



THE HOUSING &
FINANCE INSTITUTE

working together to build the homes we need





Proposals to increase housebuilding rates for the homes we need

Britain is Building Again

The most recently published figures show that every type of developer – private developer, housing association developer and council developer – has increased the amount of homes completed and increased the number of homes started. Housing completions performance has powered past the long term trends for the first time since the credit crunch and recession; housing starts are well placed and planning permissions have been approved at recent record levels.

Stock to Build

In addition to improved housing completions, there are around 500,000 permissioned sites to build out, a very healthy stock number of housing opportunity. With around 360,000 planning permissions granted last year, the highest level since the recession and credit crunch. The uplift in housebuilding and in permissions together suggest that from a land supply and permissioning perspective the expressed ambition for a million homes, over 200,000 a year, is achievable and feasible and that planning and land access reforms are unlocking housing opportunity.

Let's Build More Homes, Faster

Now is the time to turn that housing opportunity into delivery. To build more homes, faster. This paper sets out what drives and holds back housing delivery in practice and recommends approaches and additional powers to accelerate and prioritise housebuilding. To drive through that housing opportunity into homes on the ground. To unblock the next stage of the housing delivery supply chain; utilities major infrastructure and expectations around acceptable build out rates. There is more which can be done to build more homes, faster.

Recommendations to improve the timely provision of utilities required for housing growth

Recommendations to improve the timely provision of utilities required to meet housing growth are based around two principles:

- **infrastructure dependencies mapping**
- **direct intervention by the regulator and by the Secretary of State to force improved performance.**

1

Infrastructure Dependencies Mapping for Housing Growth

Infrastructure Dependencies Mapping at a local and area level could be undertaken by Councils and Local Enterprise Partnerships working together. This approach would provide a firmer basis on which to understand and negotiate the better provision of utilities within an area other than on an individual business-to-business basis. This would also better ensure that the utilities companies are planning for the increased activity which is needed in order for them to fulfil this regulated connections role.

2

New Secretary of State Utilities Directions Powers

Where council leaders are finding that particular utilities companies are holding back housing delivery then they can apply to the Secretary of State to start a process to meet with the utility and the council/operating area representatives and consider Utility Direction Powers. Utility Direction Powers would allow the Secretary of State for Communities to serve a direction order, including as to costs, where utilities are causing a detrimental impact on housing, growth and community wellbeing.

3

Single Utility Provider and Stronger Implementation

There is a case for providing the same legal framework for water as there already exists for electricity. Given that there are so few utilities providers for water and electricity, there is a strong case for a single utility regulator to drive more collaborative and planned local utilities provision and higher standards across all regulated entities. Financial penalties, attaching conditions to licences to operate and, ultimately, withdrawing licences are the structural responses which are already available for a regulated utilities which, practically, cannot be subject to the usual anti-monopoly responses of introducing market competition. Given the importance of housing to national growth, where utilities providers fail to plan and support required national infrastructure these available regulatory responses ought to be considered.

Recommendations for Councils, LEPs and Government action to Build More Homes, Faster

4

Monitoring and Driving Up Build Out Rates

There is practical action which can be taken by councils to set and drive faster delivery where their housing health and growth plans are dependent on faster market delivery. The starting point is monitoring the actual and intended build out rates by authority and for larger sites. In the planning system, Councils could place a condition on planning consent based on a minimum level of build out of homes as part of their planning negotiations. Key to this is understanding and not limiting the capacity of the local market to increase and absorb housing activity.

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Pricing in Faster Build Rates

Public Sector loans, other financial support or waivers on planning conditions could be made conditional on faster agreed build out rates or provided on a reduced interest rate to reflect higher performance. This should be encouraged where it will result in accelerated build out of sites, particularly larger strategic sites.

6

Housing Money to Support Housing

Consideration could be given to allow amendments to the planning guidance and council finance in order to allow greater flexibility in setting expectations for build out rates and utilisation of CIL and the full range of housing related receipts in order to finance the faster delivery of affordable housing, including starter homes and to encourage competition and new entrants for skills, methods of construction and finance. Councils have billions of pounds of access to public finance, reserves from private sector contributions, receipts from disposal and much else besides. In the planning and in the finance systems, there should be greater flexibility for housing money to be spent on housing, where it is needed and where it can accelerate housing delivery.

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Major Infrastructure Dependencies Mapping

The build out profile and dependencies for major schemes such as road junctions, road upgrades, bridge strengthening or other such works which are not currently funded and for which the funding may not be agreed for some years should be clearly articulated from the outset and captured by Councils and Local Enterprise Partnerships in Major Infrastructure Dependencies Mapping.

