

Regional Housing Strategy

for the East of England: 2005-2010



Regional Housing Strategy

for the East of England 2005-2010

East of England Regional Assembly

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1 Foreword

I am very pleased to introduce the Regional Housing Strategy for the East of England 2005-2010. This new strategy is a significant step up from the previous version for 2003-2006, rising to the challenges of housing growth set out in the draft East of England Plan.

This strategy is published at an exciting time for the regional housing agenda. The Government has demonstrated its commitment to delivery of affordable housing in the East of England with an allocation to the Single Regional Housing Pot of £431 million for 2006-08. It now falls to all the partners involved in the implementation of the Regional Housing Strategy to ensure that these public funds are used wisely: to help deliver decent homes to meet the needs of everyone in the East of England in a sustainable manner.

Alongside an increase in public expenditure in the next two years are anticipated changes in the regional governance structures for housing. The functions and responsibilities of the Regional Housing Board are expected to transfer to the East of England Regional Assembly, so creating a closer alignment between regional housing and planning functions. Indeed it will now be EERA's responsibility to co-ordinate the delivery of the strategy and to monitor its progress.

A great number of organisations have been involved in the development of the Strategy. Through early consultations with the sub-regions, a series of widely attended consultation events in November and December and then a period of more formal consultation over February, March and April 2005, a large number of individuals and organisations have contributed to the document. Input from the 9 housing sub-regions has been especially important. Each of the sub-regions has their own housing strategy, and they will continue to play an essential role in implementation of this strategy, turning regional policy into action at a local level.

On behalf of EERA I would also like to give a special thanks to the Regional Housing Forum who have steered the development of the strategy since discussions first began in spring 2004, and to Jane Smith consultant to the Forum for her tremendous efforts in bringing everything together.

The period up to 2010 will see the region grappling with the issues of increased housing supply and balancing this with issues of housing quality, environment, community cohesion and social inclusion. I am confident that the Regional Housing Strategy sets out a sound policy framework that will guide decision making and help EERA and its partners to rise to the many challenges ahead.



Cllr Simon Woodbridge
Chair
EERA Housing and Sustainable Communities Panel

2 Executive summary

Introduction

This is the second Regional Housing Strategy (RHS) for the East of England, taking forward the objectives of the first Strategy launched in 2003. Together with other key regional strategies comprising the Integrated Regional Strategy (IRS), in particular the East of England Plan and the Regional Economic Strategy (RES), it sets an agenda for achieving change and improvement for the quality of life in the Region.

The Regional Assembly (EERA) will be taking the lead in co-ordinating the implementation of the RHS. Delivery of the changes will be in the hands of a large number of stakeholders operating in the housing field across the Region. Success will depend on them following the Assembly's lead, working in cooperation and partnership to pursue the common objectives and policies set out in the RHS.

The RHS has therefore been formulated on the basis of wide consultation on objectives and the best means to achieve them. Inevitably this has required many compromises to be made between different views and priorities. In this spirit, all the Region's stakeholders are urged to follow the provisions of the RHS as far as possible in guiding their decision-making and resource allocation. Crucially, it is proposed that, as far as practicable, stakeholders contribute to the planning and implementation of sub-regional strategies which will play a key role in translating the RHS into action at the local level.

An accompanying context document¹ provides a comprehensive background of housing and related issues in the East of England with signposting to other sources of information. The RHS can be seen to be addressing these issues, based on evidence available. Over the coming years, more evidence should emerge which will permit its review, refinement and revision, enhancing the confidence with which stakeholders can act in pursuit of the common objectives as set out in the RHS.

Purpose and Vision

The Vision of the RHS is:

'To ensure everyone can live in a decent home which meets their needs, at a price they can afford and in locations that are sustainable'.

Among other aims, this means:

'more, sustainable housing provision, in high quality homes and environments, creating inclusive communities'.

The East of England is set to experience a large growth in the number of households resident in the Region. This is partly due to expansion within the existing population, and partly a result of in-migration. These pressures cannot be avoided, and indeed they are considered necessary to support the economic growth of the East of England, as set out in the RES, and to ensure the sustainability of the Region's communities. While the East of England Plan has established the broad strategic location of where the new housing should be developed to accommodate the household growth, it is one purpose of this RHS to provide clear guidance on the type of housing to be provided.

¹ Lodged on EERA's website at www.eera.gov.uk

For the foreseeable future, most of the Region's households will be living in the present housing stock. While the provision of new housing appears to be the most pressing issue for the Region, it is therefore still the case that what happens to the existing stock is likely to be of much greater long-term importance. For this reason, another key purpose of the RHS is to set out an approach to the improvement and maintenance of the existing housing stock.

The RHS provides a framework for decision-making and other actions at sub-regional and local levels. The true test of its value will be the extent to which those operating at these levels find the framework useful in providing confidence that their actions will be complementary to others' operating at different levels and in other geographical areas. Sitting between national and local policies, the RHS should be able to act as a link to ensure that experience at local level can feed upwards into national decisions.

Similarly, through its ability to be linked directly to all other strategies for the East of England, the RHS also provides a means for housing to be taken fully into account in future planning of the Region's economy, transport, health services, and so on. This is an area in which potential conflicts can be readily recognised: between additional housing and protection of open countryside; in the trade-off between quality and quantity of new housing; in decisions on spending limited public resources on either housing or infrastructure; and so on. The RHS addresses these issues pragmatically, on the basis of current evidence; but these are clearly areas which will need to be kept under constant review.

More, sustainable housing provision

Over the coming years, it is estimated that the East of England will require on average an additional 23,900 homes to be provided annually. Eleven thousand of these will probably need to be 'affordable', i.e. benefiting from some form of subsidy to reduce their cost to the consumer to significantly below the market price. On the basis of current practice, the volume of subsidy required will certainly be much greater than what is likely to be available from public expenditure. Therefore the RHS sets out an approach to meet this challenge through a series of measures aimed at: reducing land and construction costs, reducing average subsidy requirements, and maximising the public investment resources available.

Key among these are improvements in how the land-use planning system is operated to help provide land and subsidy for different forms of affordable housing within sustainable new communities of the future. Although section 106 agreements are at the centre of this, the RHS is looking to achieve greater cooperation between the actors in the process of negotiating these agreements.

Partnership is an important theme in ensuring the required delivery of new housing, and a partnering approach is recommended in planning and managing the supply-chain of new housing schemes across the Region which will provide the volume of schemes required. Together with training and similar measures, this will help bring about the improvement in confidence, efficiency and product quality which will be needed from the Region's future construction industry.

High quality homes and environments

Ensuring all people in the Region can live in decent homes is crucial, and the RHS takes as its baseline the achievement of the Government's 'Decent Homes Standard' in the existing stock. However, aspirations are set much higher than this.

An approach is proposed which will use expertise available in the Region to improve radically the general quality of new homes and residential areas. This is very much a future agenda, and the RHS calls for the detailing of the approach to be an urgent action for implementation.

Within existing residential areas, action to meet the Decent Homes Standard needs to be complemented by action on the quality of the environment surrounding homes: the 'liveability' of each neighbourhood. This should include bringing empty homes back into use, reusing derelict land and properties and providing more green space.

Creating inclusive communities

The RHS places emphasis on improving the sophistication of systems designed to anticipate future housing needs within the Region's communities. Avoiding homelessness is naturally a key objective; but stress is placed on an understanding of the housing market which will allow a better matching of housing provision with the anticipated future needs and household circumstances.

