

Introduction

Homes for the South West (H4SW) is an alliance of eleven of the largest housing associations in South West England – collectively we own over 180,000 homes, housing over half a million people. Our aspiration is to deliver more affordable homes and to promote the role of housing associations in building homes that will benefit the whole community. Please note that the comments put forward in this consultation response reflect the position of Homes for the South West as an alliance, and not necessarily the individual views of each member.

Q1 Do you agree with Labour’s new affordable housing definition? What weight should a Labour government give to the components of our programme: social rent, living rent, and homes for low-cost ownership?

The South West is one of the most desirable places to live and work in the England but faces a challenging combination of high house prices and low average wages. With a range of cities, historic towns, coastal towns and rural communities, the South West is diverse and has significant pockets of deprivation. The average house price in 2016 was £256,000 which is more than 10 times the average regional income. In some rural areas the average house price is more than 13 times average income. There is a high demand for affordable housing. We are supportive of proposals which consider such variations, including by looking at local incomes, property values, and the size of the property.

The Labour Party should consider lessons learned from the Mayor of London’s London Living Rent model, where the prohibitive cost of land in the capital has proved a barrier to delivery. We would recommend that the Labour Party explores measures to mitigate against this barrier to development. In areas where land prices are high, such as in the South West, there is a direct trade-off between low rents and higher subsidy, and the delivery of a high volume of homes. This could cause problems in areas where the need for affordable homes is the most acute. It should also be noted that, due to local circumstances, what is affordable in one area may not be affordable in others. It is important to consider regional and local differences which might affect this.

Q2 Do you agree with our proposal to scrap public funding for so-called ‘affordable rent’ homes priced at up to 80% of market rents?

Q3 Are there specific steps beyond those set out in this Green Paper that could deliver an even higher level of Labour’s affordable housing?

H4SW welcomes proposals for a longer-term aim for half of all new homes built to be genuinely affordable. As a short-term aim, the Labour Party could consider including in its proposals a requirement on developers for a minimum percentage of affordable housing as part of the grant of planning permission, to be ring-fenced as the Community Infrastructure Levy currently is.

Unlike open market housing, which is delivered at a sale rate dependent on market conditions, affordable housing demand is measurable, and build-out rates are constrained only by the speed at which we can build at the right quality. Therefore, the higher the volume of affordable housing on a given site, the higher the rate of delivery. We believe

that an immediate requirement of 25% would provide certainty around the rate of delivery, helping to build more homes and, crucially, deliver more affordable housing more quickly.

Q4 Do you have any other comments on our proposals in section three?

Q5 How can Labour ensure appropriate powers and funding to build more affordable homes in all parts of the country?

H4SW welcomes the Labour Party's proposals to open up new opportunities for 'devo-housing' deals with financial backing from central government to deliver growth and more affordable housing. A Labour government should recognise the potential for growth in the South West and, to maximize resources, invest in a version of the "Northern Powerhouse" or "Midlands Engine" to promote this. However, it is important that devolution deals do not focus solely on housing, but also look at the barriers to housing delivery. The South West has some of the worst regional transport and digital connectivity in the UK, acting as a significant barrier to housing development and wider growth in the area, and ways in which these can be boosted must also be considered as part of any devolution deal. H4SW is also supportive of the Labour Party's proposals for creating a new Department for Housing and establishing an Office for Housing Delivery to audit the delivery of housing promises.

Q6 Do you agree with our proposals to stop the loss of affordable homes through right to buy, conversions to 'affordable rent' and the forced sale of council homes?

Q7 What additional measures could a Labour government take to get councils, housing associations and others building more genuinely affordable homes?

Funding affordable homes

H4SW welcomes any measures which will help housing associations to have certainty in their funding in the long-term, allowing us to deliver more homes more quickly.

Land and Planning

Tackling the affordability of land should be a priority for a Labour government wishing to increase the supply of homes. Bringing forward more land for development is critical to delivering more homes. Increasing the supply of land for development would reduce the upward pressure on land values, curtail discussions about the viability of development programmes, and maintain the level of affordable housing to be delivered.

As an alliance, H4SW is ready and able to invest £2 billion in new housing. However, to deliver on this we must have access to the land to build on, at a cost which is not prohibitive. The current model for development is geared towards those who can acquire land as the highest bidder, favouring large developers. An English Sovereign Land Trust should consider how it can best promote the development of smaller sites, allowing more opportunities for SME developers. H4SW believes that local authorities should be supported to extend their land supply targets. Local authorities should plan on the basis they will need the necessary land supply to meet 130% of demand over the next 5 years, making them more likely to meet the actual need. We agree with the proposal to introduce a new duty to deliver affordable homes, linked to a better measure of local need for affordable housing.