Prioritising Infrastructure Investment for Schemes Closest to Market

Major Infrastructure Dependency projects should not be ‘baked’ into housing delivery assumptions until the dependencies are resolved and funding confirmed. A Major Infrastructure Dependencies Mapping approach could assist with decision making on the relative benefits of funding housing project (A) over housing project (B) at a point in time. This could ensure that funds are advanced which will have most impact in bringing forward housing most quickly; prioritising funding and support for those projects which are closest to market.

Stagnant Public Land Direction Power

Give Councils a new Direction Power allowing them give councils a new direction power allowing them to dispose of larger sites in their area which are owned by other public bodies which are causing blight on the community because they have not been built out over many years.

Secretary of State Step In to Build Out Powers

Where there are areas of national strategic importance in which Government is investing key infrastructure to support housing and growth there may be a case for considering greater powers for direct interventions in sites by the Secretary of State for Communities through Step In Powers which would allow direct commissioning and/or break up of delayed strategic sites.





Part One: Britain is building again

Britain is Building Again

Britain is building again. The most recently published figures show that every type of developer – private developer, housing association developer and council developer – has increased the amount of homes completed and increased the number of homes started. Housing completions performance has powered past the long term trends for the first time since the credit crunch and recession; housing starts are well placed and planning permissions have been approved at recent record levels.

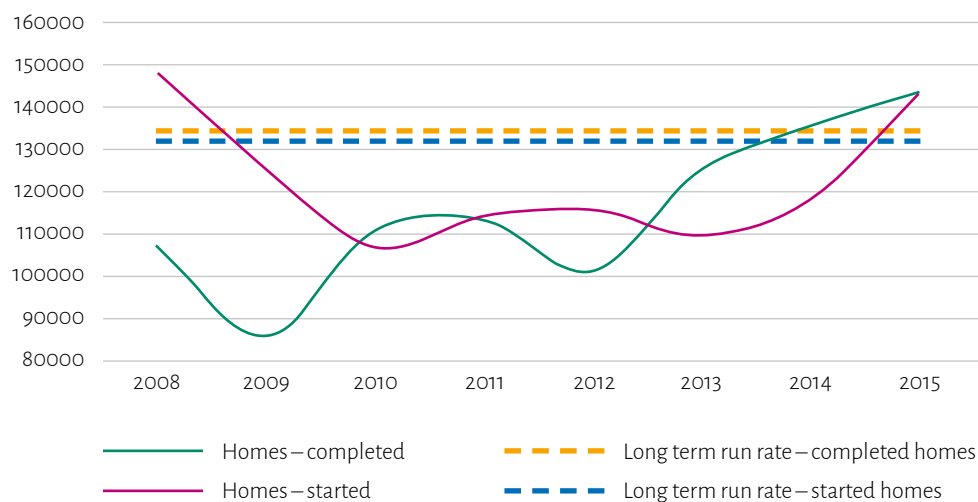
Consensus for Housebuilding

There has been expressed ambition across all major parties for a long term step-change in housing delivery. From Labour's Lyons Review to the Coalition Government's Elphicke-House Report the ambition and need for a long term step-change has been accepted.

Current Government Commitment

The Housing & Planning Minister, Brandon Lewis MP, has an ambition to build a million homes over this parliament. This statement of political intent by the Housing & Planning Minister has been matched by a Chancellor, George Osborne MP, who is rarely seen without his construction hat on and who has found more than £20 billion for housing in the current Parliament, the largest investment in housing to date. In addition, the Secretary of State for Communities and Local Government, Greg Clark MP, takes personal charge of a regular cross government committee overseeing land and delivery and he was himself the architect of the National Planning Policy Framework which has led to the transformation and unblocking of the planning system.

Annual Housing Starts and Completions 2008–2015

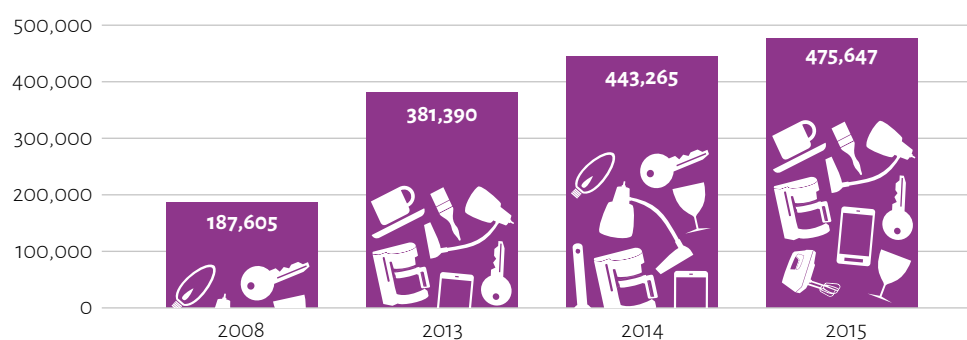


Housing Permissions High

This commitment to housing is delivering change. The overall position for housing is stronger than for a long time. In addition to building more homes, the level of newly permitted homes is at a high. In 2014/2015, 360,000 new planning permissions were granted. The Local Government Association (LGA) and Glenigan have estimated that the stock of planning permissions granted but not yet built on is now 475,647. This is an increase in planning stock from 443,265 in 2013/14, 381,390 in 2012/13 and up from 187,605 in 2007/08.

