

HOUSING AND INFRASTRUCTURE BOARD

22nd October 2020

SCR HOUSING REVIEW: RESPONSE AND NEXT STEPS

Purpose

This report sets out a proposed response to the recently completed Housing Review, as well as several next steps, for discussion and endorsement by the Board.

Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

Secure investment in infrastructure where it will do most to support growth

Freedom of Information

The paper will be available under the Combined Authority Publication Scheme

Recommendations

Board members are asked to:

1. discuss the proposed response to the Housing Review report and next steps, suggesting any amendments.
2. recommend the proposed responses, as amended, to the MCA, requesting that the Mayor and Leaders meet to consider the implications of these responses, prior to seeking approval by the MCA.

1. Introduction

- 1.1** The Sheffield City Region (SCR) Housing Review was completed by ResPublica in June 2020, and the results of this work were discussed both at the SCR Housing Board at its meeting in July and with individual local authorities.
- 1.2** Purposefully provocative, the Review identifies a number of strategic issues in SCR and a series of six “propositions” for addressing these. It also sets out a broader case for further devolution of funding to better target public investment to meet local needs and opportunities as part of the wider response to Covid-19. A copy of the consultant’s Phase 2 report and recommendations is attached at Annex 1.
- 1.3** This report sets out proposed responses to the consultant’s recommendations, which have been developed in liaison with the four local authority Housing Directors. The

Board's views are invited on these proposals for recommendation to the Mayoral Combined Authority (MCA)

2. Proposal and justification

- 2.1** Overall, the MCA should be ambitious in responding to the Housing Review whilst remaining realistic; focusing on issues where the greatest benefits can be made in the shortest time. Local authorities in SCR share some common challenges as well as a common desire to address issues such as Future Homes Standards, flood risk and tackling uninspiring design.
- 2.2.** The Housing Review suggests how the MCA could help local authorities to gain more control over these issues as well as to deliver key housing schemes. As such, the proposed responses below concentrate on tangible measures that strategically can 'add value' to local activities around housing delivery and place making.

Responding to individual propositions

- 2.3 Proposition 1: Densifying Urban Areas:** This proposition focuses on the need to accelerate urbanisation by re-purposing space in urban areas for residential uses; "urbanising" employment nodes such as at the Advanced Manufacturing Innovation District; strengthening planning conditions and covenants to promote build to rent; and attracting much more mixed communities of age and income into our urban centres. In many ways these ideas are not controversial - the issues and arguments in the Housing Review align, for example, with Sheffield's Inner Urban Strategy as well as current Local Plans across the SCR. Urban densification is an ambition that all four local authorities are already committed to and is also emphasised in the SEP. However, much more can (and needs to) be done to encourage higher densities. As such, it is proposed that this principle should inform all our future work, particularly in terms of any next steps in the Housing Investment Fund (Proposition 2) and urban design (Proposition 6).
- 2.4 Proposition 2: Housing Investment Fund:** This proposition is one of the most ambitious in the Review and looks to create a "Housing Bond" by utilising the public sector ability to borrow alongside devolved funding. It could create a 'buyer of first resort' approach by the public sector to enable homes to be built at scale and speed, with a focus in urban areas or on difficult sites. It is proposed that these ideas be further developed to address issues like site viability; the infrastructure needed to bring forward "more challenging" sites; addressing flood risk; and reducing carbon emissions – which are suggested as more important considerations than a 'buyer of first resort.' Work is needed to help local authorities to deliver and extend their long-term placemaking role in some key parts of the City Region. There are also opportunities to support innovation or new approaches, such as scaling up council house building or acquiring and converting former commercial premises in City/town centres to support urban centre restructuring and regeneration.
- 2.5 Proposition 3: Private Rental Schemes:** This proposition explores the potential for a SCR wide landlord licensing scheme and the temporary imposition of rent controls to improve the quality and security of tenancies in the private rented sector. There are some challenging issues with private rented homes in many parts of the SCR. However, the effectiveness of introducing measures to address these at the SCR scale is considered questionable. Instead, a more targeted approach is likely to be more effective, with councils working locally or even on a neighbourhood scale to target poor landlords or intervene to exercise their legal powers in particular neighbourhoods. It is therefore proposed not to support this Proposition.

