

East Midlands Regional Assembly

**Independent Review for the
East Midlands
Regional Housing Strategy
2008-2021**

Options Paper

**A consultation paper on the key issues for the
Review of the East Midlands Regional Housing
Strategy - an independently produced report by
Strategic Solutions and Three Dragons**

October 2007

***S*trategic
Solutions**

Three Dragons

Introduction

The East Midlands' first Regional Housing Strategy (RHS) was published in 2004, to guide the region's housing activity over the period 2004-10¹. Since then, many changes in the world of housing have brought new challenges for the region. The East Midlands Regional Assembly (EMRA) took over responsibility for the RHS, and began the process for its review and replacement with a new strategy which is better tuned to the demands of the coming years.

Changes to regional structures will now result from the Government's *Sub-National Review of Economic Development & Regeneration*, and these will affect responsibility for the RHS. Notwithstanding this, EMRA is continuing to implement its Business Plan, and this Options Paper is therefore being published as planned in the first stage of the review of the RHS.

The Options Paper is based on an independent review undertaken of all literature containing relevant research and policy recommendations, commissioned with the following objectives:

- To bring together research findings into a single repository of relevant research recommendations (in the form of an issues paper).
- To ensure consistency, robustness and transparency in the review of the RHS.
- To assist the Regional Housing Group (RHG) in identifying and prioritising issues for the next RHS to ensure it is based upon sound intelligence.

Its contents cover the key recommendations and options emerging from the review, representing advice from the consultants, and not necessarily the views of the RHG or the Regional Assembly. A copy of the full report is available on the EMRA website².

Consultation Process

The publication of the Options Paper aims to promote, inform and support a debate within the region about the next Regional Housing Strategy. Following its publication, there will be a comprehensive consultation process through which EMRA will be seeking views from all stakeholders across the region on the options as presented. The views received will then inform the decisions to be taken in establishing the basis on which the new RHS can be designed. A form for responding is provided on the EMRA website³. Comments should be sent by 16th November, by email to info@emra.gov.uk or by post to **Cathy Jones, Head of Housing, EMRA, Council Offices, Nottingham Road, Melton Mowbray, Leicestershire, LE13 0UL**. There will be three consultation events being held at different locations: 30 October in Lincoln, 31 October in Northampton, and 8 November in Nottingham. Details of these events are available on the website³ or from Bridget Redwood at EMRA (bridget.redwood@emra.gov.uk or 01664 502582). The purpose of these events will be to provide an opportunity to engage directly in a public debate on the RHS with other stakeholders, and particularly to consider the various options presented.

Government Guidance on the RHS

Government guidance specifies that, although the content will vary, each regional housing strategy⁴ should aim to:

- set out a picture of the current housing situation across the region,

¹ see <http://www.emra.gov.uk/meetings/regional-housing-planning-transport-joint-board/regional-housing-group> <<https://mail.lg>

² [emra.gov.uk/exchweb/bin/redirect.asp?URL=http://www.emra.gov.uk/meetings/regional-housing-planning-transport-joint-board/regional-housing-group](http://www.emra.gov.uk/exchweb/bin/redirect.asp?URL=http://www.emra.gov.uk/meetings/regional-housing-planning-transport-joint-board/regional-housing-group)

³ <http://www.emra.gov.uk/meetings/regional-housing-planning-transport-joint-board/regional-housing-group>

⁴ Regional Housing Strategies, DCLG website

- be based on robust up-to-date evidence,
- cover all tenures - not just social housing,
- set out a vision for the region,
- set out priorities for action,
- cover the medium to long-term,
- identify sub-regions based on housing markets, and
- show clear links to the regional spatial and economic strategies.

East Midlands Plan

The current regional spatial strategy (RSS) for the East Midlands has already been reviewed, revised and consulted on. Early in the summer of 2007 it was submitted to an examination in public (EiP), the result of which will presumably be a set of further revisions and refinements. Once these proposed changes are announced, they will represent the formal RSS with which the region's RHS will need to be in conformity.