Stock of Planning Permissions granted but not yet built

(Glenigan / LGA)



Need to Accelerate Building Delivery

Earlier this year the LGA reported that the time from planning permission to start on sites has doubled from 7 weeks in 2008 to 14 weeks in 2015. This has contributed to an overall increase in build times from 21 to 32 weeks. The LGA has an ongoing commission reviewing this issue which is now considering the evidence it has received and the Government have issued a planning consultation on speeding up the planning system further so no doubt more information will emerge over the coming weeks and months. This paper sets out six areas where reform may accelerate delivery to realise the ambition to build a long term step-change in housebuilding and sets out the important role which Councils can play in driving housing delivery.

Role of the Local Authority in Driving Housing Delivery

Managing the delivery supply chain of housing is not simply an issue for builders. Housing is essential to the success of communities and to the growth and success of the country as a whole. Councils have an obligation to assess and make provision for housing delivery through their Local Plan process, including ensuring that there is sufficient land to meet housing needs. The front pages of the national papers are testament to the responsibility that the Government is awarded in ensuring that new homes are delivered. In recent years much attention has been given to the availability of land and the granting of planning permissions. But identifying land and granting planning permissions is not enough by itself to ensure the adequate and timely delivery of homes. Housing is of such national, local, economic and social importance that driving housing delivery should be the public duty at national and local governments, with the powers to drive through the homes that are needed.

Driving Delivery

Identifying land and granting planning permissions is not enough. Councils can also drive delivery. The Elphicke-House Report made a specific recommendation which is as follows:

“Recommendation 22: Councils take responsibility to work with developers, local businesses, agencies and others to ensure that sites with planning permission are taken forward in a timely manner to delivery.”

The elements of councils as Housing Delivery Enabler for the housing delivery supply chain were described in the following way:

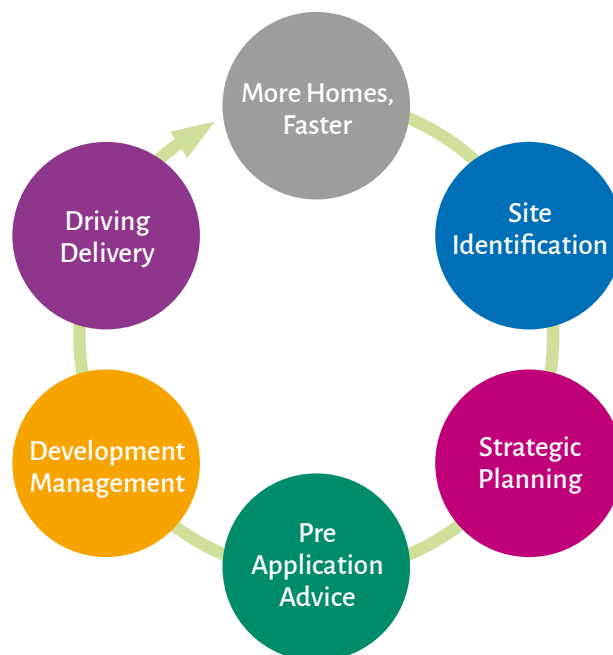
“Managing the process of development, from site identification, through strategic planning, pre-application advice, development management and on to delivery, are critical parts of enabling housing delivery.”

What Could be Holding Back Faster Delivery?

In the practical business engagement work with Councils and businesses undertaken by the Housing & Finance Institute over several months there are two specific themes which are reoccurring relating to delays in housing delivery on the ground:

- **the extent to which failure of some utilities companies may be holding back housing growth**
- **understanding how to accelerate the build out rates for land which is approved for building**

These questions and possible solutions are explored in Part Two and Part Three of this paper.



Part Two: Are Utilities Companies Constraining Housebuilding?



The role of the Utilities Companies in Constraining Housing Growth

In industry discussions it is water, electricity, gas, broadband and roads which are the areas most often cited as holding back accelerated housebuilding and which create practical barriers to speedy housing growth. Each of these is subject to separate companies, regulators, public authorities, price negotiations and its own industry rules and procedures. There is mounting evidence that the performance of some utilities provision is adversely impacting on housebuilding. In particular, there is evidence that a continuing failure of performance of some water companies is delaying housing growth. Some water companies are failing to respond to needs for housebuilders in making timely and effective sewerage and water connections. This poor experience of the water industry seems to impact on larger and smaller builders alike.

