

Minutes of the Roundtable between housing industry leaders & Clive Betts MP, Chair of Housing, Communities and Local Government Select Committee

Tuesday April 6th 2021 at 10:45am - 12pm (online meeting)

Members

Ben Everitt MP (Chair) [BE]
Gagan Mohindra MP

Guests

Clive Betts MP [CB]
APPG Secretariat
Places for People
Campbell Tickell
Delancey
Boklok
Origin Housing
Built-ID
Aster
RPS Group
JLL
Stonewater
Karbon Homes
Sanctuary Group
Settle Group
Land Promoters & Developers Federation (LPDF)
Midland Heart

1. Opening presentation

- Homelessness
 - i. “Everyone in” programme to provide emergency accommodation has been a success, but where do we go from here?
 - ii. “No recourse to public funds” creates challenges for LAs
 - iii. As the ban on evictions comes to an end, this will create problems for LAs
 - iv. I would like to see discretionary housing payments increased to help people with their arrears
 - v. Section21 – I want to see this abolished to prevent evictions. Currently landlords frequently use this to evict tenants who demand repairs.
- Leasehold reform – Tenants need to the right to purchase freehold. This is difficult but it can be done. We published a report recently on this. Mis-selling also a problem.
- Social housing. We need to build more social houses. 90k of the 300k needs to be social. This needs £10bn extra grant a year. Select committee has just published a report on this. S106 reforms will probably mean less money for social housing. We rely too heavily on S106 agreements, and this means that social housing is reliant on market housing. When market housing reduces, social housing also reduces. It would be better for social housing to be funded independently of market housing, so that social housing can be counter-cyclical. This would also help us keep the skills in the industry, so we don’t lose skills every time there is a downturn.

- Climate change. We are about to launch a consultation on this. Retrofitting probably the biggest challenge. There is an equality issue here; the poorer people tend to have the least efficient homes. We need the will to do this.
- Stranded assets, a massive problem. Government response has been very gradual.
- High streets – a real challenge due to working from home and online shopping but I’m not convinced that bringing more housing on the high street is the answer. What needs to happen is that LAs need to be more responsive to changes in working and shopping patterns. Our local plans need to be much simpler, so that they can be updated more regularly, and can keep pace with social change.
- There is wide political agreement over the need for 300k new homes a year, but this target is problematic because there is no underlying plan for the target, it is simply an aspiration. Nor is there a breakdown of the target into how many of these should be social homes vs market homes vs build to rent homes. How is the number going to be achieved? This is the consensus we need to build.
- We need to get beyond the view that only public or private is the answer. We need public and private to work together.
- Civic leadership is vital. We need a local vision and close collaboration between councils and private builders. We need to build at scale; not individual conversions but the creation of whole new urban districts. This can only be done jointly.
- I’m a passionate supporter of localism. Someone out there has solved every problem. We need to learn from local leadership. The centre should work to communicate these local solutions, and share success. LA planning departments are under-resourced and under-skilled. We need to build these skills back so that LAs can create the visions we need.
- Reforming the CPO process is a no-brainer and we will keep on pushing for this. To fix our towns, LAs need to have big plans and CPO is often part of this.

2. Discussion

- Major challenges faced by the sector:
 - The long term challenge of housing affordability issues (a problem likely to grow due to the increasing costs of construction, maintenance and retro-fitting due to rising net-zero and building safety standards)
 - Tackling immense problem of homelessness, which is going to grow as affordability worsens. How can the private help? Need for specific funding streams for different categories of people at risk of homelessness (e.g. people fleeing domestic violence)
 - Net-zero – the great challenge of the decade
 - Decarbonisation of new supply, and the effect on prices
 - How can we accelerate progress on retrofitting, and who will pay for the vast cost of this programme of upgrading buildings?
 - Some of our housing stock is >150 years old. Bringing this stock up to zero-carbon will be very tough and very expensive, is this realistic? In the case of HAs, spending money on this will hugely reduce the amount of money available for new developments. Is it right that HAs who have this historic stock should be penalised in this way?
 - Does the separation of responsibilities between MHCLG (new build) and BEIS (retrofit) make sense? Wouldn’t it be better to bring all responsibilities into MHCLG, because this will never be a priority for BEIS?
 - Fire regulations and building safety. Cost of upgrading properties to new fire standards. The level of resource required to monitor the changing standards.
 - The problem of stranded assets due to cladding – who’s responsibility is this?

- The complex ownership structures of some UK buildings means that getting solutions to problems like cladding is tough, we don't even know who the building owners are in some cases. The law needs to catch up with the current complexity of absentee owners.
- The decline of the high streets creates the risk of urban wastelands – how can our town centres be generated? PDR is unlikely to help with this, because it produces low quality accommodation. We need our town centres to become desirable places to live, which means properties with good amenities and which enable “working from home”.
- Other challenges
 - The role of MMC in speeding up construction.
 - The proposed reform of S106 – we need to maintain the supply of affordable housing and S106 is essential for this. Must not be diluted.
 - How can we get Homes England to do bigger developments and to fund regeneration projects? And how can we speed the process up? (one current development has taken us over 13 years to get planning permission)
 - The role of LAs in planning
 - Reducing the risk of the planning process and increasing the speed
 - Increasing the skill level of LA planning departments
 - Improving the funding streams for LA planning departments
 - Streamlining local plans
 - Difficulty of CPO process due to the 1961 land compensation act, which requires land to be purchased at ludicrously inflated prices based on “best case” sale price forecasts. It's time to return to the 2017 reform proposals.
 - The challenges of constant change – greater stability is desirable (but might be impossible given the constancy of crisis)
 - The bureaucracy of the building safety fund – a challenging process to navigate
 - The Green Homes Grant – it was a mistake to cancel this. This was a cost-effective way of improving the energy-efficiency of existing homes.
 - The politicisation of the housing debate. This leads to short-term policy making because only cross-party agreement will produce policy stability.
 - We don't know enough about how the housing market exists. This means that changes to housing policy often have negative side-effects. We need to put more work into the understanding of this complex system.
 - The housing crisis creates a huge welfare cost for the public purse, not just housing benefit but also the cost to the NHS and social care of having inadequate housing for the elderly. Clearly we need more “joined up government”, more co-ordinating mechanisms.

BE thanked CB for his time. CB thanked the APPG for the invite and offered to come back later in the year to report further progress.

The meeting ended at 12:01pm