

## **North West Regional Assembly Response to Barker Review of Housing Supply – July 2003**

In undertaking the review the Government must be aware of the diversity of housing markets both between the regions and also within regions. As a consequence any policy responses by Government and others at a national and regional level must avoid a “one size fits all” approach. A policy approach to solve housing issues in the South East may not necessarily be the best solution for the North West.

Whilst it is recognised that the remit of the Barker Review does not cover issues of low demand or wider issues of regional policy, it must be recognised that these issues do have a close inter-relationship with the operation of the housing market. In this respect the North West Regional Assembly would draw your attention to the points raised in the recent joint letter from the 3 Northern Regional Assemblies to the Deputy Prime Minister in response to the Communities Plan (see appendix 1).

In the North West issues of low and changing demand in housing markets and providing affordable housing to meet balanced communities are pertinent issues. To this extent they have been recognised as key priorities in the North West Regional Housing Strategy 2003<sup>1</sup>, which the Assembly has helped to prepare. In drafting this strategy, the Regional Housing Board have taken account of the policy approaches set out in Regional Planning Guidance<sup>2</sup> and the Regional Economic Strategy<sup>3</sup>. Underpinning the North West Regional Housing Strategy has been the statistical information contained within 2 studies<sup>4</sup> undertaken by CURS at University of Birmingham on behalf of the North West Housing Forum and other regional stakeholders.

The rest of this paper sets out a detailed response to the specific issues and questions raised in the 4<sup>th</sup> July letter from the Barker Review.

### **Issue 1 – Land Constraints & Issue 3 – Policy Environment**

In the North West, the final housing provision figures (12,790 pa), set out in Regional Planning Guidance (RPG13) was lower than the figures proposed in draft RPG<sup>5</sup> or recommended by the RPG Public Examination Panel Report<sup>6</sup> (15,940 pa for 1996 to 2011 and 12,360 pa for 2011 to 2016). These figures were much lower than past trends in the North West - either planned through previous versions of RPG13<sup>7</sup> (19,260 pa) or actually built between 1986 and 1996 (21,788 pa).<sup>8</sup> At the time of the RPG Public Examination, the North West Regional Assembly had already identified a large amount of housing commitments already in the supply ‘pipeline’ (planning

---

<sup>1</sup> “North West Regional Housing Strategy 2003”, North West Regional Housing Board, 2003.

<sup>2</sup> “RPG13 – Regional Planning Guidance for the North West”, Government Office for the North West, March 2003

<sup>3</sup> “Regional Economic Strategy 2003”, North West Development Agency, 2003.

<sup>4</sup> “Changing Housing Markets and Urban Regeneration in the M62 Corridor”, Centre for Urban & Regional Studies (CURS), University of Birmingham, February 2001 and “Changing Housing Markets in Cheshire, Cumbria and Lancashire”, Centre for Urban & Regional Studies (CURS), University of Birmingham, July 2003.

<sup>5</sup> “People Places & Prosperity – Draft Regional Planning Guidance for the North West”, North West Regional Assembly, July 2003.

<sup>6</sup> Draft Regional Planning Guidance for the North West – Public Examination – Report of the Panel”, Government Office for the North West, July 2001.

<sup>7</sup> “RPG13 – Regional Planning Guidance for the North West”, Government Office for the North West / Government Office for Merseyside, 1996.

<sup>8</sup> Appendix 7 of “Review of Regional Planning Guidance for the North West – Public Examination Background Paper 1: Housing”, North West Regional Assembly, 2001.

permissions plus brownfield development plan allocations). In addition every North West Local authority had undertaken an Urban Potential Study, which identified a large potential supply of land available for housing development in the region between 1997 and 2021, (339,753 potential dwellings, of 71% of which was on brownfield sites)<sup>9</sup>.

As a consequence in many parts of the region, there is not a shortfall in the supply of land for housing in order to meet the RPG housing provision figures, and in some locations there is a severe oversupply. This has led to many districts introducing various policy initiatives (as part of the “Plan, Monitor & Manage” approach), in order to ensure they do not excessively exceed the RPG housing provision figures and support the successful implementation of the spatial development framework of RPG13 and the emerging prospectuses of the 4 Housing Market Renewal Pathfinders in the North West. Such approaches include Supplementary Planning Guidance imposing moratoriums on new housing planning permissions apart from in certain exceptional circumstances (eg in Sefton, West Lancashire, Chorley).