Water, Water, Not Everywhere

New homes cannot be built without sewerage and fresh water connections. Following concerns raised by the Government about the performance of the water industry, performance targets were agreed and have been published. From a housebuilding perspective, the voluntary targets agreed by the water industry are generous to the water industry. A water company can take up to between six months and a year to connect a property and still meet their regulatory target. This is despite the fact that the water company will benefit from the revenues of the new connections for many years.

Sewerage Connection Performance

The water industry is divided into those companies who provide only water and those who also provide water and sewerage functions. There are very few companies: only around 20 companies in England and Wales. In the first period of performance reporting, covering the first three quarters of 2015, only one water company fully met its performance target overall for sewerage connections, the Welsh water company, Dŵr Cymru. Every water company in England failed its sewerage targets for housebuilding as an average over the 2015 published period.

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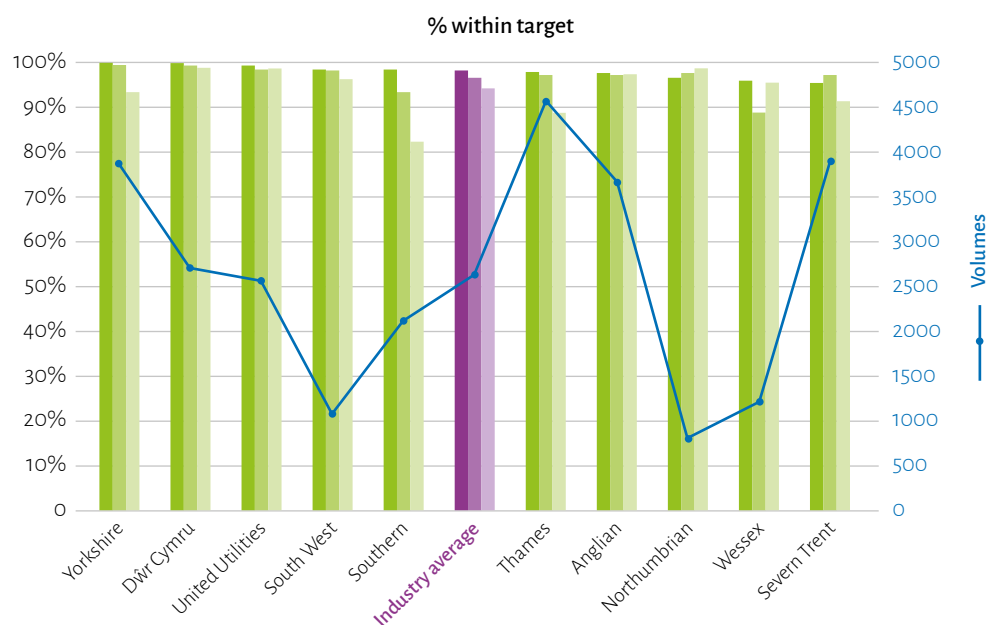
Are Volumes of Activity Driving Sewerage Non-Performance?

The Water Regulator has published a specific review of the first six months of operations of the performance targets against the volume levels of each sewerage service provider

which identifies the poor performance achieved by the water companies in meeting their own voluntary targets for housing. Water UK, the industry body for water, publishes performance information each quarter against the developer targets. The first three quarters of reporting by water companies have confirmed some worrying outturns for housing:

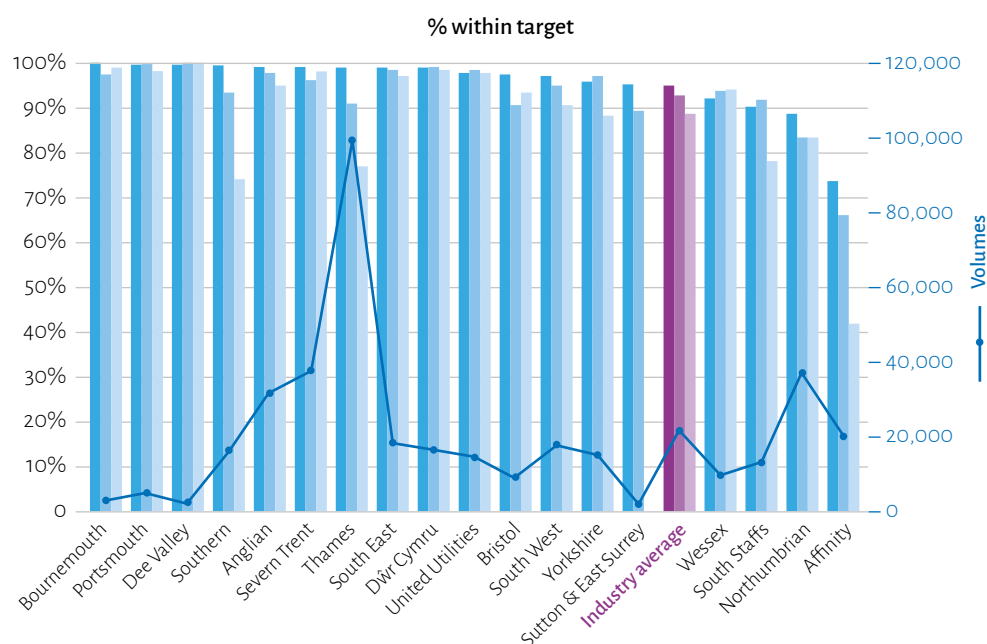
**Developer Services levels of service performance – percentage within target and activity levels
sewerage supply**

