduce a clearly identifiable minimum requirement for the amount of affordable housing required on any site to act as a starting point for section 106 negotiations.

#### Delivery of infrastructure

- Introduce a funding mechanism for regional and local infrastructure, whether in the form of the proposed Planning Gain Supplement, tariffs or an optional planning charge.

- Retain and increase the Community Infrastructure Fund.
- Introduce a Public Service Agreement to ensure cross-departmental commitment to the delivery of infrastructure, and effective joint working.

### Planning process

- Ensure that Regional Spatial Strategies set the right trajectories for housing growth across all tenures, based on well-researched demographic evidence.
- Establish targets and incentives for local authorities to complete their Local Development Documents as a priority to provide the framework for housing growth.
- Improve local authorities' understanding of the planning process and their performance in dealing with planning applications through training and continued fiscal incentives.

### Other measures

- Increase subsidy for affordable housing by:
  - investing an additional £1.25 billion to provide an extra 20,000 social rented homes per year from 2008–11, over and above current plans
  - increasing the amount of public sector land available to registered social landlords (RSLs) for the delivery of affordable housing.
- Make compliance with the Code for Sustainable Homes mandatory for all developers so that all development has to reflect the extra costs it entails.
- Introduce incentives for local authorities to achieve their housing growth targets. One way of doing this would be by ensuring that the additional service and infrastructure needs generated by new homes are reflected immediately when calculating local authority grant settlements. Equally, local authorities must be penalised if they fail to achieve their growth targets, for example through the withdrawal of the Planning Delivery Grant.
- Ensure that all government departments review their landholdings and release any surplus land for housing development through Communities England.
- Introduce mechanisms for public sector land to be released directly to RSLs and private housebuilders at below market value in return for their commitment to the delivery of a specified volume of affordable housing.

### Communities England and RSLs

- Introduce a clear and transparent policy (at a local level) to enable the amount of Social Housing Grant available for housing delivery to be easily identifiable by all parties at an early stage.

### Regional Assemblies

- Identify the requirements of their region for housing supply increases across all forms of tenure (with guidance from the National Housing and Planning Advice Unit) and ensure they prescribe sufficient housing supply for the whole duration of their Regional Spatial Strategy.
- Introduce mechanisms for the preparation of Regional Infrastructure Business Plans, setting out how regional infrastructure needs can be delivered.

### Local authorities

- Complete Local Development Documents as a matter of urgency.
- Identify and allocate sufficient deliverable sites to meet the housing requirements in their area.
- Set targets and thresholds that are both flexible and realistic when assessing affordable housing requirements, to avoid discouraging developments with unrealistic quotas.
- Review their landholdings and introduce a programme to release surplus or underused land for housing development, in particular releasing land to RSLs (and the private sector) at a subsidised price to allow them to provide affordable housing.
- Introduce training programmes for all staff members involved in housing policy to develop a better understanding of the issues surrounding housing delivery and ensure the necessary skills are in place.

### Housebuilders

- Increase investment in skills training across all areas of the business to ensure full understanding of the Government's policy agendas, as well as the complex technical requirements of development.
- Work more closely at a local level with the Commission for Architecture and the Built Environment and local planning authorities to improve planning submissions and processes.
- Work more closely with Communities England to accelerate the release of surplus public sector land and the delivery of affordable housing.
- Look at more innovative ways of funding and producing affordable housing as part of the general programme of increasing housing supply.
- Accept that the delivery of new housing developments must be part of the process of creating sustainable communities with all of the implications, both environmental and social, that this involves.

# Glossary

**Affordable housing** Social rented housing and intermediate housing (for example shared-ownership, shared-equity and low-cost housing subsidised for sale).

**Building for Life standard** An initiative led by Commission for Architecture and the Built Environment (CABE) and the Home Builders Federation (HBF) setting 20 criteria for well-designed housing in England.

**Housing demand** The requirement for housing of people who are able to secure their own home through the open market.

**Housing need** The needs of people who cannot find their own housing solution without help. This could be either for financial reasons – not being able to afford the rent or the cost of a mortgage – or because of other reasons such as vulnerability or shortage of the particular type of housing they require.

**Local Development Documents** The local area development plan documents prepared by local authorities, setting out policies and identifying land available for development. The documents form the framework for decisions on applications for planning permission.

**Low-cost home ownership** Housing bought through low-cost home ownership schemes, which offer help to qualifying first-time buyers to purchase a property. Most schemes are run by registered social landlords.

**Market housing** Housing for sale on the open housing market.

**National Affordable Housing Programme** Investment of public funds in affordable housing, administered by the Housing Corporation. The programme runs for three years, from 2008 to 2011.

**Planning gain** The amount of the increase in the value of land resulting from the granting of planning permission for development that is to be spent on public policy requirements such as contributions to education and affordable housing.

**Planning Delivery Grant** A grant from Central Government to local authorities to incentivise performance in relation to the handling of planning applications.

**Planning Gain Supplement** A proposed tax on the increase in land value that results from the granting of planning permission. If enacted, PGS will provide funding for local authorities to deliver the infrastructure required to support housing growth.

**Planning Policy Statement 3 (PPS3)** A government policy document on planning in relation to housing intended to underpin the delivery of the Government's housing policy objectives. PPS3 replaces Planning Policy Guidance 3: Housing.

**Public sector net cash requirement (PSNCR)** The official name for the budget deficit in the UK, formerly known as the public sector borrowing requirement. PSNCR occurs when expenditures in the public sector exceed income.

**Regional Spatial Strategies** A framework prepared at a regional level to inform the preparation of Local Development Documents (see above). Among other things, the strategy identifies the scale and distribution of provision for new housing.

**Section 106 agreement** An agreement under section 106 of the Town and Country Planning Act 1990, made between a local planning authority and a landowner. The agreements can require developers to fulfil certain obligations through their development (for example delivering a certain proportion of affordable housing on a site).

**Social Housing Grant** A public sector grant for the delivery of affordable housing that is administered by the Housing Corporation in accordance with the National Affordable Housing Programme (see above).

**Social rented housing** Rented housing provided by registered social landlords and local authorities.

**Strategic Housing Market Assessment** An assessment of housing need and demand prepared by local authorities for their areas in accordance with government guidance.

**Temporary accommodation** Accommodation provided on a temporary basis by local authorities to qualifying categories of homeless people as part of authorities' statutory duties under homelessness legislation.



## Everyone should have a home

We are the fourth richest country in the world, and yet millions of people in Britain wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. Bad housing robs us of security, health, and a fair chance in life.

Shelter helps more than 170,000 people a year fight for their rights, get back on their feet, and find and keep a home. We also tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

Our website gets more than 100,000 visits a month; visit [www.shelter.org.uk](http://www.shelter.org.uk) to join our campaign, find housing advice, or make a donation.

We need your help to continue our work.  
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