The Government's current initiative for housing Key Workers in the public sector is supported by the RHS, which recognises them as one of a wide range of groups not adequately served by the restricted traditional forms of social housing. Sustainable communities of the future will require a full range of different types and tenures of housing, providing choice and allowing for changing household circumstances.

Housing plays a key role in issues relating to social inclusion and community cohesion in the Region. The RHS stresses the importance of creating balanced communities, including mixed housing tenure. It proposes the development of policies and practices which, when addressing housing issues, will also take account of health, accessibility and other factors which impact on residents' quality of life.

Housing policies relating to specific population groups are proposed, with the aim of ensuring their integration into the wider community of the East of England. These cover members of black and minority ethnic communities including Gypsies and Travellers, migrant workers, asylum seekers, and refugees.

The RHS recognises that housing provision with care and support is a major issue in the East of England. Some proposals are made for dealing with this issue in the future; however, their main aim is to guide the creation of a Supporting People (SP) strategy for the Region to work within the framework of existing government arrangements for this policy area.

Many communities in the East of England are rural, with their particular problems relating to small populations and large distances for travel. The RHS attempts to ensure that there is a rural dimension to the whole range of policies and other proposals addressing different aspects of housing.

Recommendations for public investment

Possibly attracting most attention within the RHS is the set of proposals for public expenditure on housing. In setting an approach to this, it adopts both long- and short-term perspectives.

In the longer term, the RHS seeks to establish a broad direction, taking a balanced view between competing themes for public investment, complementing the other policies aiming at change in the existing stock and achieving the step-change in new affordable housing provision. In the short term, it takes a pragmatic view with regard to the scope for investment in the next two programmes for investment from the Single Regional Housing Pot (2006–08 and 2008–10). Making best use of the available resources, a step-change in the quantity and quality of new housing, and ensuring progress in meeting the Decent Homes target, are clear objectives.

The RHS seeks to ensure that sufficient investment is provided to make significant progress towards achieving Decent Homes. Fortunately, this is expected to require a relatively small part of the public resources available. For the remainder, the RHS sets target shares of funding for the various investment themes. Both the nature of the themes and their relative shares have been established on the basis of thorough consultation among stakeholders across the Region.

Investment theme	Indicative share of single regional housing pot	
	to 2010 (%)	from 2010 (%)
Growth	20	25
Local need / homelessness	20	20
Regeneration	10	10
Rural	10	10
Key Workers	14	5
Supported housing	8	15
Existing stock	15	10
Black and Minority Ethnic	3	5
Total	100	100

Implementation, managing and monitoring the RHS

The RHS sets out a series of proposals to ensure that it will be implemented, and retain its relevance for the various stakeholders in the Region. It outlines a framework for management of delivery, and for the monitoring and review of the RHS itself. Finally, it lists a series of concrete actions which represent key elements in the RHS's implementation. The most urgent of these actions is for stakeholders to work with EERA, once the new governance arrangements have been confirmed, to prioritise and schedule the actions, attribute responsibilities, and set targets for delivery, encompassing all in a comprehensive Action Plan.

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3 Introduction

- 3.1** This second Regional Housing Strategy (RHS) appears at a time of significant regional change as confirmation is awaited from Government of the merger of regional planning and housing functions. The RHS is likely to be delivered under different arrangements from those that it was conceived under. With the roles of the Regional Housing Board (RHB), Regional Housing Forum (RHF) and the EERA Housing and Sustainable Communities Panel (H&SCP), likely to change.
- 3.2** The East of England Regional Assembly (EERA) has a potential new role as the regional housing body, taking on the functions of the existing RHB. Therefore throughout the document the following terms have been used
- EERA/RHB to refer to functions currently held by the Regional Housing Board
 - Regional Housing Delivery Group (RHDG) which will build upon and replace the RHF
- 3.3** A more detailed note of how new arrangements are anticipated to work in delivering and monitoring the RHS is contained in section 9.
- 3.4** Whilst regional roles and responsibilities will be changing it is still necessary to produce a regional strategy for housing that both informs regional stakeholders and prioritises action and investment.
- 3.5** The RHS moves from a consideration of key issues for housing in the East of England to identify the challenges and risks and how they might be overcome. In dealing with the challenges it is important to recognise that this RHS cannot do everything; there must be prioritisation. Likewise the RHS cannot work in isolation; there must be a shared agenda with other strategies and recognition of the role of delivery agents. Policy frameworks are proposed as a basis for co-ordinating activities.
- 3.6** The context document, lodged on EERA's website, gives a comprehensive picture of housing and related issues in The East of England. The following are some of the key issues that the RHS has to deal with.
- 3.7** The population in the East of England grew by 5.5% between 1981 and 2001. Population projections 1996–2021 suggest a growth of 12.2%, and an increase in households of 24.7%².
- 3.8** If recent population trends continue, the major gross flows will come from London (approximately 40% of all in-migrants) from overseas (20%) and from the South East Region (15%). There is a net outflow of migrants from the East of England to all British regions except London.³
- 3.9** The East of England has a close functional relationship with London. Migration from London to the Region has been a key driver of past population growth although the London Plan 2004 seeks to encourage a high proportion of its expected population to remain in the capital. It is unlikely however, to accommodate all its population pressures and a net outflow of people from London to surrounding regions is likely to continue.⁴
- 3.10** Three of the Government designated Growth Areas impact on the Region. The East of England accounts for nearly a third of Growth Area housing – the biggest contribution outside London⁵.
- 3.11** The number of households is increasing as household size decreases. A significant proportion of the growth in households and population will be as a consequence of natural growth: 59% of household growth will come from the formation of new households within the existing population, 18% of the population growth will come from the continued excess of births over deaths.⁶

² ONS mid-year estimates:1996 based population projections ODPM 1996 based household projections from GO-East

³ Draft East of England Plan, December 2004.

⁴ As above

⁵ GO-East

⁶ Draft East of England Plan, December 2004.

- 3.12** There are considerable differences in the age profiles of the population across the Region. The percentage of residents aged 29 and under range from a high of 47.4% (Cambridge) to a low of 28.5% (North Norfolk). The percentage of residents aged 60 and over ranges from a high of 32.6% (Tendring in Essex) to a low of 16.3% in Luton.⁷
- 3.13** The population breakdown by Ethnic Group from the 2001 Census shows that the East of England has a white population of 95.1% compared with 91.3% for England and Wales. The 'Non-White' population includes all minority ethnic groups but not White Irish or Other White groups. The 'Non-White' group is 4.9% of the population in the East of England compared with 8.7% for England and Wales. The largest minority ethnic group in the Region is Indian at 0.9%.
- 3.14** 7.5% of the land area is designated as nationally important with the Broads, four Areas of Outstanding Natural Beauty and two Heritage Coasts. In addition 22 countryside character areas have been mapped by the Countryside Agency and English Nature.
- 3.15** Environmental resources, particularly water, are a critical issue for the Region. The East of England is the driest region in England, and there are already supply-demand issues in parts of the Region. Climate change is likely to have a further significant impact on these resources.
- 3.16** EERA and East of England Development Agency (EEDA) have jointly researched the land use implications of the RES and have particularly considered the alignment of housing and jobs growth policies.⁸
- 3.17** To achieve RES objectives, the RSS directs additional employment growth to deprived areas with weak economies (to facilitate regeneration) and to areas which have the potential for strong growth (to support the Region's key economic sectors and clusters). The proposal in the RSS is for jobs growth across the Region for 2001–2021 of 421,000.
- 3.18** The Right to Buy has had an impact on tenure across the Region. The total Right to Buy sales from 1998–2003/04 are 139,127 across the Region⁹.
- 3.19** The Region's Annual Monitoring Report has shown that the house price to incomes ratio has been
- 5.4:1 in 2001
 - 6.9:1 in 2002
 - 7.4:1 in 2003
 - 8.2:1 in 2004
- 3.20** The consequences of increasing affordability problems are higher waiting list figures and homelessness acceptances. Between 1997–98 and 2002–03, homeless acceptances had increased by 37% across the East of England. The average rate for England was 25.9%¹⁰.
- 3.21** The number of households in temporary accommodation at the end of 2003 was over 7,900 – an increase of 159% compared with December 1997.¹¹
- 3.22** Our regional research¹² has shown the need for 23,900 net additional dwellings per year over the East of England Plan period 2001–2021. Affordable housing need equates to 11,000 dwellings per year.