■ Quarter 3 (October – December) ■ Quarter 2 (July – September) ■ Quarter 1 (April – June) 2015/2016



**Developer Services levels of service performance – percentage within target and activity levels
water supply**

■ Quarter 3 (October – December) ■ Quarter 2 (July – September) ■ Quarter 1 (April – June) 2015/2016



Housebuilders Failed by the Water Companies

Since the lower performers are mostly in higher impact growth areas, the assumption could be that the water industry is overwhelmed by the more recent upwards trend in housing. Unfortunately, that is not substantiated and there is underperformance against low volumes. For would-be new home occupiers in the South East, the sewerage position is compounded by performance of water connections. Of the water, rather than sewerage, connection performance, only Dee Valley, which operates in Wales and Cheshire, secured 100% of its connections time target, though it was closely followed by Dŵr Cymru at 99%. Like the sewerage connections, only one water company achieved its target. The company which has failed its performance targets most dramatically is Affinity Water. Affinity Water services critical growth areas. In the first quarter it failed its performance target by nearly 60%. Its average performance over the first three quarters of 2015 saw its performance fail by nearly 40%. Significantly poor performances were recorded in quarters of 2015 for Thames Water, Southern Water and South Staffordshire, all of which saw 20-25% failure rates in at least one quarter of 2015. This failure of the water industry to support the national needs for housebuilding is serious and may need more direct intervention.

Electricity Companies

The Electricity Regulator, Ofgem, has been active in continuing to address and drive electricity connections performance and it recognises that firmer action is now required. Ofgem does have more specific statutory powers than Ofwat which Ofwat have explained as follows:

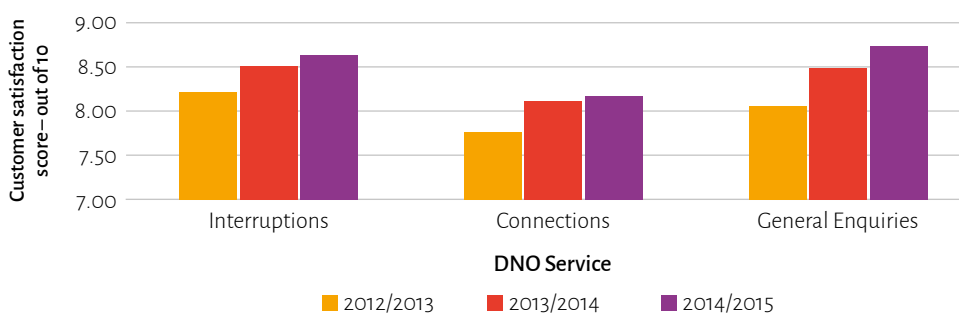
"The electricity sector has prescriptive statutory regulations and licence conditions setting out the minimum service levels for companies' developer services, with enforceable penalty payments where these are failed. In contrast, the Water Industry Act 1991 provides prescribed statutory timescales for only a small number of the developer services water companies provide."

[Ofwat, 2015]

Back in 2011, research by the British Property Federation reported that nearly two-thirds of developers had problems with connections to the electricity network. In their 2015 review of performance, Ofgem noted some improvement in customer satisfaction levels for connections. That said, while connections satisfaction has improved between 2012 and 2015, connections still have the poorest customer satisfaction level of the three main areas of activity.

Customer Satisfaction Score for types of connections

(Source: Ofgem, 2015)



Ofgem concluded in 2015 that they need to focus on increased competition and increased financial penalties to drive better performance in connections. Larger housebuilders use specialist firms to manage the electricity relationships and this may in part account for the better relationships which are generally reported.

Utilities Provision Needs to Support National Housing Growth

Connections of utilities to construction companies building homes is not simply an individual business-to-business conversation. Housing is a national priority and the failure to build at speed can adversely impact on national and local growth and wellbeing. The work which is undertaken under the National Planning Policy Framework (NPPF) provides a framework, which did not hitherto exist, to project and plan for new utilities requirements across the country in detail. If there is not capacity for a regulated utility to plan for and meet new projected demand in a timely fashion then this should drive conversations about additional competition to meet demand. Going forward, approaches to the better provision of utilities required to meet housing growth in a timely and planned manner could be based around two principles: (i) infrastructure dependencies mapping and (ii) direct intervention to force improved performance.

