

CROSS-CUTTING REVIEW INTO SUPPORTING HOUSING GROWTH

Wider policy context

1. The Government's response to Kate Barker's Review of Housing Supply, published alongside the 2005 Pre-Budget Report, set out how improving affordability for future generations of homebuyers required housing supply to become much more responsive to demand. It set out a comprehensive package of proposals, including this policy review, to help deliver investment in the infrastructure necessary to support housing growth, and to reform the mechanisms, particularly planning, by which new housing and infrastructure are delivered.

Scope of the review

2. Flourishing communities are not created by new housing alone. Increased demand for housing, especially in the areas most affected, comes with the need to provide public services, such as schools, health centres, waste disposal, public transport, green space and policing. There is likely to be increasing water and energy demand, while flood defence and transport infrastructure may well be needed. In addition, wider policy objectives require that a proportion of overall housing growth be in the form of affordable housing.
3. To address these issues, the Government's Response to the Barker Review established a cross-cutting review into supporting housing growth, as part of CSR07, with the following terms of reference:

"To ensure that appropriate infrastructure will be provided to support housing and population growth, the Government is today announcing, to inform the 2007 Comprehensive Spending Review, a cross-cutting review into supporting housing growth to:

- *determine the social, transport and environmental infrastructure implications of housing growth in different spatial forms and locations;*
 - *establish a framework for sustainable and cost-effective patterns of growth, including by examining the use of targeted investment through the Community Infrastructure Fund and Growth Areas funding to support the fastest-growing areas; and*
 - *ensure that departmental resources across government are targeted appropriately for providing the national, regional and local infrastructure necessary to support future housing and population growth."* (PBR paragraph 3.115)
4. The review will report to Treasury Ministers ahead of the 2007 Comprehensive Spending Review. It will engage over the coming months with a wide range of

stakeholders within government and externally as part of a comprehensive process of evidence and information gathering.

Key questions for the review

5. The review team is keen to draw on the wealth of knowledge and experience accumulated by those involved in housing and infrastructure planning and delivery. We would particularly welcome input on the following five key questions for the review:
 - i. What infrastructure is necessary to support sustainable housing growth and how much is this infrastructure likely to cost?
 - ii. What are the key variables affecting the need for and cost of infrastructure to support sustainable housing growth, including demand management?
 - iii. How can we improve the way Government Departments currently plan for and deliver the infrastructure necessary to support sustainable housing growth?
 - iv. What capacity is there in terms of land and infrastructure availability in areas of potential future housing growth?
 - v. What are the most effective and timely mechanisms to deliver housing related infrastructure on the ground? We would welcome views on experiences of the Growth Areas and Community Infrastructure Fund, the appropriate strategic roles of English Partnerships, the RDAs and local authorities, and the appropriate role and scope of developer contributions through planning obligations, including under the proposed Planning-gain Supplement.
6. The review is not seeking to determine the detailed spatial distribution or location of housing growth. This is of course an issue for the planning system.
7. To be most effective in informing the evidence gathering stage of the review, we would appreciate responses on these issues by the end of July.

Review team contacts

8. The team is based at HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ.