Socially inclusive cities: inclusionary housing policy in England

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Structure

- Why do we care about social inclusion?
- Role of housing and planning?
- England – inclusionary housing policy.
- Successes and challenges.
- Shift in ideology.
Why do we care about social inclusion?

- Social inclusion as the process of improving the terms for individuals and groups to take part in society (World Bank).
- Empower poor and marginalized people - ensure people have a voice in decisions which affect their lives.
- Equal access to markets, services, political, social and physical spaces.
- Combat social exclusion which may occur because of a range of inter-related factors.
- Measure through different indicators.
- Improve peoples’ lives and opportunities – and reduce costs.
- Underpins good physical and mental health, wellbeing and quality of life.
House building England

(CCHPR for Lloyds Banking Group Commission on Housing, 2015)
Lack of housing supply

- Barker Review suggested that in order to meet projected household growth, need an output of around 240,000 new dwellings a year on average (2003).
- Yet the industry did not meet this target even in years when house prices were rising rapidly.
- 142,890 completions in England in the 12 months to December 2015.
- England is not building anything like as many new dwellings per thousand population as many other countries.
- In particular, the Netherlands, usually seen as having an equally constrained land supply as the UK, manages to build around five units per thousand.
- Highest England managed was 2.2.
Result - house price growth

- Q1 1996 England mean average £68,408
- Q2 2013 England mean average £246,764
- Cambridge £360,000
- Regional differences
- N/S
- Growth areas
- Local variation
- LQ house prices to LQ earning 6+ average, many places 10+
- Rising age of FTBs
- Priced out of home ownership

DCLG Live Table 581: mean house prices based on Land Registry data, England, from 1996
Refugee decamp: Family living in £2m mansion funded by taxpayer move to new pad worth £1.3m just a mile away

EXCLUSIVE: Jobless refugee rehoused by council in Kilburn with heavily-subsidised rent
How is social inclusivity an issue for planning and housing?

- Who lives where, what it costs, conditions, access to employment and services – housing is a key part of inclusion.
- Planning is an intervention in the market.
- Can’t leave allocation and provision to market – undersupply.
- Housing affordability and exclusion from the housing market.
- Social housing waiting lists.
- Hidden households.
- Overcrowding.
- Homelessness.
- Enclaves, mono-tenure estates.
Policy response?

- Affordable housing.
- Mixed communities.
- Not leave all supply and allocation to the market.
- Top down – locally implemented.
- Aim – mixed tenure development.
- Socially inclusive – range of incomes.
Affordable housing

- Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.
- Definition of affordable housing in the UK has varied over time.
- Council/social housing - low cost rental – allocated by need.
- Expanded to include other forms of low-income housing.
- Intermediate housing - affordable homeownership – shared ownership and shared equity.
- Recently - ‘affordable rent’ - up to 80% of private market rents.
Inclusionary housing policy

• Inclusionary housing through the planning system – Section 106.
• Since 1990 local planning authorities (LPAs) have had powers to require contributions from developers both in the form of affordable housing and through financial contributions.
• These agreements, most of which are made under S106 of the Town and Country Planning Act 1990, are ‘struck’ alongside the process of securing planning permission (planning gain).
• Planning obligations may include affordable housing and contributions to local infrastructure such as education, transport, open space, children’s play areas and community facilities.
Completions of all new affordable homes in England and S106 completions as a percentage of the total

Source: DCLG HSSA statistics
Affordable housing and mixed communities

- Use of S106 increased and HAs dependent became on planning obligations to secure new affordable homes.
- More than 60 per cent of all affordable completions delivered this way in recent years.
- Mixed communities - affordable housing delivered on-site with market housing.
- Delivery of on-site infrastructure.
- Successful?

Challenges to inclusionary housing policy

- Economic and housing market downturn.

Changing ideology

- Policy change – the planning framework, planning gain capture.
- Political change.
- Ideology.
- Home ownership as the goal – RtB.
- ‘Starter Homes’ – not affordable housing.
- Reduced social housing – PRS.
- Impact on social inclusion likely to be varied for different social groups - greater home ownership.
- But reduced social housing and mixed tenure development - question what does this mean for social inclusion?
Vision

- A home that is affordable – for everyone in all places.
- Those who gain financially from the planning system contribute part of their windfall gain towards social benefits and mitigating the negative impacts of development.
- Increasing housing supply.
- Legitimate concerns vs. lack of voice for the poorly housed.
- Increasing housing production does not necessarily tackle affordability or social problems.
Social inclusion

• Recognise the negative impacts of rising house prices.
• Low levels of housing investment have serious social and economic downsides.
• Radical changes carry political risks and will not provide a quick short term fix.
• They are long term measures to tackle a long term problem.
• Political will – to support the poorest and most marginalised.
http://www.cchpr.landecon.cam.ac.uk/