Infrastructure Dependencies Mapping

The starting point for driving better utilities performance could be Infrastructure Dependencies Mapping at a local and area level. This could be undertaken by Councils and Local Enterprise Partnerships working together. Local Enterprise Partnerships work across an economic area and may be well placed to collect information on intended build out rates of homes by area and these could be cross referred to utility operational areas. This approach would provide a firmer basis on which to understand and negotiate the better provision of utilities within an area other than on an individual business-to-business basis. This would also better ensure that the utilities companies are planning for the increased activity which is needed in order for them to fulfil this regulated connections role.

Intervention Powers

Just as the Secretary of State can make determinations in relation to other planning and land matters, there may be a case for additional reserve powers to be held by the Secretary of State for Communities (DCLG) whereby a utility company can be required to bring forward utilities to a site within a specified time period and to make costs allocations orders against utilities providers who are failing to meet targets to support housebuilding. This could sit alternatively with the Secretary of State for Business (DBIS).

Statutory Powers

There is a case for providing the same legal framework for water as there already exists for electricity. Given that there are so few utilities providers for water and electricity, there may be a case for a single utility regulator to drive more collaborative and planned local utilities provision and higher standards across all regulated entities. Financial penalties, attaching conditions to licences to operate and, ultimately, withdrawing licences are the structural responses which are already available for a regulated utilities which, practically, cannot be subject to the usual anti-monopoly responses of introducing market competition. Given the importance of housing to national growth, where utilities providers fail to plan and support required national infrastructure these available regulatory responses ought to be considered.

Recommendations to Improve the Timely Provision of Utilities Required for Housing Growth

Recommendations to improve the timely provision of utilities required to meet housing growth are based around two principles:

- **infrastructure dependencies mapping**
- **direct intervention by the regulator and by the Secretary of State to force improved performance**

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Infrastructure Dependencies Mapping at a local and area level could be undertaken by Councils and Local Enterprise Partnerships working together. This approach would provide a firmer basis on which to understand and negotiate the better provision of utilities within an area other than on an individual business-to-business basis. This would also better ensure that the utilities companies are planning for the increased activity which is needed in order for them to fulfil this regulated connections role.

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New Secretary of State Utilities Directions Powers

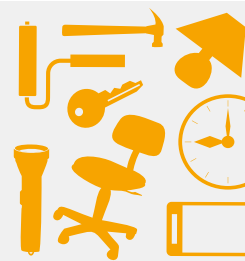
Where council leaders are finding that particular utilities companies are holding back housing delivery then they can apply to the Secretary of State to start a process to meet with the utility and the council/operating area representatives and consider Utility Direction Powers. Utility Direction Powers would allow the Secretary of State for Communities to serve a direction order, including as to costs, where utilities are causing a detrimental impact on housing, growth and community wellbeing.

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Single Utility Provider and Stronger Implementation

There is a case for providing the same legal framework for water as there already exists for electricity. Given that there are so few utilities providers for water and electricity, there is a strong case for a single utility regulator to drive more collaborative and planned local utilities provision and higher standards across all regulated entities. Financial penalties, attaching conditions to licences to operate and, ultimately, withdrawing licences are the structural responses which are already available for a regulated utilities which, practically, cannot be subject to the usual anti-monopoly responses of introducing market competition. Given the importance of housing to national growth, where utilities providers fail to plan and support required national infrastructure these available regulatory responses ought to be considered.

Part Three: Let's Build – Accelerating Build Out Rates



Let's Build

In addition to improved housing completions, there are around 500,000 permissioned sites to build out, a very healthy stock number of housing opportunity. Last year planning permissions issued exceeded 360,000 which is the highest level since the recession and credit crunch. The uplift in housebuilding and in permissions together suggest that from a land supply and permissioning perspective the expressed ambition for a million homes, over 200,000 a year, is achievable and feasible and that planning and land access reforms are unlocking housing opportunity.

Monitoring Stock Levels

At an individual authority level, the stock of outstanding homes yet to be built can be difficult information to access. This was noted in the Elphicke-House Report:

"Visibility around local permissions: While the headline planning permissions picture is becoming positive, it proved difficult to have sufficient visibility of available data to compare and consider planning permissions at a local level, particularly in the context of councils' self-assessment on market need. Housing Delivery Enablers should be aware of the stock of land, progress on permissions and delivery, how many homes are being built and which sites are stalled or not started. Councils would benefit from making this visible to residents. However the Review found little evidence that this was happening. Making this information publically available would encourage better visibility and assessment of locally assessed housing need and locally driven housing delivery."