⁷ Cambridgeshire County Council Research Group – overview of the resident labour force from Census 2001 For Regional Partners

⁸ Roger Tym and Partners research report August 2004.

⁹ GO-East

¹⁰ GO-East

¹¹ As above

¹² Cambridge Housing and Planning Research for the East of England Regional Assembly

4 Purpose and Vision

Purpose

- 4.1 The first regional housing strategies were developed from largely descriptive statements in order to deliver the Government's Sustainable Communities Plan in a regionally sensitive manner. Regional Housing Boards were established in 2003 with responsibility for delivering the underpinning public investment in housing.
- 4.2 Similarly, the Government's five year strategy 'Homes for All' announced in January 2005 must be a significant factor in the way the RHS moves forward.
- 4.3 The RHS is part of a suite of regional strategies, and has links to other existing and emerging strategies. It has a particular relationship with the Regional Spatial Strategy (the East of England Plan) and the RES, all of which are brought together in the Integrated Regional Strategy.
- 4.4 **A primary function of the RHS must be to act as an instrument for delivery of the East of England Plan**, and to support the RES. The RHS must move to a position where new provision reflects what is set out in the East of England Plan and this in turn reflects the Government's Sustainable Communities agenda. This requires the policies and other provisions of the RHS to address the need for strategic guidance and support for those engaged in planning new residential development.
- 4.5 The RHS is not a substitute for local and sub-regional housing strategies that identify localised needs and markets. Local housing authorities produce their housing and homelessness strategies within the context of their community strategies and local corporate priorities, ensuring that housing priorities are closely linked to economic, social and environmental needs.
- 4.6 The RHS will only be acceptable to those working at local and sub-regional levels if it is seen to add value to what they are doing. It does not substitute for their own strategic thinking but must complement it, providing a regional framework to guide and support their work. Ideally, local strategies will nest within the respective sub-regional strategy, and sub-regional strategies within the RHS.
- 4.7 The RHS is the 'glue' that holds national and local priorities together. The relationship between strategies at the three levels is neither simply 'top-down', nor 'bottom-up': it must be both at the same time, with influence in the form of strategic guidance, good practice and evidence for policy formation, coordination, support in resolving conflicts and inconsistencies, and so on. In all these ways the RHS can be expected to add value.

Figure 1. Relationships between regional, sub-regional and local strategies



Vision

4.8 The Vision has been developed from the original strategy, with some refinement following consultation:

To ensure everyone can live in a decent home which meets their needs, at a price they can afford and in locations that are sustainable.

4.9 Contributing aims:

- to use housing investment to support economic development
- to provide a sustainable environment and attractive places to live
- to promote social inclusion within sustainable communities
- to ensure that housing serves to improve the Region's health and well-being and reduce inequalities.

4.10 The RHS will be achieved through three key objectives of delivering more, sustainable housing provision, in high quality homes and environments, creating inclusive communities. It must do this within established national and regional strategic frameworks.

The national strategic framework

4.11 The Government expects the RHS to deliver the Sustainable Communities Plan in a way that is appropriate to the East of England. In particular it should support the Office of the Deputy Prime Minister's Public Service Agreement (PSA) performance targets.

- **PSA 1:** tackle social exclusion and deliver neighbourhood renewal, working with departments to help them meet their PSA floor targets, in particular narrowing the gap in health, education, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England, with measurable improvement by 2010.
- **PSA 5:** achieve a better balance between housing availability and the demand for housing, including improving affordability, in all English Regions while protecting valuable countryside around our towns, cities and in the green belt and the sustainability of towns and cities.

- **PSA 7:** by 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition.
- **PSA 8:** lead the delivery of cleaner, safer and greener public spaces and improvement of the quality of the built environment in deprived areas and across the country, with measurable improvement by 2008.

4.12 The additional resources for housing achieved through the 2004 spending review were to achieve reductions in homelessness. The five year strategy 'Homes for All' includes a target to reduce by half, the use of temporary accommodation by 2010.

4.13 The Housing Minister expects the RHS to move towards a longer-term planning horizon that will ultimately bring it and the East of England Plan together. This will mean a change for housing. The RHS will need to adopt a 'bi-focal' vision, incorporating shorter-term strategic planning and actions within a longer-term framework of policy choices that will shape housing provision into the future.

4.14 Housing policy development at the regional, sub-regional and local levels will therefore become more significant in underpinning the selected strategic options.

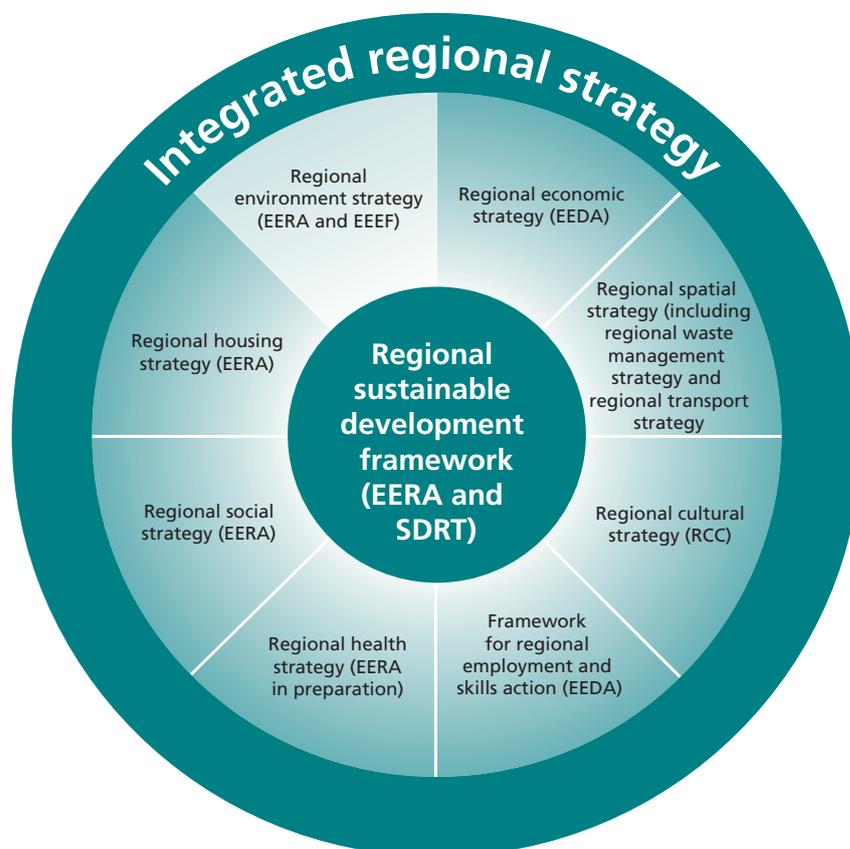
4.15 The Government expects the RHS to cover:

- all tenures of housing, including travellers' sites
- all options for addressing identified housing needs, including low-cost home ownership and equity release products and other accommodation needs including sites
- sub-regional strategies related to sub-regional markets
- an assessment of need shared with the regional planning framework
- reducing homelessness and the use of temporary accommodation
- adequate provision of housing, especially affordable housing, to address the growth agenda
- analysis of the need for Key Worker housing to determine the additional support that the Single Regional Housing Pot will need to complement the Key Worker Living Programme and the First Time Buyers' Initiative
- analysis of the need for rural housing across market towns and villages, having regard to the PPG3 update 'Planning for Communities in Rural Areas'
- cross linkages with other funding streams and programmes, for example Supporting People
- identification of the needs of Black and Minority Ethnic (BME) communities including Gypsy and Traveller Communities
- demonstration of consultation with regional stakeholders.

