

Housing Task Force Update Paper

1st October 2021

Report of: Stephen Walford, Chief Executive - Mid Devon District Council

1. **Purpose of Report**

This short update paper is intended to provide members with a brief overview on matters relevant to the housing theme. It outlines some of the key factors pertinent to housing delivery across the area, and also highlights upcoming issues or events that will do the same.

As an additional point, assuming that members wish the work of the housing task force sub group to continue, the members will need to appoint a new task force chairman by way of a vote at the committee meeting.

2. **Key Points linked to Agreed Areas of Focus**

As members may recall, it was agreed at the last meeting that the broad subject of housing be channelled into four main areas of interest. These are shown below, with a short commentary on any relevant points to note by way of update.

2.1. Monitoring and Market Awareness

The focus here was to maintain visibility on the performance, delivery, risks and other related metrics at HotSW level. The main point to note at the present time is that the updated housing delivery test (HDT) results are anticipated next month (November), which will allow analysis of 2021 delivery and supply including trends in starts, sales and house prices.

Members should be aware that a recent parliamentary statement has confirmed that the HDT will continue to be part of the planning system landscape as part of the 'reformed planning system' moving forward, but that specific changes to this year's delivery test have been made by the government in light of the covid impact:

'...there will be a deduction of 122 days to account for the most disrupted period that occurred between the months of April to the end of July [2020].'¹

2.2. Promotion of Design and Quality

This was an area of high interest and high priority for all members of the task force. Since the last update to the committee, the government has officially launched the 'Office for Place' (on 20th July 2021):

The Office for Place will improve our understanding of people's preferences about places – what makes them popular or not – and how this relates to public health, well-being and sustainability. And by sharing what we learn from our design code pilots and research, our aim is shifting an industry culture to a point where mediocrity is no longer proposed nor accepted.

(Secretary of State the Rt Hon Robert Jenrick, speaking at the launch²)

At the present time the Office for Place sits within the Ministry of Housing, Communities and Local Government (MHCLG), but there is consideration to this being reconstituted as an independent body (informed by the response to the national Planning Reform consultation)³.

Locally, the first round of pilots of the National Model Design Code are due to conclude imminently, with final reports due to be available in October – with one of the 14 pilots being within the HotSW area, there is scope for sharing and learning from what came out of that process. Plus, as members are no doubt aware, there has recently been a call from government for expressions of interest in participating in the next round of design code pilots. As always, the test for relevance will be the extent to which the codes

¹ <https://questions-statements.parliament.uk/written-statements/detail/2021-09-06/HCWS254>

² <https://www.gov.uk/government/speeches/office-for-place-launch>

³ <https://www.gov.uk/government/groups/office-for-place>

become sufficiently robust as to refuse poor quality design, against a backdrop where unit delivery is often the key policy driver.

2.3. Social Housing Delivery

With the changes on right-to-buy policy (funding use) providing councils with greater latitude on the use of 1-for-1 receipts, it is believed there would be merit in conducting a review of emerging/revised delivery plans across the HotSW area in order to track the impact of policy shift with a view to demonstrating that further change would bring about even greater delivery impact. Such a review has not yet been commissioned, but would assist in future lobbying efforts were such a correlation to be established.

2.4. Energy Efficiency and Retrofit

The committee has previously been advised that ‘the elephant in the room is that vast programmes of intervention are going to be required if there is a desire to decarbonise the country’s housing stock’.

New housing accounts for 1-2% of the stock each year, therefore the focus needs to be on how to enable retroactive action for the vast majority of already-built houses. 17% of the UK’s direct emissions are from buildings (split: homes (77%), commercial buildings (14%) and public buildings (9%)), and it is inconceivable that national net zero targets can be met without addressing the housing sector.

With programmes like the social housing decarbonisation fund, there are some pots of money to initiate energy efficiency and retrofit measures within the social housing stock (usual bidding processes apply). However, the social stock is already of a better standard than both the privately-owned and private rented sector⁴, so the challenges at a strategic level will be about how to encourage private investment in energy efficiency and retrofit measures.

To that end, the government is looking at encouragement through programmes like the Clean Heat Grant, as well as regulatory intervention by the much-publicised banning of gas boilers. However, more detail on this area is expected shortly as part of the government’s Heat and Buildings Strategy.

3. **Other Items of Note**

3.1. The latest update on the government’s proposed planning reforms was due to be published imminently, with significant press commentary in the days prior this report being published that the housing targets and zone proposals that were initially put forward were to be removed or watered down. However, with the change in Secretary of State for Housing, Communities and Local Government comes a revised timetable and it appears likely that the incoming Secretary will wish to take soundings on how best to proceed before any formal proposals are published. Members will have their own views (via their own authorities) on what these intended changes to the planning system will mean; but one uniting cause for concern was the extent to which the zonal approach would diminish public engagement and confidence in democratic representation at the point of considering individual applications.

3.2. The Bacon Review into scaling up custom and self-build housing⁵ was published in August 2021. Among a number of recommendations made by the report (which the government has yet to respond to), it clearly defines the dilemma that many of our communities are experiencing:

We are in danger of becoming Two Nations – one nation in which a whole generation struggles to find somewhere to afford to live at all, while the other adds to its buy-to-let portfolio.

(Bacon Review, Aug 2021)

⁴ <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-energy>

⁵ <https://www.gov.uk/government/publications/independent-review-into-scaling-up-self-build-and-custom-housebuilding-report>

3.3. The emerging failure of the long-term rental market in some areas due to short-term lets and AirBnB is being highlighted in parts of the HotSW area. One district has seen a 10% increase in properties moving over to business rates since April. This has recently been highlighted to the Devon MPs in briefings and there is evidence that this is increasing demand on homelessness services as well as disrupting the lives of local people who rely on the private rented sector. Specific examples of challenge include difficulties with teachers and tourism-related jobs as no one can find any accommodation within striking distance of the jobs. This had led to employment offers not being taken up.

Discussions on possible measures to tackle this have included:

- Persuade MHCLG to restrict short term Airbnb type lets to 90 days a year as in London
- Lobby MHCLG for a new planning class for short-term lets so owners would have to apply and LPAs could decide through adopted policy how, which, or what they will allow
- The introduction of new regulatory powers for safety checks of such premises.

3.4. Finally, it is worth noting that the Afghan resettlement scheme is adding extra challenges for housing authorities as availability issues are compounded by the difficulty in providing suitable support, particularly in rural or remote parts of the area.