



LEVELLING UP



#OurNorth



THE NORTHERN HOUSING CONSORTIUM
BUDGET REPRESENTATION



Levelling-Up #OurNorth Budget Representation

February 2020

Foreword

2020 is a year of opportunity for the North of England. With the forthcoming Budget, and the Spending Review which follows, the new Government has the opportunity to demonstrate its commitment to levelling-up.

Housing represents an opportunity to demonstrate this commitment at pace. Investing in housing means investing in the fabric of communities – providing early, tangible evidence of the Government's commitment to levelling-up England's North.

The Northern Housing Consortium's 2020 Budget Representation outlines three ways to make this happen:

1. Expanding the Affordable Homes Programme in the North, providing new homes to rent and buy as part of a national housebuilding programme.
2. Investing in Northern communities through housing retrofit and regeneration by using decarbonisation as the catalyst for wider improvement.
3. Levelling-up housing and planning capacity in the North, correcting the imbalances in capacity which hold our Northern councils back.

These actions are mutually reinforcing – investing in the supply and quality of the North's housing offer, and in the underpinning capacity to shape and support the housing market to do even more.

As an official partner of the Government's Northern Powerhouse initiative, the Northern Housing Consortium (NHC) shares Government's commitment to making the North a magnet for talented people and new business.

Great homes and communities are a vital component of the North's magnetism. Housing associations, councils and ALMOs across the Northern Powerhouse stand ready to work with Government to level-up our North and realise the opportunity 2020 presents to us all.

Tracy Harrison
CEO, Northern Housing Consortium

Part 1: Expanding the Affordable Homes Programme in the North

1. Recommendation

- 1.1 The Affordable Homes Programme should be significantly expanded, in line with calls from the housing sector nationally for a £12.8bn per year housebuilding programme. Critically, the fund must continue to be available to the whole country, including across the North of England. This would allow the North's affordable housing need to be met and enable Government to demonstrate early results of its commitment to levelling-up.

2. The important role of the Affordable Homes Programme

- 2.1 The national Shared Ownership and Affordable Homes Programme plays an important role in the delivery of homes across the Northern region, and the North makes a major contribution to its success, with one in three Homes England affordable completions occurring in the North of England¹.

- 2.2 Despite that success, delivery of affordable homes in the North still falls beneath the independently assessed need for such homes:

- Affordable housing completions in the North was 5,050 in 2018/19;
- Independently assessed need for affordable homes is 19,168 per annum².

- 2.3 These needs comprise a range of property types and tenures, and support from the Affordable Homes Programme is vital in enabling housing associations and councils to build homes that meet a range of housing aspirations – whether that is homes for first-time buyers in Greater Manchester, bungalows for older people in Darlington or sustainable homes at low rents in a high-cost city such as York. A range of case studies are available via our website (<https://www.northern-consortium.org.uk/influencing/ournorth/affordable-housing-programme/>).

- 2.4 The programme's flexibility means that housing organisations are able to respond to local needs, such as keeping rural villages alive by creating homes for local people who might otherwise have been priced out, or giving new life to historic buildings.

3. An early delivery on the commitment to levelling-up

- 3.1 Within the North, the Affordable Homes Programme plays an important role in improving the fabric of communities – providing visible examples of government investment at pace.

¹ Homes England Housing Statistics. Available at: <https://www.gov.uk/government/collections/housing-statistics>