The regional strategic framework

- 4.16 The Regional Housing Strategy must be seen in the broader context of, 'Sustainable Futures: The IRS for the East of England'.
- 4.17 The Vision for the IRS is to improve the quality of life for everyone who lives or works in the East of England by delivering the following High Level Outcomes:
- an exceptional knowledge base and a dynamic economy in the Region
 - opportunities for everyone to contribute to, and benefit from, the Region's economic dynamism
 - strong, inclusive, healthy and culturally rich communities
 - a high-quality and diverse natural and built environment
 - a more resource efficient region.
- 4.18 In seeking to achieve the Vision and High Level Outcomes, Priorities for the East of England are to:
- achieve high quality and sustainable solutions in Growth Areas and other parts of the Region facing growth and regeneration pressures
 - harness fully the Region's strengths in science, research and development and in surrounding commercialisation processes
 - address the causes and implications of persistent deprivation and social exclusion – wherever it exists in the Region
 - effect a step-change in the efficiency of resource use and management of the Region's distinctive natural and built environmental assets
 - capture the benefits from, and manage the impacts of, the Region's international gateways and national transport corridors.
- 4.19 The IRS recognises that there are potential areas of conflict between existing strategies that are complex, but need to be confronted if the over-arching vision is to be achieved. These have been identified as 'critical issues' and the first relates to housing supply, growth and sustainability. It raises major challenges in relation to resource use and in ensuring that new and expanded communities really are sustainable; with appropriate jobs, transport, greenspace, cultural and social infrastructure.
- 4.20 The IRS proposes a decision-making hierarchy to encourage regional agencies to make positive decisions to help achieve the IRS vision, along with a Regional Strategy Board to pursue delivery. This Board would provide an overall co-ordination and reference point for regional working and an interface with central government.
- 4.21 In particular the RHS must deliver on the challenges posed by the draft East of England Plan (also known as the Regional Spatial Strategy). The Plan proposes a spatial policy framework for the East of England over the period 2001-2021.

Figure 2. Elements of the integrated regional strategy



- 4.22** Policy SS13 in the East of England Plan sets the overall target for the increase in the Region's dwelling stock for that period. In practice, this is a key driver in planning the release of land for residential development. The proposals are drafted at this stage and subject to testing at the Examination in Public. There may need to be a process of review following EIP (see section 9 on delivery). The East of England Plan aims to ensure that the spatial distribution of development provides the most sustainable pattern with respect to employment and infrastructure.
- 4.23** In the East of England as a whole, strategic and operational land-use planning will need to be undertaken to ensure the provision of a total of 478,000 dwellings over the period 2001–2021. This indicates an annual average rate of completion of 23,900 net additional dwellings each year. The Plan and thus the RHS acknowledges that the delivery of this scale of housing is dependent upon the timely delivery of infrastructure and job growth, and that the housing completions, infrastructure delivery, job creation and other economic and demographic factors will require close monitoring. Clearly, these changes will need to be monitored throughout the implementation period; in the meantime, the average rate offers a useful guide. As a reference point, the average rate of addition to the Region's stock in the first three years of the period i.e. between 2001–2004, was about 19,300 p.a.
- 4.24** The East of England Plan breaks down the housing provision figures geographically into the district council and unitary authority areas of the Region. Due to the RHS's adoption of sub-regions as the basis for housing investment and policies it is necessary to aggregate district figures to each sub-regional area. The map at Figure 3 shows a provisional sub-regional breakdown of the total new housing provision to 2021.

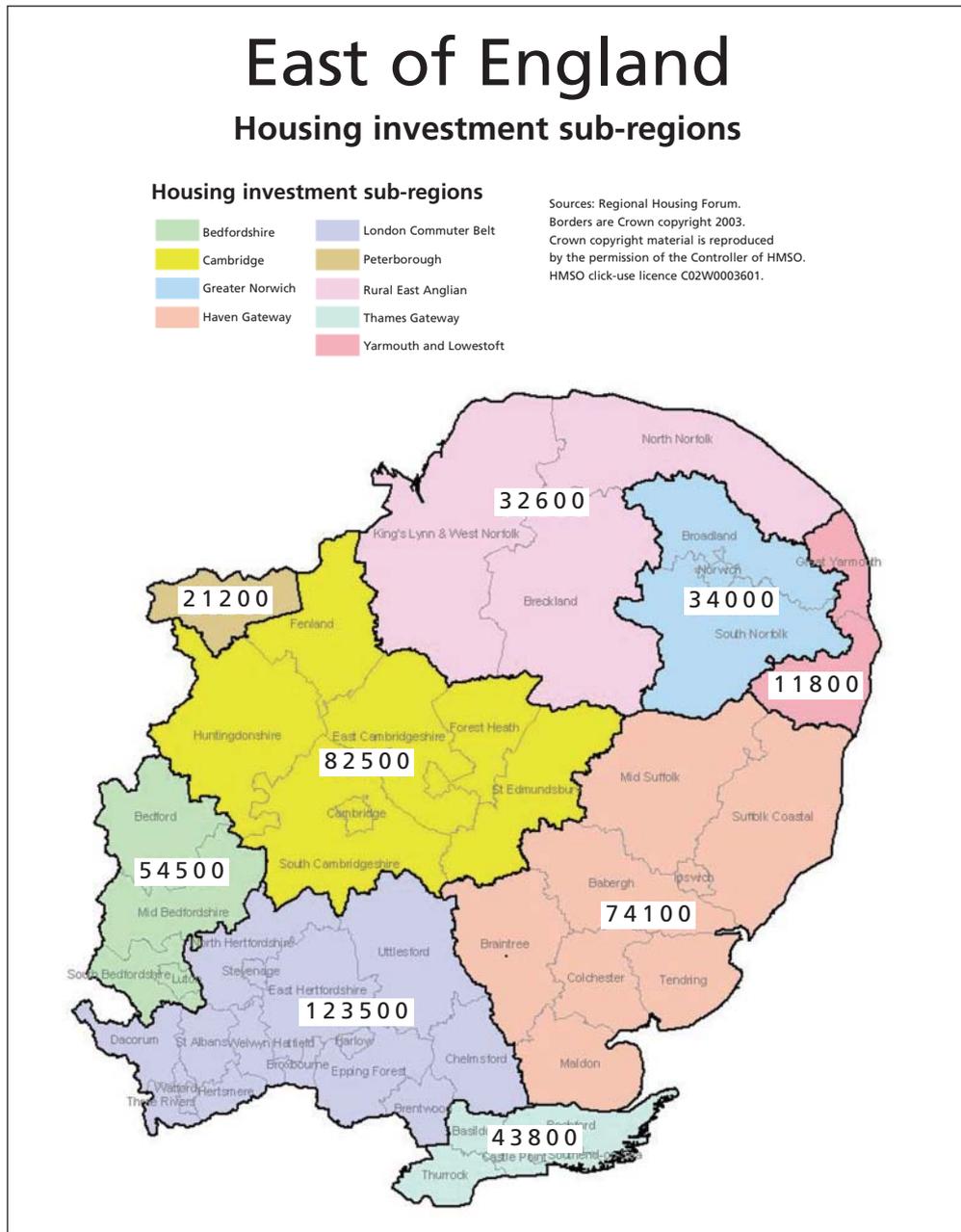
- 4.25 In preparing the East of England Plan, EERA commissioned an Affordable Housing Study in 2003. Information from this study informed the development of Policy SS13 on overall housing provision. Within the average provision for 23,900 additional dwellings each year, social rented housing should, based on this study, account for around 7,200 dwellings to accommodate the anticipated net additional need within the growing population of the Region. This amounts to some 30% of overall provision.
- 4.26 A second Affordable Housing Study (Phase 2 – 2004) has calculated that a further 1,320 units per year over 10 years will be needed to deal with the backlog of unmet need for social housing which is currently manifest in homelessness statistics and households trapped in overcrowding or otherwise unacceptable conditions. This is a rolling target that is difficult to identify precisely, and will require ongoing monitoring.
- 4.27 The Phase 2 report also attempted to quantify the volume of the Region's 'intermediate market' i.e. those households which would not qualify for social rented provision, but could not afford access to housing through the open market. The need for affordable housing provision for this group was estimated to be a further 2,400 dwellings per annum. A key element of this is the provision of 760 dwellings per year for Key Workers as defined under the Government's Key Worker Living initiative; many of the others can be assumed to represent other categories of employee recognisable as Key Workers for local communities and economies within the Region.
- 4.28 Adding all these elements of future need for affordable housing results in a volume of roughly 11,000¹³ dwellings per year. As a consequence, the East of England Plan sets an aspirational target that affordable housing should exceed 40% of the new housing provision in the period up to 2015, to provide dwellings for social renting, Key Workers, and other intermediate needs, and to reduce the backlog of currently unmet need.
- 4.29 Local targets should support the achievement of the regional targets set out in the East of England Plan.
- 4.30 By seeking to deliver housing in line with the draft East of England Plan, the RHS will also be supporting the RES, in particular Goal 4, Priority One that a suitable supply of homes is key to a successful economy. Key actions within the RES include:
- ensure sufficient high quality homes are developed in the right locations to support economic activity and regeneration
 - promote public and private partnerships and mechanisms to provide land for housing development
 - address affordable housing needs and the housing needs of migrant workers, refugees and other socially excluded groups through cross agency working
 - co-ordinate regional programmes to address skills gaps and shortages in the built environment professions, and develop skills to take advantage of the latest sustainable construction techniques
 - develop demonstrator projects that deliver high density, resource efficient affordable homes to maximise the use of brownfield land opportunities.