Learning from the Present RHS

The current RHS sets out clearly its "policies", which are actually the objectives to be achieved. The actions and policies through which these objectives are to be achieved are not clear. If the RHS is to be a document providing guidance for stakeholders around the region in directing their housing activity, the new RHS will need to have a set of clear policies and other proposals. Above all else, the new RHS must move on from setting out ambitious objectives, and establish an **agenda for delivery**: who is responsible for doing what and when, and what should be the outcome. Within this framework, it will then be possible to manage implementation and monitor progress.

Working with the Private Sector

Most future investment in the region's housing stock will be in private hands - private households, private landlords and through the production of new homes by private housebuilders. The RHS will need to promote improved dialogue with private landlords and developers and seek to clarify what it will mean to them to align their activities with it. This is particularly important in the context of the challenge to achieve sustainable construction.

The influence of the RHS over private investment is indirect, operating essentially through the planning system, or through various controls, incentives and levers (such as negotiation on s106 agreements) which can be operated at the local level. This will require coordination with the planning system, and also a proper understanding of how housing markets work.

Targeting Public Investment

Public investment in housing is the area over which the RHS can have the greatest, and - through the Regional Housing Investment Strategy (RHIS) - direct influence. The RHS was originally intended to provide a clear strategic framework to guide the targeting of public investment in the RHIS. The present RHS does not do this.

The public resources for investment will, however, always be limited, and also subject to Government priorities within the overall performance of the economy. It may be assumed that public resources will continue to fall short of all housing needs in the region. This poses three distinct but related challenges for the RHS:

- setting priorities to determine which activities will receive public funding,
- how to "stretch" the value derived from the use of limited public resources, and

- identifying measures which can ameliorate or compensate for public investment being insufficient to deal with identified issues.

The current RHS document does not address these, and it is imperative that the new version provides guidance to decision-takers to assist their judgement in “balancing” competing needs, and making best use of the limited resources. There remain questions, however, on how targeting should be formulated.

1. *In setting out targets for outcomes from investment through the RHIS:*
 - *Should the targeting be geared to the volume of investment input, or to outputs? – and if the latter, what basis for comparison could be used?*
 - *Should there be a geographical dimension to broad resource distribution between subregions or other areas? How should this be determined?*

Geographical Differentiation

The RHS should take full account of variation across the region in the housing market, stock condition, demographics, and all the other elements which should influence housing activity. Although the present RHS specifically recognised the desirability of avoiding policies that appear to imply that “one size fits all”, at the time it was not practicable to generate a properly differentiated view of geographical variation due to inadequate information. Policies in the present RHS are consequently region-wide, with relatively little acknowledgement of local circumstances, and this is therefore outstanding business for the next version.

National vs. Regional Approach to Policy

The first RHS was strongly influenced by the Sustainable Communities Plan and was couched in terms of implementing that plan. There was also a poorly developed evidence base at that time for understanding the region’s housing markets, something which is now being rectified.

Within national policy frameworks, the RHS should establish policies and standards for the region’s housing where this is suggested by the evidence. Since this would always need to be in line with national guidelines, any deviation would need to be towards greater ambition for the East Midlands. Similarly, the RHS should consider setting priorities within programmes which are more appropriate for the region but do not conflict with national guidelines.

A wider issue is whether the RHS should repeat Government policies. Where the RHS is proposing nothing additional to Government policies or guidelines, the RHS should refer to them as part of the agenda for implementation, but without repeating their details.

Local Strategies

The issue regarding local housing strategies is a different one. There remains a question of how the RHS will or should influence the planning of housing matters at the local level. This covers the operational planning within housing departments, local development frameworks (LDFs), community plans, and any other. While there is a statutory requirement for LDFs to be aligned with the RSS, there is no such requirement with respect to the RHS.

2. *The land-use planning system is a crucial tool in implementing the RHS. Local authorities should be requested to align voluntarily with the RHS those local plans which influence housing activities. How could this be achieved?*

Key Themes

The following key themes are identified as potential priorities for the RHS:

- Decent Homes
- Affordability and Housing Choice
- Design Quality and Sustainable Construction
- Place-Making and Sustainable Communities
- Rural Housing
- Homelessness and Housing Need
- Supporting People
- Cohesive Communities
- Planning for an Ageing Population

Decent Homes

Achieving the Decent Homes Standard will need to continue in line with Government policy without intervention via the RHS. This agenda should develop further as the quality of the overall housing stock is raised due to implemented measures like the Code for Sustainable Homes and the Energy Performance of Buildings Directive. It is recommended that consideration be given to the RHS setting out more ambitious targets for the East Midlands.