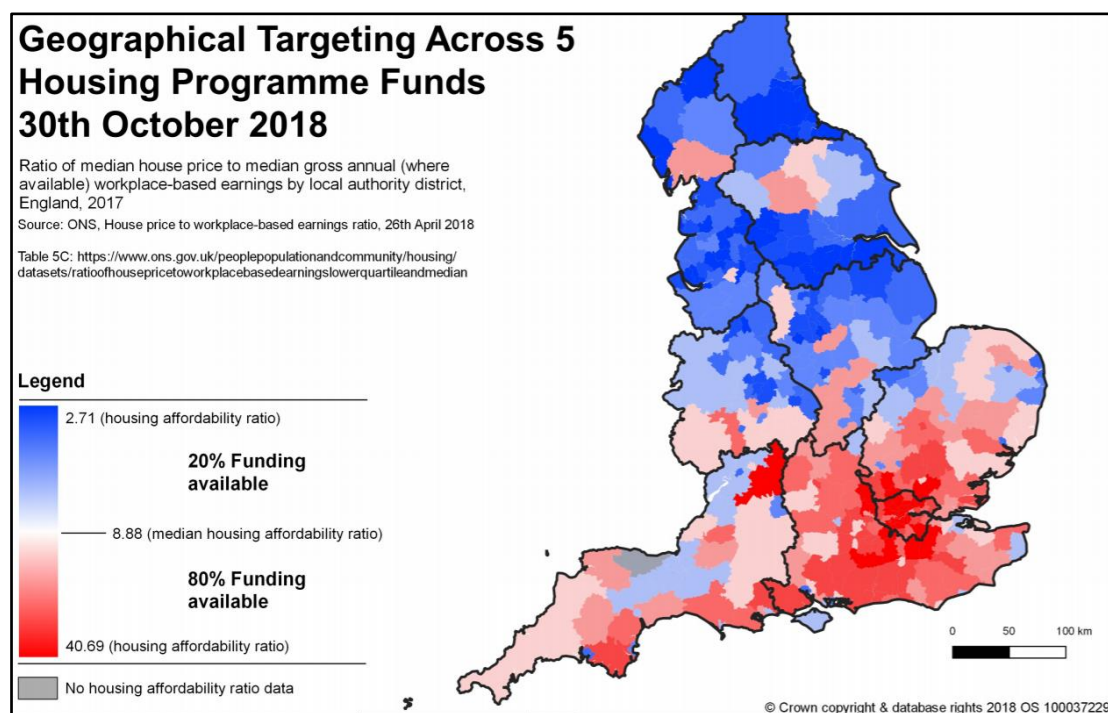
² See Bramley, G. (2018) Housing Supply Requirements Across Great Britain. London: Crisis. Available at: https://www.crisis.org.uk/media/239700/crisis_housing_supply_requirements_across_great_britain_2018.pdf - note that this assessment of need is based on recent trends; and if economic growth ambitions are secured, the requirement for affordable homes in the North could be higher still.

3.2 As such, the Programme can play an important role in Government's efforts to level up. Case studies we have collected show how relatively small investments have made significant and visible differences to communities:

- **Repurposing existing buildings.** In Darlington, *Railway Housing Association* used £1.8m of Affordable Homes Programme investment to transform historic former railway sheds into 74 new homes, with a total scheme value of £8m³.
- **Bringing empty homes back into use.** In the East Riding of Yorkshire, the local authority has utilised £2.3m of Affordable Homes Programme support to bring over 70 homes back into use in areas where private sector investment has not been forthcoming⁴.
- **Making use of redundant sites.** In Bradford, *Incommunities* housing association has received £224,000 from the Programme which, backed with their own resources, has enabled two brownfield former fire station sites to be transformed into 22 new homes for shared ownership, rent-to-buy and outright sale⁵.

4. A truly national programme

4.1 This flexibility is all the more important in the light of the North being locked out of access to the vast majority of other key funds. Geographical targeting means that 80% of five key housing funds⁶ are now targeted in areas of 'high affordability pressure'. As the map below illustrates, only four Northern local authorities qualify to access the lions' share of these funds. That means even places like York and Richmondshire – where average house prices run at more than seven times average incomes – are unable to access these key funds.



³ See <https://www.northern-consortium.org.uk/influencing/ournorth/railway-housing-association-case-study/>

⁴ See <https://www.northern-consortium.org.uk/influencing/ournorth/east-riding-case-study/>

⁵ See <https://www.northern-consortium.org.uk/influencing/ournorth/affordable-housing-programme/incommunities-case-study/>

⁶ The Housing Infrastructure Fund Forward Fund; Estates Regeneration Fund the short-term Home Building Fund; Small Sites Fund; and Land Assembly Fund.