There is also anecdotal evidence that PPG3 encouragement for higher densities of housing development and the reuse of previously developed land and buildings coupled with recent rises in housing land and property values has led to increasing pressures in some districts:

- Loss of high quality large single houses in suburban locations due to clearance and redevelopment for smaller houses / flats / apartments (eg in parts of Bolton, Stockport, Trafford and Sefton); and
- Loss of good quality existing employment land and buildings (and relocation of associated jobs) as businesses relocate (including outside the region) and sites are redeveloped for housing (eg in parts of Bolton and Fylde).

As a result a number of local authorities are developing planning policy approaches in order to safeguard stock and character of high quality housing areas and the supply of existing good quality employment land and premises.

## Issue 2 – Industry Constraints

Skills shortages in construction and related trades, or in regeneration, housing management or neighbourhood renewal professionals are evident in the North West, as in other parts of the country. Given the scale of interventions envisaged in the next few years by the North West Regional Housing Strategy<sup>10</sup>, demand for people with the right skills are likely to continue to expand, offering both an opportunity to help spread the direct economic benefits of investment into the community and a threat to the North West’s ambitions if the skillbase is unable to rise to the challenge.

Therefore the Assembly fully supports the North West Regional Housing Board’s commitment to assist the North West Development Agency and its partners in their work to ensure the availability of sufficient skilled personnel to deliver the physical works relating to housing and urban regeneration investment by both public and private sectors in the North West. In this respect the Government and other partners should be ensuring that sufficient resources are made available for:

- improving the skillbase; and
- promoting the career opportunities in the construction and related trades, or in regeneration, housing management or neighbourhood renewal professions.

---

<sup>9</sup> Table 10 of “Review of Regional Planning Guidance for the North West – Public Examination Background Paper 1: Housing”, North West Regional Assembly, 2001.

<sup>10</sup> “North West Regional Housing Strategy 2003”, North West Regional Housing Board, 2003.

## Issue 4 – Social Housing and the Rental Sector

Regional Planning Guidance for the North West (RPG13)<sup>11</sup> recognised that the issue of affordable housing provision in parts of the North West is critical. This has been endorsed by the North West Regional Housing Strategy<sup>12</sup> and the recent findings of the CURS study<sup>13</sup>.

The Assembly would draw the Barker Review's attention to the twin aspects of affordability in the North West – high demand urban areas and rural affordability.

Vibrant economies in urban areas such as Trafford, Stockport or north Sefton are driving up demand for housing, leading to increasing concerns about housing affordability. Their attractiveness as places to live has meant that house prices have been driven higher. The contrasts between these sections of the housing market and lower demand, lower cost areas relatively short distances away are acute. Progress toward an urban renaissance in the housing market renewal pathfinder areas and elsewhere is vital in achieving a long term solution to the pressures these areas face. It is essential that government support policy solutions and other initiatives to be developed and implemented which reflect housing market areas, which cross local authority boundaries. However, government also needs to address the immediate issues of social exclusion apparent in high demands urban areas, where (as in rural areas) high levels of Right to Buy Sales are restricting access to social rented housing and high land values make affordable development difficult to achieve.

Rural communities (including many market towns) face a range of challenges including the push to diversify local economies away from their traditional dependence upon agriculture and tourism. Particularly in more scenic areas or those accessible to urban centres, rural housing markets are under pressure from long distance migration, often at retirement, or from demand for second and holiday homes, with property values being driven up by higher income households from outside the local economy, the lower income levels common to most rural areas make owner occupation a distant prospect for many local households (especially newly forming households). Homelessness is an increasing concern. The existing affordable housing stock becomes a vital resource for local people seeking to remain within their own communities, but is often subject to high levels of Right to Buy sales. The scarcity and expense of development sites contributes to new affordable housing provision failing to keep up with the losses of social rented stock.

The outcome is a position, which can threaten the viability for rural services and the economy more generally (including Regional Economic Strategy<sup>14</sup> key business growth sector of tourism), as the labour force finds itself priced out of the local housing market. Unsustainable long distance commuting of low paid workers in the health, social care and tourism sectors into the Lake District National Park (for example) from West Cumbria is just one manifestation of this issue. The Assembly supports the work of the Cumbria Strategic Partnership with the North West Development Agency and other partners to investigate, in different types of localities, the links between affordable housing and the local economy, barriers preventing effective action and potential models for overcoming these barriers.

