



PRCC.41 13/14
Prosperous Communities Committee
Date: 9 <sup>th</sup> April 2013

**E**

**Subject: East Midlands Councils Declaration on Affordable Housing**

Report by:	Grant Lockett
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Purpose / Summary:	To provide Members with information regarding the East Midlands Councils declaration on affordable housing

**RECOMMENDATION(S):**

**1) That Members support West Lindsey District Council in signing up to this declaration**

**IMPLICATIONS**

**Legal: None**

**Financial :** There are no direct financial implications in signing up to this declaration. The Council has already identified capital monies, allocated to improving housing across the district. It is likely that the Council will need to continue to do this, in light of the reduction in government grants available.

**Staffing :** Officers attend regular East Midlands Council briefing and network sessions and contribute to working groups as and when required.

**Equality and Diversity including Human Rights :**  
*There are no direct impacts regarding equality and diversity. The provision of affordable housing helps to meet the needs of a wide range of people and the Council will continue to develop initiatives with partners to help those in housing need.*

**Risk Assessment :** No risks noted.

**Climate Related Risks and Opportunities :** The Council has developed “Eco” type homes with Gainsborough and these are shown as good practice on the East Midlands Councils website, as shown in this report.

**Title and Location of any Background Papers used in the preparation of this report:**  
Appendix 1 – Investing in Opportunity Prospectus  
Appendix 2 – East Midlands Declaration on Affordable Housing.

**Call in and Urgency:**

**Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?**

**Yes**

**No**

**Key Decision:**

**Yes**

**No**

## 1.0 Introduction

The East Midlands region saw its share of Homes and Communities Agency (HCA) funding for the 2011-2015 Affordable Homes Programme cut to half that of which it had received in the previous 2008-2011 programme, being allocated just 4.1% of the funds available nationally.

In response to this, East Midlands Councils (EMC) set up a task and finish group on Affordable Housing. Grant Lockett, Head of Strategic Growth at West Lindsey is a member of the task and finish group and ensured that the views of Lincolnshire were taken into consideration, as he is the only representative from the area.

The group has produced the following:

- A prospectus “Invest in Opportunity – A prospectus for new affordable housing in the East Midlands”
- A Good Practice website
- A Declaration on Affordable Housing

The good practice website can be found at this web address and features two good practice schemes from West Lindsey: the Cross Street, Eco Towns scheme and affordable housing at Brigg Road, North Kelsey.

<http://www.emcouncils.gov.uk/Increasing-the-Delivery-of-Affordable-Housing>

The three items produced by the group have been endorsed by the EMC Executive Board who are now encouraging all member Councils to ‘sign up’ to the Declaration.

These items will be used to lobby central Government to address the key issues relating to affordable housing and as a tool to demonstrate that the East Midlands can deliver schemes that meet the Government's wider objectives.

## 2.0 'Invest in Opportunity' Prospectus

The key message from the prospectus (see Appendix One) is that Councils and Registered Providers in the East Midlands have the potential to make a significant contribution to the nation's affordable housing needs at an affordable price.

The key strengths to the East Midlands Offer are:

- **Excellent track record** of affordable housing delivery, consistently out-performing other regions;
- **Low building cost**, including some of the cheapest housing land with planning permission in England;
- **Competitive construction sector** able to rise to the challenge;
- **Political commitment** for addressing affordable housing need through the new “East Midlands Declaration on Affordable Housing”;
- **Major potential** for growth and rebalancing of the economy.

## 3.0 The Declaration

The East Midlands Declaration on Affordable Housing (see Appendix 2) asks Councils to sign up to following principles:

*We acknowledge that:*

- A lack of affordable housing can have an adverse impact on local people, communities and businesses.
- The construction of new affordable housing will support local jobs, benefit the wider local economy and promote social mobility.
- Central Government grant to support the development of new affordable housing is likely to be constrained for the foreseeable future.
- New and innovative approaches to delivering affordable housing will need to be deployed if local needs are to be met.

*We commit our Council from this date to work constructively with developers, housing associations and the HCA to maximise opportunities and resources to deliver well designed new affordable housing on suitable sites, through:*

- ensuring robust research is undertaken to identify the scale and nature of affordable housing need;
- seeking to make best use of council and publicly owned land, capital resources and community assets in ways that encourage economic growth and the delivery of affordable housing;
- using planning powers creatively and pragmatically;
- working constructively with local communities to make the case for development and challenging local opposition with evidence where necessary;
- working collaboratively with relevant partners to identify joint opportunities for development;
- monitoring the delivery of new affordable housing against the level of established need and publishing the results on an annual basis; and
- freely sharing learning by providing EMC with relevant case studies.

#### **4.0 Local Context**

In practice the Council is already committed to the majority of the above points and has initiatives in place to enable the delivery of affordable housing.

- Housing needs surveys are carried out in rural areas and support the delivery of affordable homes
- Council land and assets have been utilised in delivering affordable housing as demonstrated on the Cross Street development
- A number of communities are developing or have developed Neighbourhood or Parish Plans
- Regular contact is made with key partners to identify opportunities in West Lindsey and across Central Lincolnshire
- New methods for ensuring delivery of affordable housing are being implemented, with the first open market cross subsidy affordable housing scheme approved at planning committee in March.