- 4.2 Because it is not subject to these arbitrary restrictions, the Affordable Homes Programme has therefore become even more important to the North.
- 4.3 In this regard, we would urge reconsideration of the formula for concentrating investment of support for social rent on areas of 'high affordability pressure', defined as areas where average private rents exceed average social rents by £50 or more per week. This virtually eliminates use of social rent funding in Northern areas, despite a stark need for more social housing in these places. This is a blunt tool to direct funding; it fails to take into account the scale of unmet housing need in the Northern regions. It risks leaving parts of the North without access to much needed investment to meet projected household need, or to contribute to renewing obsolete housing.
- 4.4 We believe the Government must set a separate target for delivering the requirements for affordable homes and homes for social rent and use the forthcoming Spending Review to set out an investment plan which will enable the delivery of this target.

5. Summary of Expanding the Affordable Homes Programme in the North proposals

- 5.1 Government should accept the recommendations of national housing bodies for a £12.8bn per year housebuilding programme⁷. It is noteworthy that organisations across the housing sector, including *Crisis*, the *National Housing Federation*, the *Chartered Institute of Housing* and *CPRE* have backed this call. *Shelter* have made similar recommendations. Critically, there is agreement that this expanded programme should be available across the country. The NHC supports their calls and stresses the importance of a truly national programme.

6. Impact and implications

- 6.1 Expanding the Affordable Homes Programme within the North would contribute directly to a number of Government priorities:
- Levelling-up the UK's cities and regions.
 - Building at least a million more homes, including hundreds of thousands of affordable homes.
 - Regenerating our cities and towns.
 - Reducing poverty, including child poverty.
- 6.2 Evidence assembled by Sheffield Hallam University⁸ on benefit-cost ratios is clear that these actions lead to positive economic outcomes (this research will be outlined further in Part 2 of this submission):

⁷ See <https://www.housing.org.uk/press/press-releases/128bn-needed-every-year-to-end-the-housing-crisis/>

⁸ Dobson, J. et al (2018) *Literature review of regeneration scheme evaluations*. Sheffield : Centre for Regional Economic and Social Research. Available at: <https://s3.eu-west-2.amazonaws.com/files.events.housing.org.uk/NHF-Review-of-Regeneration-Literature.pdf?mtime=20190806112032>

Benefit Cost Ratios by Activity Type – central and cautious valuation applied to outputs derived using average unit costs

Activity type	Valuation basis	Central valuation	Cautious valuation
New build housing	Consumption (property betterment) and production benefits (GVA)	2.6	1.7
Housing improvement	Consumption benefits - property betterment and social benefits	2.0	1.3
Acquisition, demolition and new build	Consumption benefits - property betterment and visual amenity enhancement	5.5	3.7

6.3 Based on these multipliers, the *National Housing Federation* have estimated the total value of their proposed national housebuilding programme at £120bn to the economy each year, through the creation of local jobs in construction and other industries across the country⁹.

⁹ National Housing Federation (2019) *Let's end the housing crisis*. London: NHF. Available at: http://s3-eu-west-1.amazonaws.com/files.ciw.housing.org.uk/Lets_end_the_housing_crisis.pdf

Part 2: Sustainable Housing, Retrofit and Regeneration

1. Recommendation

- 1.1 Planned investment in sustainable retrofits of existing homes should be levered as the impetus to revitalise left-behind places in the North, enhance individual standard of living, and provide high value economic benefits. Coordinating planned investment with other funding streams, and a potential Housing Quality Investment Fund, would deliver tangible improvements to the fabric of Northern communities at pace.