¹³ 7,200 social rented+2,400 intermediate+1,320 social rented backlog

Housing investment sub-regions

- 4.31 The nine housing sub-regions in the East of England have been established to better reflect the different housing markets within the East of England.
- 4.32 The map below shows the location of the sub-regions, and the local authority areas covered, as well as the planned new provision of housing to 2021 based on the draft East of England Plan.

Figure 3. Housing investment sub-regions and planned distribution of new housing provision to 2021



Each of these sub-regions has a sub-regional strategy and investment plan. These have been developed in tandem with the revised RHS.

4.34

Web sites where sub-regional strategies can be found are:

- Bedfordshire – <http://www.bedford.gov.uk/bedford/housing/regional.htm>
- Cambridge – <http://www.cambridge.gov.uk/ccm/navigation/housing/housing-strategy-research/>
- Greater Norwich – http://www.norwich.gov.uk/webapps/atoz/service_page.asp?id=1395
- Haven Gateway – www.ipswich.gov.uk
- London Commuter Belt – <http://www.north-herts.gov.uk/uploads/documents/lcb-strategy-final111004.pdf>
- Peterborough – <http://www.peterborough.gov.uk/page-163>
- Rural East Anglia – <http://www.breckland.gov.uk/nwia/az.nsf/BreCategories/55AED5D25D40D7E6802566390043B234?OpenDocument&Site=Bre&Display=Bre>
- Thames Gateway South Essex – www.tgessex.co.uk/downloads.php
- Yarmouth and Waveney – www.great-yarmouth.gov.uk/housing/housing_policy.htm

Rising to the challenge: managing conflict and delivery

4.35

The RHS faces a number of potentially conflicting issues in delivering the strategy. The RHS must recognise these tensions and seek to deal with them. However, some either relate to the Region's 'crucial issues' or have other implications that are beyond the RHS to resolve alone. A higher level approach must be used in these cases, for example through the regional decision-making hierarchy (see above).

4.36

If these tensions remain unresolved they pose 'strategic' risks to delivery, which could undermine the strategy. The RHS proposes three mechanisms to deal with these tensions:

- clearly identify the strategic risks emerging from tensions and ensure that they remain on higher level agendas – e.g. the IRS or national policy agendas
- propose policy frameworks that take tensions and risks into account
- translate the higher level 'strategic risks' into those 'operational risks' that the RHS can manage through its action planning process

The tensions from which strategic risks emerge are described in the following sections.

Sustainable planned new housing supply

4.37

Tensions stem from the need to provide 478,000 new homes in sustainable locations up to 2021. They include the need to:

- recognise concerns about the level of new development
- recognise that delivery is dependent upon the operation of the housing market

- recognise the need to bring forward land for development in sustainable locations
- ensure homes are located in the right place to meet the needs identified in the RES
- provide infrastructure to support development
- ensure a *minimum* of no net loss of environmental assets

4.38 Risks to RHS are non-delivery of new housing supply and/or opportunity costs of environmental enhancement.

New affordable housing supply

4.39 Tensions stem from the need to provide 11,000 affordable homes each year. They include:

- uncertainty over public investment in affordable housing
- dependence on market housing to deliver through section 106 agreements
- other priorities for section 106 agreements
- opportunities to develop not in line with planned provision.

4.40 Risks to RHS are the lack of long-term certainty to provide year on year increases in the areas where affordable provision is most needed, and that the 'affordable' housing provided does not meet identified needs.

Existing housing stock

4.41 Tensions stem from the need to ensure that existing housing stock remains in good condition but:

- most housing in the Region is in the private sector, the majority owner occupied. The RHS can have limited influence over individual decisions
- to deal with the Region's housing stress the main call on public investment will be for new housing.

4.42 Risks to RHS are that deterioration of housing stock over the long-term will impact on the housing market in general, which will in turn affect the ability to produce more new affordable housing. Furthermore, vulnerable people are most likely to suffer from poor quality stock.

Regional 'governance'

4.43 Tensions stem from :

- uncertainty over roles for housing at the regional level until new arrangements can be confirmed
- capacity of sub-regions to deliver and achieving 'buy in' to delivery mechanisms

Risk to the RHS is that the strategy cannot be developed and delivered.

Conclusions

4.44 Under each of the strategic objectives; **more, sustainable housing provision, in high quality homes and environments and creating inclusive communities**, the policy frameworks take these risks into account. Furthermore, section 9 dealing with implementation ensures that the strategic risks are translated into operational risks and actions to be managed.