Real Build Out Rates

At both local and national level, it is easy to broadcast the outline plan for a large scale development of 5,000, 10,000 or even more homes. Behind the large headlines, the build out rates may be 25-30 years and the actual number of homes delivered on a large site may be as low as 50 homes a year, once building gets going. Perception of building rates on sites or in areas against actual completions can vary wildly.

Monitoring Build Out Rates

In practice there is action which can be taken to enable councils to set and drive faster delivery where their housing health and growth plans are dependent on faster market delivery. The starting point is monitoring the actual and intended build out rates by authority and for larger sites. Information can be built up on in the following areas:



How Could Build Out Rate Be Approached?

It is received wisdom that a long build out rate on a site is the preferred model for all housebuilders and that the rate of build for an area is somehow set and certain. This defies evidence where areas are perfectly capable of absorbing differential rates and where local housing markets do not slavishly follow a national trend. The received wisdom on speed of delivery on one site in the hands of one developer or the whims of one investor does not reflect the actual market opportunity for homes or the capacity that there would be for other market participants to build, finance and deliver homes in that area more quickly. Given the importance of housing to growth and wellbeing, the housing supply for any particular area should not be limited simply by a housebuilder's balance sheet or the desired capital returns of investors. The drivers for housing delivery and build out rates should be the housing requirement to support wellbeing and growth not that of an individual company. Greater understanding of the drivers to building more homes and securing greater resilience and absorption capacity can lead to better

utilisation of land which has been already identified for building out. The challenge of build out speed was well explored and articulated in the Barker Report more than a decade ago, making recommendations that were not implemented. It may be that now it is time for a renewed focus on this important area.

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Practical Drivers to Increase Build Out Rates

There are tools in the toolbox to assess and contractually condition build out rates. These tools are already available to Councils to drive housing delivery. In the planning system Councils could place a condition on planning consent based on a minimum level of build out of homes as part of their planning negotiations. Key to this is understanding and not limiting the capacity of the local market to increase and absorb housing activity:



Pricing in Faster Build Rates

Public Sector loans, other financial support or waivers on planning conditions could be made conditional on faster agreed build out rates or provided on a reduced interest rate to reflect higher performance. This should be encouraged where it will result in accelerated build out of sites, particularly larger strategic sites.

Housing Money to Support Housing

Consideration could also be given to allow amendments to the planning guidance and council finance in order to allow greater flexibility in setting expectations for build out rates and utilisation of CIL and the full range of housing related receipts in order to finance the faster delivery of affordable housing, including starter homes and to encourage competition and new entrants for skills, methods of construction and finance. Councils have billions of pounds of access to public finance, reserves from private sector contributions, receipts from disposal and much else besides. In the planning and in the finance systems, there should be greater flexibility for housing money to be spent on housing, where it is needed and where it can accelerate housing delivery.

Major Infrastructure Dependencies Mapping and Prioritising Schemes Closest to Market

It is usual practice for some larger sites to be planned and announced for delivery when such sites are dependent on major infrastructure such as road junctions, road upgrades, bridge strengthening or other such works which are not currently funded and for which the funding may not be agreed for some years. This can be damaging to housing delivery as the local community believe that thousands of homes will appear shortly, often strengthening opposition to other sites coming forward, and some such sites become only partially build out, not achieving their timely housing delivery potential. The build out profile and dependencies for major schemes such as road junctions, road upgrades, bridge strengthening or other such works which are not currently funded and for which the funding may not be agreed for some years. should be clearly articulated from the outset and captured by Councils and Local Enterprise Partnerships in Major Infrastructure Dependencies Mapping. Major Infrastructure Dependency projects should not be 'baked' into housing delivery assumptions until the dependencies are resolved and funding confirmed. A Major Infrastructure Dependencies Mapping approach could assist with decision making on the relative benefits of funding housing project (A) over housing project (B) at a point in time. This could ensure that funds are advanced which will have most impact in bringing forward housing most quickly; prioritising funding

and support for those projects which are closest to market. Businesses and public bodies should work together to improve collection, articulation and priority setting of major infrastructure dependencies which could delay or prevent housing being built, such as funding for new roads or transport upgrades which are not currently funded.

A review of Major Infrastructure Dependencies Mapping could assist with decision making on the relative benefit of funding housing projects on an area and national basis, so as to ensure that funds are advanced which will have most impact in bringing forward housing most quickly; prioritising funding and support for those projects which are closest to market.

Addressing Market Failure through Direct Intervention

Council Direction Orders on Stagnant Public Land: The Elphicke-House Report identified a negative impact on Councils where other public bodies are failing to sell or develop their available local land promptly. This is not Council's own land but land which is owned by other public bodies over which the Council has little control to bring forward. The Report noted:

"6.32. There appeared to be many reasons why organisations were holding onto land, rather than releasing it for housing development. In some cases, the body appeared to be unaware of the value of the land, or was unclear how to go about disposing of the land. In other cases, bodies were holding onto land in anticipation that land values would rise, so they would maximise the value of their asset. This approach fails to recognise that the value of land was not always monetary. To the wider community, including prospective renters, first time buyers, and people in priority need, there is a non-monetary value in land that is left vacant or disused. Similarly, this approach does not take account of the negative impact on the council and its prospective partners whose proposed development is hindered, or in some cases, thwarted, by such an approach."