2. Investing in existing housing stock

- 2.1 As outlined in Part 1 of our submission, building new homes is a priority for the North, but new supply is only a small proportion of the North's housing offer: the condition and quality of the available housing stock provides the capacity for a large number of homes which are affordable to local people. Upgrading the fabric of this existing housing stock is an essential element of levelling-up the economy.
- 2.2 80% of the homes that will be in use in 2050 are already built. These include some of the least energy-efficient properties, generally all types of pre-1919 homes and any others that also have solid wall construction. One in four of the North's homes were built pre-1919 (a disproportionately high 24% of the total of the North's housing stock), and two in five before 1944. These older homes produce higher emissions: the average carbon output from pre-1919 homes is around 6.6 tonnes compared to around 3 tonnes from post-1990 properties¹⁰.
- 2.3 In the North, 1.4 million homes fall into the category of non-decent in the owner occupied and private rented sector. 354,000 of these poor-quality homes are in the private rented sector. Our analysis of poor-quality stock was carried out over a year ago and we know that since then, greater numbers of these existing homes have fallen into disrepair and unfit standards. The role of enforcement lies with local authorities and significant responsibilities have been passed to them to tackle standards and energy efficiency. However, as noted in Part 3 of our submission, local authority capacity to intervene in these markets has declined; local authorities reduced spending on enforcement activity by a fifth between 2009–10 and 2015–16¹¹.
- 2.4 Social housing providers have steadily reduced the number of non-decent homes in the three Northern regions and non-decency currently stands at a very low 9%. Social housing providers are therefore well-placed to take the next steps to model best practice of energy efficient retrofitting of their own housing stock, and may also have a role to play in wider neighbourhood-based refurbishment schemes. Maintaining the very high levels of decency

¹⁰ Department for Business, Energy and Industrial Strategy, 2017 data

¹¹ CLG Committee (2018) *Private Rented Sector*. Available at:
<https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/440/44007.htm#footnote-074>

social housing currently reaches is expensive and must be balanced against developing new homes as well as the vitally important building safety work currently underway.

3. Social Housing Decarbonisation Fund

- 3.1 The Conservative Party manifesto restated the target of reaching Net Zero by 2050 with investment in clean energy solutions and green infrastructure. Proposals for a Future Homes Standard aim to decarbonise new homes from 2025 but the decarbonising of existing homes – which will remain by far the biggest residential polluters - is not addressed.
- 3.2 The manifesto pledged to lower energy bills funded through capital investment of a ‘social housing decarbonisation fund’ amounting to £710m over the next four years. This is a welcome first step. Current estimates show that cost effective improvements to existing social rented housing alone would cost £3.8bn,¹² so it is important to make the most effective use of the funding available.

4. Social Housing as a driver for innovation

- 4.1 The process, choices and cost of transitioning to a low carbon domestic heat source is likely to be higher for early adopters. As noted above, social housing already reaches higher standards than other tenures, and social housing providers are therefore well-placed to lead the way on the decarbonisation of homes with the co-benefits optimised, and the negative impacts reduced, but for this to happen, a range of different initiatives will need to be trialled and fully evaluated.
- 4.2 The NHC has been consulting with our unique cross-sector membership on the routes to large-scale decarbonisation of the North’s housing stock. We believe the social housing decarbonisation fund offers the opportunity to trial a range of measures and share experience, with a view to building familiarity, skills and demand for new technologies.
- 4.3 The NHC is willing to work with Government to act as a hub and disseminator of work enabled by the decarbonisation fund, as well as best practice in this area generally. Using the knowledge and networks across the social housing sector in the North, we would look to form an alliance of interested parties to champion this work, to ensure effective delivery of schemes and, through analysis of their impact and outcomes, share learning on product innovation.

5. Innovative regeneration proposals

- 5.1 We support the commitment to build at least one million new homes over the next parliament but there is evidence suggesting that simply building more market homes in lower demand Northern areas without consideration of the existing housing market can displace those

¹² National Infrastructure Commission (2018) *National Infrastructure Assessment*. Available at: https://www.nic.org.uk/wp-content/uploads/CCS001_CCS0618917350-001_NIC-NIA_Accessible.pdf#page=33

existing homes rather than support the wider local market. Areas of economic decline are a drag on wider-area prosperity and contributes to, otherwise prosperous areas, being positioned highly on levels of deprivation.