- The Councils New Homes Bonus has been earmarked by Members for Strategic Housing projects, which is currently focused on our work around empty homes

Despite all of the above it is clear that the challenges faced in regards to delivering affordable housing will continue to require innovation and partnership working to overcome them.

As part of this process the Council will continue to work with EMC and actively contribute to the work that is doing across the region.

## **5.0 The Request for East Midlands Authorities to Sign**

Officers at the Council have indicated to EMC that we wish to sign up and that Member approval will be sought. There are currently 23 local authorities signed up to the declaration including Boston Borough Council, City of Lincoln Council, Lincolnshire County Council, North Kesteven District Council and South Holland District Council.

The Declaration should be signed by both the Leader of the Council and the Chief Executive. The other signatory is the Chair of the EMC, Cllr Martin Hill. The declaration is supported by the HCA, the East Midlands Branch of the National Housing Federation and the EMC itself.

## **6.0 Recommendation**

The challenges in regards to delivering affordable housing have been greatly increased during the last 18 – 24 months and are expected to continue into the future.

The content of the declaration is in line with the Council's existing activity and priorities in relation to affordable housing and would serve to visibly reinforce our commitment to corporate priorities in regards to housing and growth.

It is hoped that the declaration, by giving a strong, collective response from the region, will serve to strengthen the East Midland's position when competing for funding for affordable housing in the future.

It is therefore recommended that

- **Members support West Lindsey District Council signing up to this declaration**

# Investing in Opportunity

## A prospectus for new affordable housing in the East Midlands

*Councils and housing associations across the East Midlands have the potential to make a significant contribution to the nation's affordable housing needs – and at an affordable price. With an excellent delivery track record, strong political commitment and some of the cheapest housing land in England, the East Midlands surely represents an investment opportunity for Government too good to miss!*

### An opportunity too good to miss?

The new Affordable Homes Programme (2011-15) allocated just 4.1% of total investment to the East Midlands – half the share received in 2008-11. This represents a huge missed opportunity, not just for the East Midlands, but for England as a whole.

The East Midlands has the potential to make a significant contribution to the nation's affordable housing needs – and at an affordable price. The country cannot afford to miss out. As the Government looks at further measures to stimulate the economy and prepares for the next CSR, *the case for investment in the East Midlands remains compelling.*

### Excellent Track Record

The East Midlands has made a major contribution to improving housing in England over many years. Although the total stock of housing association dwellings in the East Midlands was well below the national average in 2010-11, the area accounted for 8.4% of the social housing completions in England over that period. The private sector also delivered above its current national proportion, with 10.2% of private house completions nationally. *When times are tough, the ability to deliver is a crucial asset.*

### Low Building Costs

Analysis by the HCA has confirmed that average building costs in the East Midlands during 2008-11 were just 86% of the national average. In 2010, the average valuation of building land for housing with planning permission was the lowest of any region including the North East - less than a fifth of the valuation of land in London and only 45% of the national average. *When resources are tight and every penny of investment counts, getting the best value for money becomes even more important.*

For more information contact: [andrew.pritchard@emcouncils.gov.uk](mailto:andrew.pritchard@emcouncils.gov.uk)

Analysis based on independent research by the [Smith Institute](#)

### The East Midlands Offer

- **Excellent track record** of affordable housing delivery, consistently out-performing other parts of England
- **Low building costs**, including some of the cheapest housing land with planning permission in England
- **Competitive construction sector** able to rise to the challenge
- **Political commitment** for addressing affordable housing needs through the 'East Midlands Declaration on Affordable Housing'
- **Major potential** for growth and 're-balancing' of the economy

## Competitive Construction Sector

The East Midlands has a competitive advantage in the construction sector, with productivity per construction job higher than the national average. The area also has a strong history of developing and maintaining construction skills. Not only can the East Midlands build efficiently, construction investment will deliver more local economic benefits than in many other parts of the country, *helping the economy to build its way out of recession.*



## Political Commitment

The delivery of new affordable housing has always been a key issue for local politicians, councils and for East Midlands Councils (EMC). That is why EMC has led the way in developing the *East Midlands Affordable Housing Declaration*, spelling out the clear commitment of council leaders to tackle local affordable housing needs through investment and innovation.

## Major Potential

The cities, towns and villages of the East Midlands offer an attractive mix of living environments, not dominated by a single conurbation. A strong and productive manufacturing sector means the East Midlands is well placed to benefit from the Government's efforts to 'rebalance the economy' away from financial services and the south east.

The East Midlands has major potential for long term growth. *Investing in much needed affordable housing will help to release that potential – and give a significant boost to the national economy*



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## *The East Midlands Declaration on Affordable Housing*

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**Leader  
Council**

**Chief Executive  
Council**

**Cllr Martin Hill  
Chair EMC**

**Date:**

**Supported by:**

