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The RTPI PIPA Network Special Bulletin on the Government's Housing Strategy: 21st November 2011

The Government has today published its [Housing Strategy – Laying the Foundations](#).

The Strategy aims to set out a package of reforms to:

- get the housing market moving again
- lay the foundations for a more responsive, effective and stable housing market in the future
- support choice and quality for tenants
- improve environmental standards and design quality.

[The Prime Minister and Deputy Prime Minister said](#) the Strategy will break the current cycle in which lenders won't lend, builders can't build and buyers can't buy. [Addressing the CBI's Annual Conference in London](#), the Prime Minister said "When first-time buyers on a good salary cannot get a reasonable mortgage, the whole market grinds to a halt. And that ricochets around the economy, affecting builders, retailers, plumbers - all the people that depend on a housing market that is moving." [The CBI noted](#) that "The Prime Minister gave an upbeat speech, focused on how the Government intends to move up a gear on its growth strategy" and "also made clear that within one week, when the Chancellor makes his autumn statement, we would have a new strategy for infrastructure, which will aim to leverage private sector balance sheets to stimulate growth".

Amongst the new proposals in the Strategy of particular relevance to planning for housing are:

- The Strategy will "work with the grain of the market – encouraging lenders sensibly to give buying power to those willing and able to support home ownership, and allowing housebuilders to respond better to demand".
- A £400m Get Britain Building Investment Fund; [this programme will be managed by the Homes & Communities Agency \(HCA\)](#) and will aim to unlock up to 16,000 homes on stalled sites and boost the economy. Starting in July 2012 developers will compete for funding to take forward "shovel-ready" projects which meet the right criteria, among them a commitment to affordable homes.
- "More support for local areas that want to deliver larger scale new development to meet the needs of their growing communities – through locally planned large scale development – with a programme of support for places with the ambition to support new housing development on various scales". The Strategy suggests that these developments could take advantage of "streamlined and collaborative planning".
- A consultation on a proposal to allow reconsideration of those planning obligations agreed prior to April 2010 where development is stalled.
- "High quality homes in high quality natural environments will support our plans for growth and are necessary for social, environmental and economic sustainability" and "hosting a Ministerial-led design summit to scope a cross-sector package of design support" – a section of the report is dedicated to 'quality, sustainability & design'.
- An additional £50m allocated, on top of the £100m already confirmed, to [tackle the worst concentrations of empty homes](#), bringing vacant properties back into use.
- Supporting and encouraging more individuals to build their own homes through a Custom Homes programme, including making available up to a £30m new fund to support provision of short-term project finance.
- A mortgage indemnity scheme, in which Government will underwrite part of the risk, could help up to 100,000 people. [The House Builders Federation said](#) the lack of mortgage availability since 2007 had been "the biggest constraint" on new homes and the indemnity scheme would help to address this.
- A commitment that for every home bought under the "reinvigorated" Right to Buy scheme, a new affordable home will be built.
- The Government will launch [an independent review into investment in the private rented sector](#) as it seeks to spark institutional investment.

[The Town and Country Planning Association](#) (TCPA) welcomed the Government's "recognition in the Housing Strategy for the powerful opportunity and benefits that large scale, comprehensively planned new communities, such as garden cities, offer in helping to tackle the housing and employment crisis".

[The National Housing Federation](#) (NHF) welcomed the "recognition that housing is key to kick-starting economy but warns plans to build more homes don't go far enough".

[The Local Government Association](#) (LGA) commented: ""Councils are trusted by local people to ensure that housing meets the needs which they highlighted in their local plans. Councils make a real difference to those needing social housing and help avoid the costs to society caused by insufficient and poor quality housing."

[The Campaign to Protect Rural England](#) (CPRE) commented: "We welcome today's announcement, which acknowledges that it is not the planning system that has been constraining house building, but a lack of finance. Now that the Government has recognised this fact, we hope it will feed into the review of their proposed planning reforms".

[IPPR](#) – that has been conducting a review of housing policy expressed the view that "The Government's housing strategy is offering a lot to big builders while asking for too little in return".

[Inside Housing](#) reported the new strategy with the headline "Cameron unveils 'radical' plan to revitalise housing".

[Planning](#) ran with "Ministers to ease planning rules for new wave of large-scale schemes".

[The Independent](#) headline was that "The Government is set to underwrite mortgages for first-time buyers as part of efforts to "unstuck" the housing market".

[The Guardian](#) report opened with: "David Cameron and Nick Clegg have announced the introduction of taxpayer-backed 95% [mortgages](#) as part of a package of measures to help "unstuck" the housing market and make the "dream of home ownership" a reality for more people."

[The Telegraph](#) in a comment column suggested that "Falling house prices, not rising Government intervention, are first time buyers' best hope".

[Building](#) (*subscriber content*) says that "Twenty-seven builders, including listed players, back 95% mortgages".

[The Chris Brown Blog](#) on Regeneration Development suggests that "overall the 'strategy' fails to set out a coherent and credible analysis of the problems or to link the various initiatives together in a mutually reinforcing (strategic) way".

[The Live Planning Blog](#) covered a wide range of immediate reactions including "A war of words over housing ...between Labour and the Conservatives".

Prior to today's publication [the interim Chief Executive of the Chartered Institute of Housing had warned](#) that the Strategy might merely repeat previous announcements. [According to the Financial Times](#) the Prime Minister was "poised to announce a sharp rise in the number of brownfield sites owned by Whitehall departments, paving the way for a surge in homebuilding, as the Government looks for ways to kick-start the economy". [According to the Daily Telegraph](#) the Government was set to hand a boost to first-time buyers by stepping in and 'underwriting mortgages' allowing aspiring homeowners to take out lower deposits. [A Guardian Leader noted](#): "This financial crisis began with housing, and any hope of its ending must lie with housing".

LOCAL AUTHORITIES' ROLE IN HOUSING SUPPLY

The Building & Social Housing Foundation (BSHF) has publishing findings from a significant analysis of the shortage of housing supply in the UK. [Local Authorities' Role in Housing Supply](#) is a briefing paper, which explains the vital role that local authorities have in addressing housing supply in their areas. The key recommendation of the briefing is that local authorities should take a leading, pro-active role in housing development in their area. Taking a leading role includes:

- Engaging in land assembly, parcelling out land to different providers
- Developing new settlements in partnership with private enterprise
- Supporting community-scale models of development
- Having a clearer understanding of long-term housing need

We welcome comment or any Bulletin items for inclusion to pipa@rtpi.org.uk

Andrew

If at any time you wish to stop receiving the Bulletin just email me via pipa@rtpi.org.uk

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