- 5.2 The overall economic impact of new housing on local areas with a high proportion of poor-quality housing is a factor in the polarisation of communities which makes overall growth and prosperity less likely. Our research suggests that in parts of the North “it is likely that new supply has typically widened polarisation between new suburbs and older neighbourhoods rather than develop a broader range of market and affordable housing opportunities within localities.”¹³
- 5.3 As we have outlined above, the North has a higher proportion of older, poorer quality homes. Improving these homes will be a key part of levelling-up and creating demonstrable improvements in the fabric of Northern communities, at pace. Northern places with poor housing conditions, frequently occupied by older, lower income or vulnerable households, should be the focus for place-based renewal. This place-based approach would sustain momentum generated in some places through the Towns Fund which is focused on “innovative regeneration plans.”
- 5.4 Decarbonisation provides an opportunity for renewal. Investment through the Social Housing Decarbonisation Fund and private sector Homes Upgrade Grants could be optimised if this investment were coordinated with interventions like the Towns Fund and proposed Shared Prosperity Fund (SPF). To enable more holistic housing renewal, Government should consider consolidating the remaining capacity in the Estate Regeneration Fund into a Housing Quality Investment Fund, which would allow for wider improvements in housing quality, and bring a new focus to raising the standards of the North’s existing stock.
- 5.5 There are already examples of this in practice in the North. They are, however, limited in scale and crucially, rarely linked to cross tenure neighbourhood renewal. Through block renewal and environmental schemes, it is possible to both improve the fabric of the property and to enhance the wider area. This then provides a mechanism to proactively support vulnerable households and provide them with the assurances needed to carry out internal improvements as well, for example, through home improvement loans and other local grant funding. There is a wealth of experience from NHC members in carrying out this kind of work that could be drawn on to help deliver new schemes.

6. Summary of Sustainable Housing, Retrofit and Regeneration Proposals

- 6.1 We are seeking Treasury support to develop a sustainable housing retrofit and regeneration model:
1. The Social Housing Decarbonisation Fund is a welcome first step. It offers the opportunity to trial a range of measures and share experience, with a view to building familiarity, skills and

¹³ Tees Valley Local Housing Markets 2019 Sheffield Hallam CRESR

demand for new technologies. The NHC is willing to work with Government to coordinate this approach in the North.

2. Investment in housing decarbonisation must be coordinated with other place-based initiatives like the Towns Fund and Shared Prosperity Fund. A gap still exists for a flexible Housing Quality Investment Fund which would complement these investments and enable Northern towns and cities to raise the quality of the existing housing stock and reach a fit-for-future standard.
3. Additional capacity should be made available to support local authorities who have identified a local need for enforcement activities to raise quality standards in the private rented sector. This theme will be further elucidated in Part 3 of this submission.

7. Impact and implications

7.1 Committing to the proposals outlined on sustainable housing, retrofit and regeneration would contribute directly to a number of Government priorities:

- Levelling-up our cities and regions.
- Reaching Net Zero by 2050, reducing carbon emissions and pollution.
- Regenerating our cities and towns.

7.2 As mentioned in Part 1, Sheffield Hallam University has carried out research on the logic chains associated with regeneration, the values produced by regeneration activities, and therefore the Benefit to Cost Ratios (BCRs) associated with regeneration programmes.