3. *Is it appropriate for the region to set more ambitious objectives than the Government in its Decent Homes initiative? How should the higher standard be defined? How would the required works be financed?*
4. *Should the RHS take a view on continued public funding for local authorities that have met the standard before 2010, given that there are alternative uses for this resource? What would the options be?*
5. *Should the RHS take a view on appropriate policies for housing standards in the local authority stock after 2010? What do you think those policies should be?*
6. *How should the RHS provide sound policy guidance on practical approaches to Decent Homes in the private sector, such as integration with other initiatives like Affordable Warmth and the Housing Health and Safety Rating System?*

There is a need to promote good practice and share solutions in implementing Decent Homes, particularly on tenant participation, co-ordination with other strategies and tackling problems of non-traditional housing. The region should promote good practice through seminars, best practice groups and development of standard information systems, building on the excellent work already undertaken through Hi4em.

Affordability and Housing Choice

There are 20-30,000 households living in overcrowded conditions in the region and a significant need from concealed families unable to access independent accommodation. Access to a home of one's own remains problematic for many people. The RSS has responded by setting a regional 35% target for affordable housing provision, and individual Strategic Housing Market Assessments (SHMAs) have set significantly higher figures.

The present RHS focuses attention on the future provision of affordable housing through public investment. However, there is now a clear expectation from Government that the RHS should play a role in addressing wider issues of housing affordability. This suggests that the RHS should see as its focus the affordability of housing for all households, rather than the provision of affordable housing for specific groups recognised as being “in need”. There is no real guidance, however, regarding how the RHS is expected to do this.

The “Barker Agenda” seeks to support housing affordability through a better balance between supply and demand, and the Government has focussed attention on the need for this to be addressed primarily through the land-use planning system. If the East Midlands Plan deals with the overall volume of new housing, and the proportion of that which should be “affordable housing”, this suggests that the RHS should have a role in seeking to balance the type of housing being produced to the needs and incomes of future households.

The SHMAs have started to provide information on types of market housing where there is a current shortfall. However there is no current good practice on methods of intervention in the housing market to address these issues.

Emerging experience of competition sites such as for the “£60,000 house”, and the range of new homes being pioneered by English Partnerships at Upton, suggest that such mechanisms can help stimulate innovation. The RHS should promote exemplar projects of this kind and undertake further research and promotional activity to alert housing providers to gaps in the market such as the provision of greater housing choice for older households.

7. *It is strongly recommended that the RHS sets out a policy agenda to complement the RSS provisions for housing numbers, in the form of guidance on the type and tenure of housing to be produced which would meet all household needs in an affordable manner. Is this realistic for the next version, given the current knowledge of housing markets and the likely results from the SHMAs? How can the RHS best promote improvements in affordability?*

If the RHS is to address affordability issues across all housing provision, this will probably require use of a set of housing products that is wider than the usual offer of social renting and conventional low-cost home ownership (LCHO). While the Government may have set in motion work to explore the creation of alternative products, the outcome remains uncertain.

8. *It is recommended that the RHS aims to address the need for access to housing from across the whole population. Should the RHS seek to develop a wider range of LCHO products in partnership with private funders, developers and landowners, housing associations and local authorities? How can this be done?*

The RHS will need to develop an effective approach for making better use of the private rented sector in meeting the region’s housing needs, requiring improved links with private landlords, and also having resource implications if mechanisms such as rent deposit schemes were to be pursued. More information is needed on the private rented sector and this should be collected both through SHMAs and through centrally commissioned research.

9. *What approaches should be considered in the RHS for bringing the private rented sector into the strategic framework of provision?*

Design Quality and Sustainable Construction

Pressure for higher design standards in housing is being applied by the Government through the existing framework of planning policies, building regulations, and other levers.