6.33. Councils have relatively few levers to encourage such bodies to release disused or vacant land. Yet their plans for housing development can be significantly delayed, or thwarted, if land is not released.

Councils working to release land

There are cases of public sector, as well as private sector sites, being vacant for 10, 15, 20 or more years and still not being brought forward for building in a timely fashion. The work of the Government on the One Public Estate programme is welcome to focus attention on bringing forward such sites more quickly. This could reap greater dividends working alongside Councils and the LGA and others for the release of all public land, including helping Councils with the tools to understand the potential benefits of identifying and releasing their own land. In the work of the Housing & Finance Institute on the Housing Business Ready programme, there has been identification of fresh opportunities of Council's own land for development and land assembly opportunities. There are many opportunities for utilising Council's own land to create long term investment returns as well as to accelerate housebuilding.

Directions Powers for other public land

In addition to practical work to unlock housing delivery by Councils on their own land, there is a recommendation set out in the Elphicke-House Report for Direction Order powers by Councils to be able to move forward other public body sites where these sites are creating an adverse impact in an area's housing delivery potential.

Elphicke-House Report Recommendation: Government consults on proposals, ahead of legislation, to give councils a new direction power allowing them to dispose of larger sites in their area which are owned by other public bodies.

Step In to Build Out

Given the national importance of housing, consideration could be given to allowing new statutory powers for the Secretary of State for Communities and Local Government to 'Step In' to strategic sites which are not building out to the required housebuilding rate in order to directly commission other contractors. 'Step In' is a well-developed process and could be applied to commission housebuilding where the private sector has failed to deliver and the failure is sufficiently strategic for intervention to be reasonable and likely to result in a faster delivery of homes. Where there are areas of national strategic importance in which Government is investing key infrastructure to support housing and growth there may be a case for considering greater powers for direct interventions in sites by the Secretary of State for Communities through Step In Powers which would allow direct commissioning and/or break up of delayed strategic sites.



Recommendations for Councils , LEPS and Government action to Build More Homes, Faster

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Consideration could be given to allow amendments to the planning guidance and council finance in order to allow greater flexibility in setting expectations for build out rates and utilisation of CIL and the full range of housing related receipts in order to finance the faster delivery of affordable housing, including starter homes and to encourage competition and new entrants for skills, methods of construction and finance. Councils have billions of pounds of access to public finance, reserves from private sector contributions, receipts from disposal and much else besides. In the planning and in the finance systems, there should be greater flexibility for housing money to be spent on housing, where it is needed and where it can accelerate housing delivery.

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The build out profile and dependencies for major schemes such as road junctions, road upgrades, bridge strengthening or other such works which are not currently funded and for which the funding may not be agreed for some years, should be clearly articulated from the outset and captured by Councils and Local Enterprise Partnerships in Major Infrastructure Dependencies Mapping.

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Major Infrastructure Dependency projects should not be ‘baked’ into housing delivery assumptions until the dependencies are resolved and funding confirmed. A Major Infrastructure Dependencies Mapping approach could assist with decision making on the relative benefits of funding housing project (A) over housing project (B) at a point in time. This could ensure that funds are advanced which will have most impact in bringing forward housing most quickly; prioritising funding and support for those projects which are closest to market.

Stagnant Public Land Direction Power

Give Councils a new Direction Power allowing them give councils a new direction power allowing them to dispose of larger sites in their area which are owned by other public bodies which are causing blight on the community because they have not been built out over many years.

Secretary of State Step In to Build Out Powers

Where there are areas of national strategic importance in which Government is investing key infrastructure to support housing and growth there may be a case for considering greater powers for direct interventions in sites by the Secretary of State for Communities through Step In Powers which would allow direct commissioning and/or break up of delayed strategic sites.



Now it is time to turn that housing opportunity into action. Let's Build More Homes, Faster.



The Elphicke-House Report, UK Government 2015.

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About The Housing & Finance Institute

The Housing & Finance Institute works as an accelerator hub, to increase the speed and number of new homes financed, built and managed across all tenures.

- We support councils increase housing supply through new partnerships and finance models
- We support new and smaller businesses along with established businesses with an appetite to do more
- We develop skills, capacity and relationships
- We improve the understanding of development finance and risk
- We promote new business and finance models, techniques and methods for housing delivery
- We identify and promote development opportunities
- We assist with problem solving across local government, central government and businesses

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