7.3 According to the costs and benefits associated with different regeneration activities, £1bn invested could generate £3.47bn in benefits:

Activity	Expenditure	Benefit to Cost Ratio (BCR) (cautious valuation)	Present value of benefits
Acquisition, demolition and new build	£400m	3.7	£1.48bn
Support for start-ups and spin-outs	£200m	6.8	£1.36bn
Skills and training	£200m	1.6	£320m
Environmental improvements to open spaces	£100m	1.8	£180m
Investing in community organisations	£100m	1.3	£130m
TOTAL	£1bn		£3.47bn

7.4 In addition to improving the quality of existing housing, modelling has established that making low income households energy efficient, would deliver¹⁴ a number of benefits:

- £3.20 returned through increased GDP per £1 invested.
- 0.6% relative GDP improvement by 2030, increasing annual GDP in that year by £13.9bn.
- £1.27 in tax revenues per £1 of government investment, through increased economic activity, such that the scheme has paid for itself by 2024 and generates net revenue for government thereafter.
- 2.27:1 cost benefit ratio (Value for Money), which would classify this as a “High” Value for Money infrastructure programme.
- Increased employment by up to 108,000 net jobs per annum over a 10-year period, mostly in the service and construction sectors - these jobs would be spread across every region and constituency of the UK.
- £8.61 billion per annum in total energy bill savings across housing stock.
- Improved health and reduced healthcare expenditure due to warmer and more comfortable homes, and improved air quality. For every £1 spent on reducing fuel poverty, a return of 42 pence is expected in National Health Service savings.

¹⁴ Verco modelling for Cambridge Econometrics (2014). *The economic and fiscal impacts of making homes energy efficient*. Available at: <https://www.e3g.org/docs/Building-the-Future-The-Economic-and-Fiscal-impacts-of-making-homes-energy-efficient.pdf>

Part 3: Levelling-up Capacity within Northern Local Authorities to Boost Housing Supply and Quality

1. Recommendation

1.1 To enable increases in the supply and quality of housing in the North of England, local authority capacity, which lags behind equivalent capacity elsewhere in England, should be 'levelled up'. Government can do this at the Budget and subsequent Spending Review by announcing the following measures:

1. A sustained real-terms increase in local government funding.
2. A national centre of specialist expertise, located in the North, and open to all.
3. A series of place-based, outcome-focused deals that rebuild local capacity.

2. The need to level-up

2.1 Forthcoming research for the NHC¹⁵ shows that local authority housing and planning services in the North of England have been disproportionately impacted by reductions in capacity over the last decade.

2.2 The change in average net spend per local authority in the North between 2010/11 and 2018/19 stood at -54% for housing services; and -65% for planning and development services. Comparatively, across the rest of England, this difference stood at -34% for housing services and -50% for planning and development services.

2.3 The North and Midlands recorded the highest relative reductions in both service areas over the period our study considered. The East of England, London and the South East recorded the lowest relative reductions. This has several implications:

- Councils in the North now spend 1.9p of every £1 on housing, compared to 3.7p in the rest of England.
- For planning and development, the figures are 1.4p in every £1 in the North, compared to 1.6p in the rest of England.

2.4 These high relative reductions in expenditure, and lagging patterns of expenditure, need to be set in a context of the need to level-up housing supply and quality in the North, as outlined in both Parts 1 and 2 of this submission:

¹⁵ Hincks, S. et al (2020 forthcoming) *A view from the North : Understanding Local Authority Housing and Planning Capacity in an Era of Austerity*. CaCHE, Sheffield.

- 1 million owner-occupied homes in the North fail to meet the decent homes standard, in addition to 354,000 privately rented homes, with more private homes falling into disrepair¹⁶.
- Independent assessments show that at least 100,000 of the new homes built in this Parliament should be affordable ones here in the North; another 150,000 should be homes for market rent or sale in the North¹⁷. Both these figures represent an increase on recent rates of supply and could be higher if economic growth ambitions are realised.