The implementation of the Code for Sustainable Homes is a major challenge for the house building industry and for funders of affordable housing such as the Housing Corporation and English Partnerships. Although limited information is available on the most effective methods for achieving the Code's standards, it is already clear that they will require co-operation between builders, local authority planners, and energy suppliers, and that there will be an impact on estate layout and housing design.

The current RHS aims for higher design standards, but without specifying how this should be brought about. It is recommended that the new RHS should continue to pursue the quality agenda, but only if policies are available which would have practical application on the ground.

It needs to be recognised that there are external pressures from Government to reduce costs to the public purse through the Housing Corporation's programme. These pressures are not aimed to reduce quality; however, it must be accepted that, in the absence of specific and realistic policies in favour of quality, there will inevitably be greater difficulty in resisting the effect of pressure for lower costs. The RHS must create that policy framework.

10. *The RHS should establish a policy framework through which design quality can be addressed effectively in the context of making best use of limited resources for investment. Should the RHS establish mechanisms for house builders and local authorities and other activities to provide feedback on the Code for Sustainable Homes, and develop a regional approach to optimising its application? How could this be done?*
11. *Delivery of the RHS through English Partnerships and the Housing Corporation should be able to ensure high standards of design in housing schemes in which they are involved. How could the RHS provide sufficiently clear policies to guide the organisations? Is there scope to influence other organisations?*
12. *What, if any, other measures could the RHS take to promote increased energy efficiency and the development of sustainable construction practices in working on the existing housing stock? Should the RHS promote Modern Methods of Construction and other innovations in housing? How should this be done?*

Place-Making and Sustainable Communities

The most recent assessment of quality in the design of new housing schemes was carried out by CABA (Commission for Architecture and the Built Environment) looking at examples across the East Midlands. Over half of all developments surveyed were assessed as poor. No schemes were classed as good, and only one was rated as very good. CABA offers several suggestions of how to address this issue which suggest that it is essentially a matter for local planning activity and the framework of the RSS. Clearly this offers a challenge to planning in the region; but not automatically for the RHS.

While the sustainability of communities is a clear priority area for Government, it tends to be viewed in terms of the physical and spatial control mechanisms available through planning legislation and funding mechanisms for physical renewal. Consequently, this area receives considerable attention in the East Midlands Plan. The RHS should seek to cover this area, but only if it can include policy measures which are additional and complementary to those already in place, or to those which will be added through local planning documents.

The East Midlands contains part of the MKSM Growth Area (in Northamptonshire) and more recently four further Growth Points have been announced for the region. The East Midlands Plan has incorporated development in the Growth Points into its provisions. There is therefore ample scope for place-making within the East Midlands and it is anticipated that a significant proportion of new homes will be provided in major new developments. Consideration will need to be given to whether the particular housing issues in these areas will require special attention in the RHS.

It is already clear that the Growth Areas and Growth Points face complex issues around the development of large sites, development of allocation strategies which accommodate incomers, and a range of issues concerning provision of physical and social infrastructure and the development of vibrant communities. The Regional Assembly should support the Growth Areas and Growth Points in establishing a working group to share good practice and develop key indicators which measure the sustainability of emerging new communities.

13. *Does the RHS need to provide policy guidance for new housing in the Growth Points? Or should policies in the RHS for housing in urban extensions and other aspects of new development be applied to all areas, irrespective of “growth” status? What do you think these policies should be?*
14. *Would it be appropriate for the RHS to promote good practice in place-making and urban design for housing areas among local planning authorities and the developers with which they deal, or is this adequately covered in the RSS? Could this be achieved through guidance documents, master classes or competitions? What other practicable measures could be included in the RHS?*

The one area in which there is obvious potential for the RHS to help in place-making is where housing management and other areas of housing activity not governed by planning controls could help achieve sustainability. These could include lettings and allocations, tenure changes, anti-social behaviour measures, housing support, HMO licensing, liaison with private landlords, and possibly more. They should cover aspects of relevance to the cohesiveness and integration of all members of the community.

The RHS should therefore provide a policy framework for housing management to complement the East Midlands Plan’s provisions for mixed and sustainable communities. However, the question is whether it needs to go further than this. For example, the provision of adequate, timely, properly resourced community facilities and social infrastructure is also now recognised as vital.

