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## RESPONSE OF THE HOUSING FORUM TO THE LYONS HOUSING REVIEW CALL FOR EVIDENCE FEBRUARY 2014

- The Housing Forum exists to campaign for "More Homes and Better Homes" and so we support the call of the review to achieve a step change in the scale of house building in England.
- The Housing Forum is submitting its current report "The ABC of Housing Growth and Infrastructure" as evidence to the **Lyons Review**.

### The land market:

- We recognise that Government at all levels needs to work together and support the process of reaching Local Investment Deals to bring forward land for house building, starting with City Deal areas. The market alone will not resolve the housing crisis and a mixture of public funding and local leadership plus sub regional planning is required but must be properly resourced and funded.
- The Housing Forum believes that a clear spatial plan strategies identifying locations where much higher density of new build development and urban intensification of areas of existing stock can be achieved.
- A programme of a large disposal of land over a short period would enable more bidders access to the market, offering more choice, driving down costs and enabling other companies to compete for and.

### Investment in housing and associated infrastructure

- A National Investment Bank should be set up to channel low cost, long term loans into the provision of local infrastructure and affordable housing, working alongside local authorities and housing associations.
- At present, we rely on ever increasing land prices to fund infrastructure and affordable housing. There are other options highlighted in our report "The ABC of Housing Growth and Infrastructure" which include the German policy for mobilising used land and the capacity to freeze land prices in specified development zones. Other countries have found mechanisms for investing in infrastructure and housing which do not rely on the main stream banking sector. The result is generally a healthier and more balanced housing system with better infrastructure. Most people are well housed and schemes tend to be designed to better standards, are properly integrated with the surrounding community and therefore more widely supported.

- The Housing Forum offers strong support for the recognition of a substantial increase in housing provision as vital but more must be done to increase the numbers of lower cost homes that are affordable and place more emphasis on the role of local councils in providing social housing. We support the increase in raising the limits for prudential borrowing by Local Authorities to enable this.

### **The role of a new generation of New Towns and Garden Cities and the right to grow**

- The Housing Forum does not consider that New Towns or Garden Cities can deliver the urgently needed volume of growth within the life of the next Parliament. We believe the efforts of Government intervention at all levels will stimulate house building by local authorities and other bodies having a duty to assemble large scale sites using both their own land and private sector land. These sites should be linked to existing towns and cities to reduce infrastructure costs and non development of viable development land could be penalised through taxation of compulsory purchase.

### **Share the benefits of development with local communities**

- We believe that substantial growth of housing through urban extensions and the appropriate re-designation of green belt boundaries can achieve high quality housing in volume (as set out in our report "**The ABC of Housing Growth and Infrastructure**") and that these techniques should be applied to significant housing developments Housing Forum members responsible for this report are available to explain the critical success factors which include recognised community benefit for such plans.
- A key recommendation of two of our reports this year, "**The ABC of Housing Growth and Infrastructure**" and "**Making a Place for Low Cost Housing**", is the establishment of a publicly backed Housing and Infrastructure investment bank on the model of the Caisse des Depots in France which financed the construction of 133,000 new homes in 2011 - investing funds from regulated savings accounts on a secure basis in the public interest.
- The homebuilding industry needs to be synonymous with the delivery of a quality product if any impact is to be made on the opposition to the addition of new homes in neighbourhoods - the NIMBYism that dogs housing supply. Many of the large house builders operating in the competitive public land disposal sector have proved capable of delivering high standards of design which is a differentiating factor and one we consider will be more popular and accepted by local communities. The Housing Forum is working on proposals for a voluntary Home Performance Labelling scheme which enable the public and consumers of housing to recognise quality.
- New entrants to house building are needed to deliver homes in the required volumes - there is huge potential for UK off site manufacture of housing and for a much wider range of housing product. Tax breaks and financial incentives for companies to invest in manufacture could both stimulate economic performance and deliver certainty of supply in the volume needed.
- Our members are seeing a bottleneck in the supply chain created by the 2015 drop dead date for HCA and GLA funded housing schemes. We have been campaigning for an extension to this unnecessary deadline which only serves to inflate prices in the supply chain and risk the creation of a short term bubble and subsequent crash. Urban development sites are often complex and risky and delays which occur due to utilities or the provision of infrastructure increase cost. Government bodies can help delivery by addressing these difficulties.

## Appendix 1 - The Housing Forum Board 2014 - 2015

CATEGORY	BOARD MEMBER	TITLE	ORGANISATION
DEVELOPERS / HOUSE BUILDERS / CONTRACTORS	EMMA CARIAGA	DEVELOPMENT DIRECTOR – LONDON PORTFOLIO	LAND SECURITIES PLC
DEVELOPERS / HOUSE BUILDERS / CONTRACTORS	ANDY HOBART	MANAGING DIRECTOR	WATES LIVING SPACE
DEVELOPERS / HOUSE BUILDERS / CONTRACTORS	STEPHEN TEAGLE	MANAGING DIRECTOR – AFFORDABLE HOUSING & REGENERATION	GALLIFORD TRY PLC
HOUSING PROVIDERS	MARK ALLNUTT	GROUP DEVELOPMENT DIRECTOR	THAMES VALLEY HOUSING ASSOCIATION
HOUSING PROVIDERS	PAUL BRIDGE	CHIEF EXECUTIVE	HOMES FOR HARINGEY
HOUSING PROVIDERS	KERRY KYRIACOU	GROUP DIRECTOR OF NEW BUSINESS & DEVELOPMENT	AFFINITY SUTTON GROUP
SUPPLIERS / MANUFACTURERS	ANDREW CARPENTER	CHIEF EXECUTIVE	STRUCTURAL TIMBER ASSOCIATION
SUPPLIERS / MANUFACTURERS	MIKE LEONARD	CHIEF EXECUTIVE	MODERN MASONRY ALLIANCE
SUPPLIER / MANUFACTURERS	ADAM TURK	COMMERCIAL DIRECTOR & DEPUTY CHAIR, THE HOUSING FORUM	POLYPIPE
SPECIALIST / CONSULTANT	BEN DERBYSHIRE	MANAGING PARTNER & CHAIR, HOUSING FORUM	HTA DESIGN LLP
SPECIALIST / CONSULTANT	RICHARD JONES	PARTNER – GROUP HEAD OF REGENERATION & GROWTH	EC HARRIS
SPECIALISTS / CONSULTANTS	ANDY VON BRADSKY	CHAIRMAN	PRP
CO-OPTEEES	SIMON BERRILL	SENIOR ADVISOR	MACQUARIE CAPITAL (EUROPE)
CO-OPTEEES	JOHN CROSS	DIRECTOR & DEPUTY CHAIR, THE HOUSING FORUM	JOHN CROSS CONSULTING
CO-OPTEEES	ANDY TOOKEY	MEMBER	BAILY GARNER
CO-OPTEEES	KATIE SAUNDERS	PARTNER	TROWERS & HAMLINS
NHBC BOARD REPRESENTATIVE	MEHBAN CHOWDERY	REGIONAL DIRECTOR, LONDON	NHBC
NHBC BOARD REPRESENTATIVE	IAN DAVIS	OPERATIONS DIRECTOR	NHBC

## **BACKGROUND**

The Housing Forum is the only cross sector, industry wide organisation that can properly claim to be the voice of the housing industry.

It has over a hundred member organisations from both public and private sector and throughout the supply chain, collaborating to inform, network and influence with the shared objective of more homes and better homes for the nation. The cross sector representation of our membership equips us especially to investigate issues that require collaboration for successful outcomes.