---

<sup>11</sup> "RPG13 – Regional Planning Guidance for the North West", Government Office for the North West, March 2003

<sup>12</sup> "North West Regional Housing Strategy 2003", North West Regional Housing Board, 2003.

<sup>13</sup> "Changing Housing Markets in Cheshire, Cumbria and Lancashire", Centre for Urban & Regional Studies (CURS), University of Birmingham, July 2003.

<sup>14</sup> "Regional Economic Strategy 2003", North West Development Agency, 2003.

In the recent deposit version of the Cumbria & Lake District Joint Structure Plan a specific policy was put forward for the allocation of sites within the Lake District National Park for social housing. This is in addition to the policy dealing with exceptions sites for affordable housing. The Assembly supports this policy approach and would commend it to the Barker Review.

In addition the Assembly would like to draw the Barker Review's attention to some recommendations contained in paper prepared by officers from the Friends of the Lake District and the regional office of the Countryside Agency, which was recently considered by the North West Rural Affairs Forum Steering Group in June 2003.

- In many cases the delivery of affordable housing is dependant upon obtaining land / buildings at a reduced market value. To foster the release of such assets, landowners who provide land or property for the provision of affordable rural housing could be exempt for capital gains tax, or encouraged through other potential fiscal incentives.
- It is important that the best use is made of the remaining local authority stock within rural areas (including post RSL transfer). The resale covenant contained within section 157 of the Housing act 1985 should therefore be amended to cover all defined rural areas (not just National Parks and AONB's) and allow local housing authorities discretion to alter the County-wide 'local connection' to tie it in with definitions of local needs contained within Local Development Frameworks etc.
- Raise awareness of the Rural Housing Enabler (RHE) initiative as an example of best practice in identifying need and assisting in the delivery of affordable housing. At present coverage is patchy with excellent work being undertaken in Cumbria, whilst in other areas there has been little or no activity. With the Housing Corporations RHE funding due to end in 2003-04 and the Countryside Agency's current funding tapering from 50% to 30% after the first 3 years there is a need to look at a way that the RHE are funded in the future to ensure new and existing projects can get and remain established and secure good quality project officers.
- Government should review current Grant rates governed by TCI (Total Cost Indicator). TCI Grant levels are currently based upon average construction costs per unit across District Council administrative areas. 'Rural' and 'National Park' multipliers are insufficient for meeting the high construction costs associated with providing high quality, small housing schemes (including conversions) in areas like National Parks and AONB's. The multipliers for grant rates within high demand / price areas also need to increase to enable the purchase of existing properties. This could be effective for providing housing for key workers in the public sector and other essential employment within rural communities according to specific needs. This may include giving local housing authorities discretion in setting grants rates for specific developments to provide the best use of funds for maximum benefit.

## **Appendix 1 - Joint Northern Assemblies Response To The Communities Plan**

1 July 2003

Rt Hon J Prescott MP  
Office of the Deputy Prime Minister  
7<sup>th</sup> Floor, Eland House  
Bressenden Place  
LONDON  
SW1E 5DU

Dear Mr Prescott

### JOINT NORTHERN ASSEMBLIES RESPONSE TO THE COMMUNITIES PLAN

We are writing on behalf of the three Regional Assemblies covering the North of England (North East Assembly, North West Regional Assembly, Yorkshire and Humber Assembly) in response to the proposals outlined in the recent Communities Plan, *Sustainable Communities, Building for the Future*. In addition to responding individually, we are taking this joint approach because there are some key issues underpinning the Communities Plan which affect us equally and are politically relevant in a Northern context.

We welcome the long-term coordinated approach and associated funding to build and renew sustainable communities, in particular, the move towards a more regional approach to housing policy and the recognition that one national policy does not 'fit all'. We hope that continued commitment will be made to creating the right economic conditions for sustainable communities through flexible economic development policies and through regeneration programmes such as Neighbourhood Renewal and New Deal for Communities. Across the North, we look forward to receiving the necessary resources to make the real improvements needed in communities from the £500m market renewal fund allocated to Low Demand Pathfinders and to further announcements of support to tackle low demand outside the existing pathfinder areas.

However, there is real concern about the significant level of government investment proposed in the Plan for increasing the supply of housing in the Thames Gateway and other 'growth areas' in the South East. There is also concern about requirements for public investment in infrastructure (noticeably road and rail) in these 'growth areas'. We believe that this will contribute to the overheating economy in the South East, to the detriment of other regional economies, particularly in the North,