5 More, sustainable housing provision

Bringing about the step-change in delivery

- 5.1 Probably the key challenge for the RHS is to provide an effective strategic approach to ensuring that there is sufficient housing of the right types, in the right places and at the right time, within the new stock, and that it is affordable for consumers. Faced with a continuing demand from the growing number of households in the Region arising from natural growth and in-migration, this is therefore clearly a challenge of supply. Left to themselves, commercial mechanisms would deliver new housing to meet market demand. The challenge to the public sector is to be able to intervene in the market to ensure it can help create further housing to meet all the additional needs which cannot be satisfied by the market i.e. what is termed 'affordable housing'. This needs to be done, moreover, without significant negative affects on the market housing position. Failure to achieve this will have potentially serious consequences and represents a significant risk (see section 9) that must be addressed in the monitoring and review of the RHS.
- 5.2 As indicated in the previous chapter, it is currently estimated that regional production of affordable housing will be needed at an average annual level of some 11,000 dwellings over the period of the RHS:
- 7,200 new households needing social rented housing
 - an additional 1,320 social rented homes to deal with the existing backlog, plus
 - 2,400 homes for low-cost home ownership or sub-market renting.
- 5.3 This represents a significant step-change over current rates of production, and achieving this will clearly pose an enormous challenge to those involved in the housebuilding industry in the Region. The complexity of this challenge predetermines that there can be no single policy solution. The RHS therefore sets out to pursue a range of measures whose aggregate effect is aimed at achieving the objective.
- 5.4 The measures proposed fall into four categories:
- reducing the production costs of new affordable housing, without reducing quality
 - reducing the average need for subsidy to make decent housing affordable
 - creating more resources for subsidy to meet the need
 - raising the general quality of housing within a sustainable framework.
- 5.5 Through these measures, the aim is to match the supply of affordable housing in the Region to the need. With all interventions in the market, it is recognised that they can only be achieved within overall financial arrangements that make business sense to the producers.

Reducing production costs

- 5.6 New affordable housing can be produced either by the purchase of existing properties or the construction of new housing. The cost of existing properties is essentially determined by market supply and demand, and therefore is not addressed directly by these measures.

- 5.7 The two key factors in determining procurement costs for new housing are land and construction.
- 5.8 **Land costs:** land costs in the Region have been high and increasing for several years. Constraint on the supply of land which can be developed must play a role in this, having an effect on individual decisions by developers on how they bring houses onto the market. **It is therefore imperative that the land-use planning system does not restrict supply more than necessary.**
- 5.9 Another factor encouraging higher land prices is the expectation of high sale prices for property and the related potential for profits in the development process, commonly known as 'hope value'. Whilst it is difficult to influence directly the expected sale prices there is some ability to influence the situation through the use of section 106 agreements in development control. **Therefore, it is proposed that the framework of planning obligations on development across the Region is changed strategically to put downward pressure on hope value affecting prices in the land market.** This must be carefully handled to ensure that, while aiming to constrain the prices paid for land, this does not inadvertently result in a reduction in the supply of land made available for development being itself constrained with the effect of maintaining higher prices. This is addressed in 'Strategic planning' Framework Figure 4 and Policy Framework Figure 6 below.
- 5.10 Private landowners are sometimes willing to sell their land below market value where the affordable housing that can be produced is of direct benefit to their communities. Although this is most common in villages, it need not be assumed to be impossible elsewhere. **Local authorities, parish councils and others should seek every opportunity to encourage local private landowners to provide suitable land for development below market value.** This is particularly true where agricultural land or other brownfield sites are no longer viable for economic uses.
- 5.11 **Wherever land owned by public bodies in the Region is to be made available for the development of affordable housing, they should give serious consideration to transferring land at nil cost, or at most, existing use value.** This policy is no longer compromised by the need for such organisations to achieve the highest market value, since the Government introduced the obligation of 'best consideration'.
- 5.12 Public sector organisations, notably English Partnerships and EEDA, can finance the purchase and assembly of land for development, although this has only been used by EEDA for housing provision on a very small scale. Local authorities can use their own compulsory purchase powers for the same purpose. **Wherever public bodies acquire land for the development of affordable housing, this should be made available at subsidised cost.**
- 5.13 Control through the planning system, mainly through section 106 agreements, can ensure that land being provided for affordable housing is a condition of development.
- 5.14 **Wherever the planning system requires land to be provided for affordable housing, this should be below market value.** (See Policy Framework Figure 6 below.)

Strategic policy: planning frameworks

[The Planning and Compulsory Purchase Act 2004 provides a framework for reform and improvement of the land-use planning system.]

- The East of England Plan (RSS) will set targets for additional housing provision which will permit a balance between supply and need throughout the Region, and hence avoid exacerbating current affordability problems.
- Local Development Documents must be prepared by local planning authorities with the same aim: ensuring the supply of sufficient land for development.
- Both regional and local planning documents must establish clear expectations regarding the scale of the various types of affordable housing, related to current understanding of the relevant housing markets.
- Local policies for the control of residential development must set out clear expectations regarding the use of section 106 agreements to secure affordable housing within sustainable communities. These must not only address the proportion of affordable housing in any housing scheme, but also both the mechanisms for producing it and the framework for using planning gain or other public subsidy. They should also address the consequences on the provision of private market housing.
- The monitoring and review of regional and local plans must pay attention to the type of housing being produced e.g. volume and share of 'affordable' housing when considering whether there need to be changes in strategy or policy.

Figure 4. Strategic planning framework

- 5.15 Local authorities should research and keep a register of land potentially available below market value to assist in long-term planning of affordable housing supply.
- 5.16 **Infrastructure costs:** across the East of England, one of the common restrictions on housing development is the limited capacity of the infrastructure serving the future residents: transport networks, sewage treatment, water supply, primary schools etc. Controls often operate to ensure contributions from developers to the capital requirements for expanding capacity. The object of this policy is to reduce the burden on the public purse for funding the infrastructure. The level of contribution from developers can be related in the first instance to the additional infrastructure costs to meet the new development and its residents. However, these costs will sometimes appear disproportionately high where current infrastructure is operating near to maximum capacity, and major capital investment is needed to expand or replace it.
- 5.17 If applied to affordable housing, this policy merely serves a) to increase the cost of grant subsidy required to provide the affordable housing, and/or b) reduces the volume of affordable housing by reducing the subsidy otherwise available for it from planning gain. In either case there is not only no net benefit for the public purse, but a possible loss through additional administrative costs. More pertinently, there would be less new affordable housing produced from the public capital available.

