

# Housing Review: Headlines

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Housing Board 2 July 2020

**Sheffield**  
**City Region**

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# BACKGROUND AND SCOPE

- Housing has always been important to our growth agenda
  - SEP housing “targets” and SCR Housing Fund experience
- Commitments in Mayoral Manifesto
  - urgent review, bespoke housing deal, cooperative schemes
- But housing is contested, politically sensitive and complex
- Need for a fresh look with a wide ranging review:
  - understand the broader role of housing in meeting ambitions (SEP)
  - use external support and provocation (Respublica)
  - test ideas and propositions (advisory panel)

# PART 1: EVIDENCE BASED APPROACH

- Local housings markets are broadly well balanced, but .....
- Affordability & quality is still a barrier to many
  - lowest 20% of h/holds need 9 years to save for a deposit of £15k
  - families pushed into PRS, much of which is poor quality
- Social mobility is being restricted
  - polarisation and spatial segregation (inner and outer, east to west)
  - correlate with low skills, poorer attainment and schools, ill-health
- Economic performance is being compromised
  - failure to attract young professionals
  - lack of density in city and other urban centres
  - lower agglomeration benefits and more traditional TTW patterns

# RESPONDING TO COVID-19

- Some households will be even more at risk
  - tenants in insecure jobs in PRS, home-owners made workless?
- Some regions and sectors will see more severe economic contractions
  - Housebuilding and construction?
  - South Yorkshire?
- Risk of “Urban Flight” to suburbs and demand for “traditional homes”
- But there are also some big opportunities
  - a new political settlement
  - a “Homes Fit for Heroes” programme to kick start economies
  - re-thinking city and town centres
  - greater value placed on public space and high quality design

## PART 2: MOVING FORWARD

- Review defines six separate “propositions” all underpinned by a single message on housing devolution
- The case for devolved housing funds
  - we struggle to attract private investment on many sites
  - local housing markets can’t compete with SE or East in making a case for many national funds (eg HIF, Home Building Fund)
  - city-region and local political priorities are not being met
- The “ask” of Government
  - a “devolved delivery agreement” for housing to 2025
  - agreement on an allocation of HE housing (and infra) funds
  - a SY wide strategy to ensure outcomes are delivered

# PROPOSITION 1 – DENSIFYING URBAN AREAS

- Urban living is a cause and a driver of economic growth
- Urban areas need the centrifugal pull to attract more people, business and investment
- Already a concern of Local Plans but needs accelerating by:
  - re-purposing of space in urban areas for residential
  - a corresponding “urbanisation” of employment nodes (eg AMID)
  - planning conditions and covenants to promote build to rent
  - attracting much more mixed communities of age and income

*This aligns well with Sheffield's Inner Urban Strategy, all 4 Local Plans and SCR Place Packages, not seen as controversial*

# PROPOSITION 2 - HOUSING INVESTMENT FUND

- Focus of a Housing Deal with Government
- Create a “Housing Bond” by utilising Public Sector ability to borrow at low rates alongside devolved funding. This would:
  - increase public debt but not add to the deficit
  - create a ‘Buyer of first resort’ to build homes at scale and speed (focus in urban areas or on difficult sites)
  - provide new affordable rent to own options, with up to 30% gain over ten years to be used for social ends
  - Utilise Housing Associations’ expertise in letting and management
  - Expand SME developers & increase range of construction companies
  - Link economic growth, housing and social return more explicitly.

*This is more controversial as “the devil is in the detail!”*

# PROPOSITION 3 - PRIVATE RENTAL SCHEMES

- Private rented licensing scheme
  - City region wide and compulsory
  - Support, educate and raise levels of professionalism
  - Draw on lessons from France, Germany and Scotland
- Rent Control for a time limited period
  - draw on experience from Germany and asks for London
  - safeguard tenants and increase security
  - carrots like grants as well as sticks

*Rent controls are politically contested and Housing Directors prefer targeted licensing to tackle the “problem” landlords*



# PROPOSITION 4 - DESIGN & "THE RIGHT TO BEAUTY"

- Value of good design is hard to monetise and often gets missed
- Design elements of a scheme can be expensive and many local authorities have lost capacity/expertise
- This proposition would see several measures:
  - engaging local communities through public forums
  - design competitions and refreshed resi design guide
  - a municipal architect or team to enhance capacity
  - push to align VAT on housing renovation

*Broadly supported, especially needed in a town centre or brownfield context, but also needs to include master-planning*

# PROPOSITION 5 - SPATIAL PLANNING

- An SCR wide plan setting out of the roles of different places
- More than an amalgamation of Local Plans, focusing on:
  - connecting key employment & housing sites across LA areas
  - growth hubs, with a polycentric model of mixed urban development
  - making the case for investment in transport and infrastructure
  - urbanising business parks with housing and amenities
  - gaining land value uplift along transport corridors

*This links to the non statutory spatial plan in current SCR devolution scheme and may provide a focus for that*

# PROPOSITION 6 – NET ZERO HOMES AND RENEWAL

- Inequality and housing quality are closely linked
- Net zero commitments must drive plans for existing stock
- Use (new) MCA and (existing) local authority powers to:
  - seek a “Green Deal” with Government for existing housing stock
  - attract external funding for public-private finance initiatives
  - implement area based approach as part of Estate Regeneration National Strategy
  - mix refurbishment with new build through MMC to increase energy efficiency build standards

*This responds to feedback from the panel and is less worked up than other propositions*

# DISCUSSION AND NEXT STEPS

- What are our immediate responses?
- Where are likely areas of common ground or controversy?
  - links to existing projects
  - complementary roles between MCA and LAs
  - conflicts between competing interests
- How do we create a constructive discussion more widely?
  - a “programme of advocacy”
  - who and when
- How do we build some common ground on work to date and agree next steps?