The Labour Party could consider explicitly mentioning the importance of infrastructure in delivering new housing. Building sustainable communities depends on the provision of transport and utilities. We know from our experience in the South West that a lack of quality infrastructure is a key barrier to the delivery of more homes. Our region is one of the most popular in the UK in which to live and do business and attracts huge numbers of visitors. Existing infrastructure is not robust and struggles to cope, especially when faced with often extreme weather conditions. Infrastructure investment is increasingly pivotal to unlocking strategic land opportunities that will ensure housing investment is accelerated.

Q8 Do you agree with Labour’s proposal to set up an English Sovereign Land Trust? How else might Labour make more land available, more cheaply, to build genuinely affordable homes?

See answer to Q7.

Q9 How can Labour ensure that estate regeneration maximises affordable housing and improves local areas, including in low demand areas?

Q10 Do you have any other comments on our proposals in section four?

H4SW is supportive of measures to reform viability assessments to make the system more transparent, in order to prevent developers from seeking to reduce planned affordable housing contributions at a later stage in the planning process, once a project is underway. Currently this is a significant barrier to the delivery of more affordable housing.

H4SW supports the proposal to introduce a presumption that there is no development without affordable housing, including smaller and rural sites. We agree that all market housing should contribute towards the provision of affordable housing.

H4SW is pleased to see the Labour Party’s proposal acknowledging the key role of housing associations in the delivery of new homes, and we look forward to further discussion around how housing associations can be supported to build more affordable homes. Housing associations build a range of different homes and tenures and can build quickly and effectively, with less consideration given to sales rates for market homes than commercial housing developers. Our sales rates show that we can deliver more housing than private developers. Our overarching social purpose, focused on housing those in the greatest need, allows us to be more flexible and deliver affordable housing at a build rate determined by quality, not market sale conditions.

We are pleased to see that the proposals acknowledge that building more affordable homes will mean increasing the capacity of the construction industry. Skills shortages are a particular concern in the South West, which has a very high proportion of people over the age of 65, meaning that essential skills in the construction industry are being lost as people retire. The number of new recruits is declining and there are fewer people of working age to replace those who are retiring.

Efforts should be made to redefine construction as a relevant, modern career option for the next generation of workers. H4SW will promote retraining into construction across our resident base in order to feed the future skills pipeline. For this reason we support the proposal to explore a national affordable housing training scheme for graduates and are in favour of investment in apprenticeships for the construction industry. The Labour Party

might also consider other ways that existing courses, qualifications, and careers can be marketed more effectively in order to address the skills crisis immediately. There are particular concerns around the impact of Brexit. There is an increasing number of younger, EU-born workers entering the industry as UK-born workers retire. EU 27 workers account for 11% of workers in construction. A Labour government should consider construction a special case in terms of EU workers' rights post-Brexit to ensure that we can build the affordable homes that the country needs.

Q11 What more could a Labour government do to make affordable housing a first choice, not a last resort?

The H4SW alliance is as focused on building communities as building individual homes. We know that the most sustainable communities are grounded in developments that are designed on a “*tenure blind*” basis. The current delivery model means that new developments are funded by the building of homes for sale or to rent at market rates. Mixed tenure leads to better integration, better opportunities, and better neighbourhoods. A Labour government could consider ways to encourage “*tenure blind*” developments. While there can be a difference of emphasis in design between homes for market sale and affordable housing, all tenures should benefit from good design, and we welcome the Labour Party's proposals to include an exemplar design guide alongside the next affordable homes funding prospectus. Such a guide should include reference to, and examples of, developments designed on a “*tenure blind*” basis.

Q12 What more can we do to make affordable housing more energy efficient?

Q13 What measures should form the basis of the fire safety criterion as part of a new 'Decent Homes 2' standard?

Q14 Do you agree with our proposals to increase social landlords' accountability to tenants? What further measures could a Labour government take?

The eleven members of H4SW are defined by their overarching social purpose, focused on housing those in the greatest need in an area where the demand for affordable housing is high. We welcome efforts to give our tenants a greater say in national policy debates and development, and to bring more transparency to the sector. We look forward to seeing further details of these proposals and would welcome the opportunity to contribute further thoughts and evidence to the development of these policies.

Q15 What more could a Labour government do to ensure there is sufficient specialist affordable housing for groups including those who are elderly, disabled or homeless?

Local authorities should identify and assess the needs of groups with specific housing requirements in their area and set out the size, type and tenure of homes required for different groups.

Q16 Do you have any other comments on our proposals in section five?