3. Consequences of these reductions in capacity

- 3.1 Researchers concluded that the reductions in spending since 2010 have “fundamentally reshaped the capacity of local authorities to deliver services in housing, planning and development.”¹⁸ This loss of capacity not only impacts on councils’ ability to achieve local housing and planning ambitions, but also undermines the potential of attaining Government’s own housing ambitions.
- 3.2 These reductions are having negative consequences for the delivery of government priorities on housing supply, climate change and economic rebalancing:
- “Government is pushing us to deliver, but it is probably happening at a slower pace than it could just because workloads mean we’re stretched” - Local Authority Officer*
- 3.3 Our study found examples of these negative consequences:
- Local authorities are prioritising resources to ensure the delivery of statutory planning and housing obligations, leading to a delay of almost two years to finalise work identified by the Planning Inspectorate to bring the Local Plan up to standard.
 - Local delivery partners are frustrated by the lack of capacity in their council partners: *“It just takes too long to process the applications; this is even after we’ve had pre-application meetings.”*
 - There are missed opportunities to address issues like climate change or the housing crisis, with delivery reduced to *“a numbers and targets game [rather] than addressing the real questions of [housing] quality and need.”*
- 3.4 The West Yorkshire Combined Authority have pointed to the constraints that a lack of housing and planning capacity have placed on their constituent authorities’ ability to

¹⁶ Smith Institute (2018) *The High Costs of Poor Housing in the North*. Sunderland: Northern Housing Consortium. Available at: <https://www.northern-consortium.org.uk/wp-content/uploads/2018/10/The-Hidden-Costs-of-Poor-Quality-Housing-in-the-North.pdf>

¹⁷ See Bramley, G. (2018) *Housing Supply Requirements Across Great Britain*. London: Crisis. Available at: https://www.crisis.org.uk/media/239700/crisis_housing_supply_requirements_across_great_britain_2018.pdf Professor Bramley’s figures are calculated on a per-annum basis. Figures cited here assume a five-year Parliament.

¹⁸ Hincks, S. et al (2020 forthcoming) *A view from the North : Understanding Local Authority Housing and Planning Capacity in an Era of Austerity*. CaCHE, Sheffield.

progress the build-out of stalled sites¹⁹. Lack of staff resource has restricted districts' ability "to broker delivery, monitor and proactively encourage owners and/or support developers to deliver smaller sites with planning permissions in place, which is contributing to stalling of sites."

4. Summary of Levelling-up Capacity within Northern Local Authorities to Boost Housing Supply and Quality proposals

4.1 We believe that a three-point plan is required to set a new course for housing and planning services in the North, enabling local places to realise their own ambitions, and to deliver on government priorities on housing, climate change and rebalancing the regions:

1. A sustained real-terms increase in local government funding.
2. A national centre of specialist expertise, located in the North, and open to all.
3. Place-based outcome-focused deals that rebuild local capacity.

5. A sustained real-terms increase in local government funding

5.1 The 2019 Spending Round provided the first real-terms increase in the local government funding package for a decade, which was welcomed by the NHC and our members. But such an increase needs to be sustained over time to give local government the opportunity and confidence to rebuild capacity. The NHC recommends that the 2020 Budget and subsequent Spending Review sets out a package that provides a sustained real-terms increase in local government funding.

5.2 Councils may choose to invest additional funding in services like social care, but additional funding for these statutory services may enable local government to stem or slow the rate of reduction in other services like housing and planning.

6. A national centre of specialist expertise, located in the North, and open to all

6.1 In our discussions with members, it was clear that reductions in capacity had particularly impacted on their access to specialist skills. As capacity has focused on core functions, expertise on large-scale regeneration or housing growth, or specialist skills like ecology, have been lost.

6.2 The December 2019 Queen's Speech promised a Planning White Paper which would consider the resourcing of planning departments. We believe this should consider planning and housing resourcing and welcome the Minister of State for Housing's suggestion of a 'planning A-team' who could support councils with these specialist skills²⁰. The NHC recommends that Government announce at the Budget that this will be instituted as a truly

¹⁹ See

<https://westyorkshire.moderngov.co.uk/documents/s14661/item%20%20Enabling%20Housing%20Growth.pdf>

²⁰ Smyth, C. (2019) *Esther McVey will send in A-Team to help councils build homes*. London: The Times. See <https://www.thetimes.co.uk/article/esther-mcvey-will-send-in-a-team-to-help-councils-build-homes-s5dh9gszt>

national centre of specialist housing and planning expertise, located in the North, and open to all.