- 5.18** **In order to keep production costs down, the development of affordable housing should normally be excluded from obligations of capital contribution to infrastructure development.** This should not be taken to imply that infrastructure costs should automatically be passed on to commercial development of land for sale, since this itself might simply reduce the level of planning gain available for subsidising affordable housing. The aim of the RHS is to encourage decisions on the sharing of infrastructure costs which achieve appropriate balance between private and public contributions, and, moreover, avoid the inefficiency of one public source of funding subsidising another.
- 5.19** **Where land for affordable housing is provided at nil cost as part of a s106 agreement, this should normally be on 'serviced' basis i.e. infrastructure costs are not indirectly included in the scheme costs for which public capital subsidy is paid.**
- 5.20** **Construction costs:** all developers of residential property will be seeking to reduce the costs of creating their products. Every reasonable opportunity should be taken to enable them to do this, consistent with the other objectives of the RHS. The RHS encourages all to consider the potential for this using Modern Methods of Construction.
- 5.21** The Government is encouraging use of Modern Methods of Construction (MMC) to achieve a step-change in the quantity and quality of housing we need, a policy derived from 'Rethinking Construction', the report of the Construction Task Force. The potential benefits include faster, more reliable construction processes, improved quality control with fewer housing defects, and reductions in energy use and waste. All of these point to a considerable potential to reduce construction costs, although evidence suggests that this applies only in associations' programmes with the larger scale of operations referred to above.
- 5.22** Because of the economic, social and environmental benefits of MMC, the Government has established initiatives to encourage its use, focusing on the social housing sector. In its 2004–06 investment programme, the Housing Corporation required at least one quarter of new houses to be built using MMC. In the East of England 58% of the new housing schemes will be developed using some form of MMC.
- 5.23** **The Housing Corporation should continue to require housing associations to explore all possibilities to use MMC to increase the cost-effectiveness, quality and reliability of delivery of new affordable housing.**
- 5.24** **Developers of market housing should be encouraged also to pursue this principle.**
- 5.25** This is an area that Inspire East, the Regional Centre of Excellence may be able to promote with regional partners. It may also be possible to link into the local authority work on public service excellence. New centres of procurement excellence have been established across the country, with Norfolk County Council hosting the centre for the East of England.
- 5.26** **Economies of scale:** by creating a more robust framework for longer-term planning, the regional, sub-regional and local strategies for housing and land-use planning are facilitating housing development to be planned on a larger scale over a longer period. The resulting economies of scale should enable procurement costs to be reduced, while also creating opportunities for comprehensive development of new sustainable communities.
- 5.27** Further economies of scale can be created by building up a 'pipeline' of strategically planned development schemes, large or small, throughout the Region. This is possible if organisations are willing to work in long-term partnerships.

- 5.28 **Partnering:** the principle of partnering is to increase cooperation between those organisations involved in producing the various elements of the process that results in housing products. This approach has been promoted for many years in the construction industry as a means of reducing costs through greater efficiency in operations, less waste, and reduced frictional costs at the points in the process where organisations interact. It should also enhance the quality of products and facilitate their harmonisation with needs and demands. These principles are set out in the 'Egan Report.'
- 5.29 Partnering between builders and developers has been increasing in recent years, and **the RHS proposes that the use of partnering should be extended throughout the development process wherever appropriate.** In particular, greater partnership is urged between landowners, developers, local authorities and housing providers, to maximise the quality and cost-efficiency of new housing schemes, particularly the larger ones expected in the Region over the coming years. Local communities should be involved as far as appropriate.
- 5.30 The partnering approach is particularly helpful when developing s106 Agreements where discussions involving all parties at an early stage will establish a shared understanding of what is to be delivered and how it will be funded.
- 5.31 Partnering provides a framework for the kind of supply-chain management which has been common in manufacturing and retail industries for many years.
- 5.32 **Supply-Chain Management:** during the last year the Housing Corporation has developed a 'supply chain management' process aimed at identifying affordable housing schemes which could be delivered in the Region with or without grant resources. This has been an important information gathering tool and is showing that the majority of new schemes are opportunity led rather than reflecting a strategic process of geographical targeting. It is accepted that in the short-term the Region will deliver what is currently in this supply chain of schemes but over time the RHS wishes to direct resources to promote development in the growth areas reflecting the East of England Plan and the Government's Sustainable Communities agenda.
- 5.33 There is always a strong likelihood of new sites for residential development to be generated by unforeseen circumstances, which means that they enter the supply-chain of potential sites at short notice, effectively in an unplanned, unmanaged process. The most common occurrence is for brownfield sites to become available when industrial or other existing uses cease. Usually referred to as 'windfall sites', these can offer considerable potential for the creation of additional affordable housing, and they must be assessed for public investment within the normal framework applying to the rest of the supply chain. Although this might imply considerable time pressure, all the strategic policies recommended here for the use of s106 negotiations and other interventions in the development process should apply equally to windfall sites as to others in the supply chain.
- 5.34 **The Pipeline Project:** the Pipeline Project was commissioned by the Regional Housing Board to report on what is required in the East of England to overcome barriers to the development of sufficient affordable housing. The RHS has adopted the report's recommendations that improvements ought to come from:
- a properly co-ordinated local approach – possibly at sub-regional level – that includes a clear vision of what is required, robust assessment of needs, an estimate of the funding likely to be available from all sources and a realistic approach to bridging the gap between what is required and what can be provided. Priority setting is vital.

- Section 106 discussions held at an early stage involving all parties (including developers, all relevant staff from County, District or Unitary Councils and from housing associations) and informed by an appreciation of the local development economics issues so that an appropriate mix of affordable housing tenures can be agreed. There are now several financial modelling tools available for this purpose, and these need to be assessed with a view to adoption to provide the efficiency and continuity of using a common tool across the Region. Development of an appropriate regional tool should be considered if none of the existing ones provide sufficient support in this approach.
- longer-term certainty at regional and national level about the amount of grant available to support affordable housing, priorities for spending it and the likely recipients.
- identification of ‘regional experts’ – or exemplars of best practice – used to provide advice and assistance, and perhaps brokered by Inspire East, the Regional Centre of Excellence.

5.35 There are steps being taken which are aimed at addressing some of the points made here. The recent introduction of local delivery vehicles (for example Cambridgeshire Horizons) is an attempt to get the co-ordinated approach to the development of housing and related infrastructure. Also, the Housing Corporation has signalled that it intends to have longer term partnering arrangements with some housing associations that should enable more certainty, encourage longer term planning and lead to efficiencies in procurement.

5.36 **The RHDG will work with regional partners, including Inspire East to evaluate available financial modelling tools and develop ‘regional experts’ to take s106 work forward, developing a regional tool if this is appropriate.**

5.37 The report concluded that the barriers and solutions are similar to those identified in previous studies, the issue being to find out why identified solutions are not being applied locally. Anecdotal evidence suggests that achieving the ‘properly co-ordinated local approach’ advocated is frustrated by:

- different political views from District, County and Unitary authorities who may not feel they share an identity of interest
- lack of clarity about the respective functions of those bodies and other regional partners such as delivery vehicles
- poor quality of needs assessment obtained over a sub-region rather than District by District
- uncertainty about funding in the long-term
- disagreement about priorities and who is involved in setting them.

5.38 **The RHDG will take forward the Action Plan emerging from the Pipeline Project, reporting progress back to EERA.**

5.39 **Industry capacity to deliver:** the Construction Industry Training Board (CITB) reports that the East of England has the largest construction output outside London and the South East, and that output needs to grow further. Combined with an ageing workforce and an inadequate supply of new entrants, the East of England construction industry is likely to experience increased skills shortages without further action. More specifically, both the output and costs of construction would be adversely affected if this problem cannot be properly addressed.

- 5.40 **EEDA, the development industry, the CITB, UCATT, the Learning and Skills Councils, Sector Skills Council for Construction and Inspire East should jointly consider and determine a policy and action plan to deliver the skills that will be needed to increase the quantity and quality of homes in the East of England.**
- 5.41 **Development partners should seek to develop local labour in construction arrangements wherever possible.**

What is Inspire East?

Inspire East is a regional centre for excellence to promote and encourage proposals for change.