- 2.6 Proposition 4: Design and the Right to Beauty:** This proposition would see several measures introduced to raise the quality of design in new housing as well as in the conversion or renovation of existing buildings. These aims are strongly supported, especially in a town centre context over future years.
- There is a shortage of capacity and design expertise in public bodies within the SCR which would benefit from being addressed; eg. Barnsley Council manage an 'Urban Renaissance Design Panel' which has proved successful in raising the quality of planning application and masterplans. Other areas may also find this useful and a SCR Design Panel (architects, landscape architects, urban designers, etc) could provide expertise and advice on specific schemes where a local authority would find this helpful (at the Council's discretion). However, further consideration to understand both the benefits and resources required to implement this Proposition would be required first, alongside measures to upskill local authorities, building on existing expertise.
- The current South Yorkshire Residential Design Guide (2011) is also used by authorities but is now dated and so this could be refreshed by local authorities in liaison with MCA to reflect our current ambitions and emerging best practice.
- 2.7 Proposition 5: Spatial Planning:** This proposition makes the case for an SCR wide spatial plan to set out of the roles of different places in SCR, connect key employment & housing sites across local boundaries and pursue a polycentric model of mixed urban development that optimises the use of SCR's public transport network.
- The preparation of a spatial framework is included within the SCR Devolution Deal, and so it would be appropriate for discussions on potential timing and scope for such a strategy to be made by the Mayor and Leaders as part of implementing the Devolution Deal.
- 2.8 Proposition 6: Net Zero Homes and Renewal:** This proposition has less detail than the others in the Housing Review, but would help to address some critical issues with the quality of the existing housing stock and the MCA meeting its Net Zero ambitions. It is therefore proposed to prioritise this work in the Review's next steps as reducing carbon emissions in the existing housing stock is one of the biggest challenges the SCR faces. As set out in a separate agenda item, the Green Homes Grant and Social Housing Decarbonisation Fund have recently been launched by Government and there are significant amounts of public investment being made available. Although these are welcome, the scale of sub-standard or energy inefficient housing in the SCR means that investment will need to be substantial and well targeted if it is to be effective. The MCA and Local authorities should work collaboratively to develop effective domestic retrofit programmes and intelligence on how best to deploy these. This could be accelerated with some early work on housing conditions across the existing housing stock, to support targeting of investment to strongest needs, and build the net zero and health case for further investment.

Conclusions and Next Steps

- 2.9** Housing is a key part of both the new Strategic Economic Plan (SEP) and the SCR Renewal Action Plan (RAP). The Housing Review provides more detail on the housing issues facing the SCR and some practical suggestions for addressing these. However, there is no single approach to housing across the SCR. The SEP, RAP and the Housing Review all highlight its importance, but the MCA's overall approach to housing is difficult to articulate.
- 2.10** There is a risk that the MCA adopts a "pick and mix" approach to housing - progressing individual initiatives that are important but remain poorly connected to local initiatives and lack overall strategic coherence.
- 2.11** As such, it is proposed that alongside further work to develop the individual agreed propositions identified in the Review, local authorities and the MCA could work together to prepare a joint strategic approach to housing, developed in liaison with other housing

stakeholders like Registered Providers and Homes England. Such a strategic approach would better join up local initiatives and provide a stronger cross-boundary, aligned approach to housing. It would enable the MCA to take a more comprehensive and integrated approach than we have managed previously, allowing the SCR to 'speak with one voice' on major housing issues we face.

2.13 This approach would build on some of the propositions put forward in the Housing Review and focus on delivering these in a way that supports local initiatives. Along with developing a housing pipeline of deliverable schemes, this would also place the MCA and local authorities in a much stronger position when responding to new announcements and initiatives from Government and responding to the post-Covid19 challenges.

2.14 It is recommended that the Mayor meets with Leaders to consider the proposed responses in this report and the direction and scope of any strategy prior to being reported to the MCA for decision.

3. Consideration of alternative approaches

3.1 The Housing Review was managed by the MCA Executive and was overseen by the (former) SCR Housing Board. A Housing Advisory Group was also established, comprising of nearly 20 individuals and organisations across the public and private sector. At each stage, various options and propositions were considered and debated by both the Board and the Advisory Group to inform the consultant's final report and recommendations.

4. Implications

4.1 Financial

The financial implications of any actions arising from the MCA's response to the Housing Review will need to be fully explored and reported to the MCA Board in due course.

4.2 Legal

There are no direct legal issues arising from this report, although all propositions will need to be developed in line with appropriate local government and housing legislation.

4.3 Risk Management

Key risks include:

- Conclusions not supported by key housing policy, investment and delivery bodies.
 - Availability of budget to take forward proposals deemed appropriate to implement.
- These will be managed as part of the project and reported to the Board as necessary.

4.4 Equality, Diversity and Social Inclusion

The Housing Review and its conclusions include issues relating to equality, diversity and social inclusion.

5. Communications

5.1 None at present. The two reports comprising the Housing Review were placed in the public domain as part of papers for the SCR Housing Board meeting on the 2nd July. Any media communications would be aligned with when the MCA considers the approval of the response to the Review.

6. Appendices/Annexes

6.1 Annex 1 - SCR Housing Review Phase 2 Report and ResPublica Recommendations

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