15. *Does the RHS need to distinguish in policy terms between the creation of new neighbourhoods and interventions in existing residential areas? What would you suggest in this respect?*
16. *Should the RHS be concerned with the non-housing elements of residential environments which impact on the enjoyment of housing, such as recreation, shopping, community and health facilities etc.? What policies would you suggest? What measures should be suggested for monitoring the vitality and sustainability of emerging new communities?*

The RHS should address general housing management issues strategically across the region, to deal, for example, with problems associated with frequent movers. A regional working group could provide a wider framework of sharing good practice, and possibly of policies. The

key aim would be to facilitate housing authorities working across boundaries in the joint planning of future provision, in associated common lettings policies, working with private landlords, and in managing home moves.

17. *A framework is proposed for sharing good practice in housing management. Should the RHS also set out common regional policies in this area? Which areas of housing management should be addressed by the RHS?*

Rural Housing

There have been numerous policy reports in recent years aimed at taking forward the agenda for addressing rural housing. Probably the most comprehensive has been that of the Affordable Rural Housing Commission (ARHC) which was set up by the Government. Its numerous recommendations covered a comprehensive range of issues associated with housing, but they have not yet been endorsed by the Government – although the recent Green Paper has given notice that policy guidance will be forthcoming.

What is clear from various reports is that the scale of rural need for affordable housing is much greater than has been produced in the region for many years. The new RHIS is proposing a level of provision generally in line with that of recent years. It is essential that the new RHS provides policy guidance on the scale of rural housing need and the priority it should receive in public investment. Since rural housing can also be produced without grant funding, the RHS should set out policies to encourage this, and also establish how the results would be monitored.

The RHS should also provide policies and examples of good practice in local activity to ensure the delivery of whatever level of rural housing is proposed. In this, it can take forward the action plan and guidance produced by the East Midlands Rural Affairs Forum (EMRAF).

18. *Should the annual target of 1,500+ affordable rural homes recommended by the ARHC be accepted? Or should it be derived from the SHMA results? How should provision be monitored?*
19. *Do there need to be wider policies to ensure other elements required for the sustainability of rural communities? – or are these aspects adequately covered in the policies of the East Midlands Plan?*
20. *Should the RHS do more to promote good practice in provision of rural affordable housing? Has the EMRAF guide “done the job” or is there more that could be done? What additional areas should the RHS cover?*

Homelessness and Housing Need

Various elements of unmet housing need can be recognised in the region, which need to figure significantly in the future RHS. This was true of the current RHS; however, without specific policies and targets proposed for addressing this.

21. *There are 20-30,000 households living in overcrowded conditions in the region and a significant need from concealed families unable to access independent accommodation. What combination of policies and resource application can be used to address this in the RHS? Should this be prioritised over investment to meet growth and other needs?*

22. *Should the RHS set a more ambitious target than the Government, such as zero use of temporary accommodation? Should the RHS recommend specific use and prioritisation of public funding to provide alternative accommodation?*
23. *Is there a policy conflict between the pursuit of sustainable mixed communities and a priority given to meeting need? How should this be resolved?*

Homelessness in the region continues to fall, and this suggests a different approach from that in the present RHS. In the meantime, the Regional Homelessness Strategy has been drafted with a comprehensive set of policies. Work is currently underway to produce action plans to implement the strategy at regional and subregional levels. When finalised, the RHS should adopt the Homelessness Strategy as a substrategy, rather than repeating its proposals.

24. *Are there significant areas not covered by the Regional Homelessness Strategy which would require further policy development in the RHS? What would you suggest these policies should be?*

Supporting People

Funding through the Supporting People (SP) regime has led to strategies for supported housing being produced for the nine social service areas of the region. There is, as yet, no overarching strategy at the regional level, a role which could be played by the RHS.

