

CEO Forum held by The Housing Forum and NHBC on 7th December 2016
“Housing and the Autumn Statement”



Key words: *political leadership, flexibility in tenures, counter cyclical approaches, role of local authorities, resident engagement*



This discussion focused on the Government’s announcement in the Autumn Statement of measures to boost housing supply and increase flexibility. The Housing Forum’s view is that the £2.3bn infrastructure funding for 100,000 homes in high demand areas is targeted funding where it is most needed. The £1.4bn fund for 40,000 extra affordable homes gives flexibility and a wider choice in housing to cover a range of needs. This flexible approach should stimulate faster delivery and support local markets. The statement signals the bringing together of housing and infrastructure funding which should offer the opportunity to build efficient homes of quality which can be close to work and transport. The Government has also announced a National Strategy for Estate Regeneration.

In his opening remarks, **Ian Davis** spoke of the positive environment in terms of government support for housing as we anticipate the White Paper in the New Year. The Autumn Statement includes measures to support infrastructure for private development and measures to support the affordable sector. Taken together with earlier announcements on accelerated construction, this will support of the government’s push for increased volume although sufficient skills capacity is central to achieving greater numbers.

Stephen Teagle as chair of The Housing Forum's cross-sector Working Group on New Solutions to Housing Supply set out a summary of the group's main conclusions. The central argument is that an increase in supply of homes of all tenures is needed to last for at least a decade and measures are needed in Leadership and Structures, in Sector Capacity and in Commissioning and Investment. Leadership is needed with a Cabinet Minister for Housing, active and visionary leadership from local authorities and a cross-party strategy to address the structural deficit in housing. Sector capacity will have to grow and the recommendations in the Farmer Review are key to this. Working group proposals include that policy compliant planning applications under a certain size be determined by planning teams, not elected members and there should be a focus on tenures which have high absorption rates, e.g. PRS, and diversity in supply, involving SMEs as this will help delivery. Commissioning and investment will focus on the importance of a balanced housing market underpinned by a long term capital investment plan, incentivising the commissioning role of local authorities and supporting good practice by the creation of a bank of expertise for the procurement of commissioning.

Andy von Bradsky covered the National Strategy for Estate Regeneration. An Advisory Panel chaired by Lord Heseltine has overseen the strategy and drawn in design and financial expertise from the private sector. There is a £172m fund to support this, of which £32m will be grant funding aimed at getting good focus and methodology. There are three guiding principles – that residents should be at the centre of decision making which is supported by a Residents Charter, that local authorities should enable regeneration and understand their role as central to regeneration plans and that the financial consequence must be understood at the outset of a regeneration project. The strategy is supported by guidance documents which emphasise design quality and the importance and value of place making. Investment, through joint ventures and other routes, is also covered so that local authority or housing association landlords can attract in other types of finance and other partners.

Elaine Bailey welcomed the focus on supply and on a range of tenures, including rented housing that has come with the measures in the Autumn Statement. The Hyde Group have an ambition to build 2,000 homes year which is a doubling of output and the development mix will be 1/3rd in outer London, 1/3rd in the South East and 1/3rd in Kent. The GLA grant rate and the Mayors 35% affordable provision will also help delivery. The focus should be on occupancy, rather than on ownership; flexible tenures will offer wider choice but there may be less take-up of conversion to sale or shared ownership.

Richard Jones addressed the structural step change that has to be made if delivery numbers are to rise. Open market and housing associations build numbers may increase with more funding but the scale will be unlikely to be more than a 10% increase in output. To build towards 240,000 homes a year, the solution has to be different and policy will have to move in the direction of new players and new money. This mainly has to be a rental product, as by its nature this can be countercyclical, overcoming the regular boom and bust cycle and creating the natural opportunity for innovation.

The following contributed to the CEO Forum:

HOSTS

- 🏠 Ian Davis, Operations Director, NHBC (Co-Host)
- 🏠 Andy von Bradsky, Chairman, The Housing Forum (Co-host)
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-host)

GUESTS

- 🏠 Richard Jones, Partner, Arcadis
- 🏠 John Milner, Partner, Baily-Garner
- 🏠 Justin Kelly, Partner - Architecture, bptw
- 🏠 Mike Fairey, Director, Fusionbuild
- 🏠 Stephen Teagle, Chief Executive, Galliford Try
- 🏠 Sue Chalkley, Chief Executive, Hastoe Group
- 🏠 Elaine Bailey, Chief Executive, The Hyde Group
- 🏠 Chris Brown, Executive Chairman, Igloo Regeneration
- 🏠 Brian Johnson, Chief Executive, Metropolitan Housing Group
- 🏠 Andrew Beharrell, Senior Partner, Pollard Thomas Edwards
- 🏠 Andy Higson, Strategic Relationship Leader – Residential & OSM, Saint-Gobain
- 🏠 Will Perkins, Managing Director, SE Controls
- 🏠 Jackie Bligh, Chief Executive, Worthing Homes Ltd

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