- 6.3 It is clear from our research that the North has taken a disproportionate share of reductions in planning and housing capacity – therefore such a centre must be open to all councils. Locating the centre in the North of England would send a strong signal that this will be the case.

7. Place-based outcome-focused deals that rebuild local capacity

- 7.1 The North's housing sector warmly welcomes the emphasis the new Government has placed on levelling-up. We are clear that this is not about a blank cheque, and our offer to Government is to engage in a conversation about our shared ambitions and how we can work together to create the capacity to deliver on them. That means focusing on outcomes and agreeing to how we create the capacity to deliver those outcomes:

- Government has pledged to deliver 1,000,000 homes over this Parliament. As has been outlined, independent assessments show that at least 100,000 of those homes should be affordable and located here in the North; another 150,000 should be homes for market rent or sale in the North²¹. The North's councils have a vital role in planning for these homes - outcome-focused deals should agree on how to create the capacity to deliver these homes.
- Here in the North, we want to improve the quality of our existing stock and regenerate neighbourhoods, making them fit for the challenges of climate change, and thereby helping Government achieve the net zero emission target it has committed to. Our councils also have a vital role in coordinating that transition. Outcome-focused deals should agree on how to create the capacity to boost quality and sustainability of our existing homes, as set out in Part 2.

- 7.2 To deliver on our shared ambitions, all capacity must be harnessed. Some of our housing association members tell us that they would be willing to invest in capacity. There are private sector organisations who would do the same. But they need to be given the long-term certainty about the outcomes that investment would lead to.

- 7.3 Government is best placed to facilitate this certainty which is why the NHC recommends that at the Budget, the new Government instigate a series of place-based, long-term deals with Northern councils, based on shared outcomes we all want to see; and agree how we will collaborate to create the capacity to deliver those outcomes.

²¹ See Bramley, G. (2018) *Housing Supply Requirements Across Great Britain*. London: Crisis. Available at: https://www.crisis.org.uk/media/239700/crisis_housing_supply_requirements_across_great_britain_2018.pdf
Professor Bramley's figures are calculated on a per-annum basis. Figures cited here assume a five-year Parliament.

8. Impact and implications

8.1 Levelling-up housing and planning capacity within local authorities in the North would contribute directly to a number of Government priorities:

- Levelling-up the UK's cities and regions.
- Building at least a million more homes, including hundreds of thousands of affordable homes.
- Reaching Net Zero by 2050, reducing carbon emissions and pollution.
- Regenerating our cities and towns.

8.2 Critically, additional capacity in northern councils will enable the delivery of additional homes, and improvements to the quality of existing homes. Again, evidence assembled by Sheffield Hallam University²² on benefit-cost ratios is clear that these actions lead to positive economic outcomes:

Activity type	Valuation basis	Central valuation	Cautious valuation
New build housing	Consumption (property betterment) and production benefits (GVA)	2.6	1.7
Housing improvement	Consumption benefits - property betterment and social benefits	2.0	1.3
Acquisition, demolition and new build	Consumption benefits - property betterment and visual amenity enhancement	5.5	3.7

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²² Dobson, J. et al (2018) *Literature review of regeneration scheme evaluations*. Sheffield : Centre for Regional Economic and Social Research. Available at: <https://s3.eu-west-2.amazonaws.com/files.events.housing.org.uk/NHF-Review-of-Regeneration-Literature.pdf?mtime=20190806112032>



Serving members for over 45 years, the Northern Housing Consortium (NHC) is a not-for-profit membership organisation encompassing 96% of local authorities, ALMOs and registered providers of social housing across the North of England. Recently, the NHC became a member of the Northern Powerhouse Partner Programme.

We share an ambition to invest in the supply and quality of the North's housing offer supporting our members to create great places to live and enabling the North to become a magnet for new business and talented people.