25. *It is recommended that the RHS provide an overarching regional framework for local SP strategies. Is this agreed? What are the implications? Should it include a strategy for move-on accommodation? Should it cover adaptations, even if guidance from the Government has not yet been published?*

Cohesive Communities

The results of recently commissioned research into BME housing issues should be available during the formulation of the new RHS, but it is difficult to anticipate what they will be. None of the SHMAs undertaken to date have highlighted BME issues. However during the life of the RHS it is likely that there will be a significant increase in the number of BME elders, and policy guidance will in any case be required for the RHS. It is therefore recommended that the RHS provide policies to address the housing needs of members of BME communities.

26. *Should BME housing be dealt with as a separate topic, aimed at tackling inequalities, and/or as part of an agenda for Cohesive Communities? What policies would you suggest for the RHS?*
27. *Should the new RHS provide policy guidance specifically to address the issue of Asylum Seekers and Refugees? Or should this be part of the BME agenda? What do you think the policies should be?*

The East Midlands' attraction for migrant workers will be a major factor in the scale of future housing need, but the immediate issue is whether housing services need to take special account of the phenomenon, and whether the RHS should provide policy guidance for this.

28. *Should the RHS provide policy guidance specifically to address the new issue of migrant workers? Should this be under the Community Cohesion agenda, or are there also issues reflecting their impact on the housing market, or specifically to the legal and operational issues relating to HMOs and tied accommodation? What do you think the policies should be?*

The East Midlands Plan provides policies covering the provision of sites for Gypsies and Travellers. Any housing impact of these sites should be a matter of local action and policy, and not require coverage in the RHS. However, this does not cover Gypsies' and Travellers' need or use of conventional housing. A regional working group should establish good practice in meeting their housing need and identify key measures to be monitored.

29. *Are separate policies required relating to the needs of Gypsies and Travellers for conventional housing, or can they be covered in general policies on Cohesive Communities and frequent movers? What do you think the policies should be?*

Planning for an Ageing Population

The present RHS has little to say on the subject of our ageing population. It will have a considerable impact over the coming years on the housing markets in the region. There will be considerable changes in the type and scale of older people's housing needs, and a major challenge to avoid exacerbating inequalities. The new RHS must address these issues, covering, for example: under-occupancy; widening housing choice for older people across all tenures; and housing design which contributes to health, safety and the quality of life.

It is considered unlikely that policies for mixed and sustainable communities will automatically pay sufficient attention to the challenges of an ageing society, and therefore it is strongly recommended that the RHS provides specific policy coverage for housing for older people.

30. *Should the RHS set out regional policies on housing older persons, or would it be preferable simply to provide good practice guidance in this area, combined with a requirement that all local authorities develop a local older persons housing strategy which follows this guidance? What do you think the policies should be?*

Delivery Mechanisms

It is essential that the RHS proposes actions and policies which are deliverable. Within each of the above themes the RHS must:

- set clear targets and milestones against which progress can be monitored through appropriate indicators, to feed into review of the strategy;
- identify and plug information gaps where research is needed; and
- establish frameworks through which good practice can be identified and promoted.

In order to do this, a coherent framework for monitoring and review must be put in place which will provide a clear picture of progress in delivering against objectives.

A framework of subregional strategies was identified in the first RHS as a key element for future versions. This proposal has been taken forward through the SHMAs undertaken this

year. The development of SHMAs has helped facilitate the emergence of sub-regional working and encouraged dialogue between neighbouring authorities who share common housing markets. Subregional strategies should be a key element in the organisation and planning of delivery, and it is of considerable importance that they can build upon an understanding of housing markets provided by the SHMAs.

The RSS has already sought to build on these sub-regions in framing policies for subregional housing provision. However, this has meant that detailed policies have had to await the results of the SHMAs, most of which are not yet available. However, there remain questions over the amalgamation of information from the different methodologies used in the SHMAs, and this issue will need to be resolved speedily to inform both the RSS and the new RHS.

31. Can sub-regional working be further developed as a mechanism for delivering the RHS, and if so how?

There will still be over-arching policy themes for the whole region which require delivery across the subregions (relating for instance to handling growth or meeting the needs of vulnerable households). Consideration should be given to establishing thematic groups to work in support of the strategy, in terms of policy development and review, but also critically in the planning and monitoring of delivery.

32. Should region-wide groups be established to manage delivery under thematic RHS policy areas? Which areas should be covered? How should they operate?