'A regional body to drive up skills and knowledge in the related fields of regeneration and neighbourhood renewal. The services they will provide will be available to a wide range of people from the public and private sector including built environment professionals, regeneration practitioners, people working for local/regional government and community representatives' – Steve Crocker ODPM

Figure 5. Inspire East

Reducing subsidy costs

- 5.42 **Tenure mix and cross-subsidy:** The creation of sustainable communities will normally require housing of various tenures and types within developments of any significant size. In the lively housing markets of the East of England, housing built for sale or rent on the open market will normally generate considerable profit for developers. Affordable housing requires different levels of subsidy depending on the target household type, and some if developed by non-profit-making organisations, can even generate small surpluses.
- 5.43 By choosing different mixes of affordable housing, the average subsidy required per unit can be raised or lowered. More significantly, part of the profits on some tenures can be used to cross-subsidise others, reducing average subsidy further. This would apply equally for cross-subsidy from retail or other forms of commercial land use development.
- 5.44 **When planning the tenure mix of sustainable residential communities, every opportunity should be taken to exploit the possibility of cross-subsidy between tenures and so reduce the overall average costs of subsidy.**
- 5.45 **Partnering:** partnering was referred to in the previous section as a means of minimising housing construction costs. This principle can also be used, within given costs, to reduce the overall requirement for capital grant subsidy.
- 5.46 A specific example is the piloting of longer-term partnering between the Housing Corporation and a select number of housing associations chosen for this purpose. This focuses funding on the housing associations which the Corporation considers to be the best developers in terms of the quality and reliability of their product delivery, but also, critically, in their ability to work constructively in a longer-term partnership. A review of the Investment Partner Programme is

currently underway and due to report in May 2005. The intention is to improve the capacity of the sector to deliver greater added development value, increase supply and secure greater long-term efficiencies. Partner housing associations should have more confidence to acquire sites, negotiate better prices, borrow private finance at lower rates and plan their operations to a greater capacity over a longer period.

- 5.47 Providing greater certainty of programme size and duration will enable housing associations themselves to set up more effective partnering arrangement with contractors and others within the construction supply chain. This allows the opportunity of realising the potential gains possible through the use of MMC.

Increasing resources for subsidy

- 5.48 The East of England's approach to affordable housing provision is that it should be part of the general process for residential development, with affordable housing integrated into mixed, sustainable developments. The resources available for public investment in the Region are also expected to be significantly lower than the overall volume required to ensure the necessary supply of affordable housing. It follows, therefore, that capital subsidy provided directly from the public purse should be used only to supplement subsidy from planning gain where the latter is insufficient, or in circumstances where planning gain is not available.
- 5.49 **Private subsidy derived from the development process in the form of planning gain should be the primary source for subsidising the affordable housing in any development, with public subsidy normally only used to supplement this where necessary to ensure financial viability. This will be reviewed should further Government guidance become available.**
- 5.50 **Planning gain:** national policy on planning obligations is currently under review. This may result in significant changes in the mechanisms for handling planning gain within the development process and therefore it is important strategically to establish a framework of policies which are designed to make best use of this resource as a source of subsidy for affordable housing. This is set out in Policy Framework Figure 6 below. It will need to be reviewed when national policy changes have been determined.
- 5.51 **Single Regional Housing Pot:** the volume of resources provided to the Region through the Single Regional Housing Pot (SRHP) is at the discretion of Government. Regional action consists of ensuring that the Government is fully apprised of both the need for investment e.g. to fulfil the objectives of the designated Growth Areas, and also the capacity in the Region to deliver effectively and efficiently.
- 5.52 The future scale of affordable housing provision in the Region predetermines that a large proportion will have to be created without the benefit of capital grants from the SRHP. **SRHP funding will therefore normally be used as 'gap funding' i.e. to provide a top-up where all other possible sources of financial support have been exhausted in setting up a strategically selected project.**
- 5.53 **Housing Associations:** housing associations are able to recycle capital grant from public investment which is released from their sale of equity in existing subsidised housing. Unless directed otherwise, **housing associations should be encouraged to use all recycled grant from the sale of property in the East of England for reinvestment, directed to priorities identified in the relevant sub-regional strategies.**

- 5.54 **Local Authorities:** local authorities can supplement SRHP investment with capital funding of their own. Although such funding will typically be aimed at their own local rather than strategic needs e.g. funding for Key worker schemes accommodating their own employees, the effect is to reduce the demands on the SRHP for subsidising the overall need for affordable housing. **When investing their own capital resources in new affordable housing, local authorities are expected to follow the strategic objectives and priorities they have agreed in the respective sub-regional strategy.**
- 5.55 **Other public bodies:** capital subsidy from public programmes which are not housing specific can sometimes be used where the provision of additional affordable housing also meets the objectives of the respective programmes e.g. regeneration schemes.
- 5.56 **Voluntary organisations:** voluntary sector funding of affordable housing is a practicable proposition where this fits the charitable purposes being pursued by the organisation in question. This is most likely to apply where the needs being addressed require care and support
- 5.57 **Private sector bodies: Arrangements should be created through which private sector employers in areas of housing stress in the Region could ensure affordable housing for their key employees through the provision of capital subsidy for their housing.** This would be attractive where other means of dealing with recruitment and retention problems are more expensive. Revenue funding might be a further alternative in this area.

Figure 6. Policy Framework: section 106 agreements

Policy Framework: section 106 agreements

Affordable housing is typically one of a list of potential requirements under planning obligations that need to be considered for any proposed development. These policies require housing to be considered alongside transport improvements, health and education facilities, conservation and any other competing use for planning gain, not that housing should be given precedence over them. This puts a premium on local policies and other arrangements being in place to direct and manage the process for using section 106 agreements.

- planning authorities must establish policies and/or other mechanisms for setting targets for the volume or proportion of affordable housing on development sites to be covered by s106 agreements. These should support the achievement of regional targets set out in the East of England Plan. Planning authorities should also consider securing contributions to agreed masterplans or area wide strategies where appropriate.
- clearly, the use of planning gain for affordable housing must be balanced with the competing needs for it to be used to fund other infrastructure and amenities. However, the RHS requires that subsidy from the SRHP is provided for affordable housing only where it is demonstrably needed to supplement a reasonable use of planning gain.
- given the limited availability of other capital subsidy for affordable housing, local authorities need to recognise that there is generally no guarantee of subsidy for the affordable housing required other than what they can secure through a section 106 agreement. In considering the balance of uses for planning gain, it is therefore advisable for local authorities to take as the starting point a need for all subsidy for affordable housing to come from planning gain. If this position needs to be modified as a consequence of their negotiations with developers, the prospect of a shortfall of subsidy from this source then sets the parameters for seeking capital subsidy from elsewhere to make up the gap.

- significant variations in land price, construction costs, housing needs and property sale prices across the Region and through time mean that there is no 'one-size-fits-all' that would permit a simple policy for setting subsidy levels from planning gain. What is a reasonable contribution to affordable housing will differ in each scheme, and a robust use of s106 policy will need an understanding of the way the housing market operates locally and of site economics.
- no 'standard' levels of grant funding should be assumed to apply to investment from the SRHP for any particular scheme, with or without the benefit of planning gain subsidy. By implication, this requires the use of planning gain through s106 to be established before the final decision on levels of public grant subsidy (not vice versa, as was often the case in the past). Since investment from the SRHP will normally be used in schemes which have been planned as part of the evolving pipeline, there is every opportunity to consider and negotiate the possible use of grant in any particular scheme well in advance of the final commitment of investment, and before the s106 agreement is finalised. Except in the rare case where the mixes of tenures and building sizes and types is rigidly predetermined, adjustments can usually be made during the initial planning and design of a scheme to modify the overall amount of capital subsidy required due to the differential economics of different housing/tenure types. An 'open-book' approach among the partners to a s106 agreement is likely to aid efforts to achieve the best balance among the competing demands on a scheme.
- local planning authorities should monitor the impact of s106 agreements on the production of new private market housing.

Sustainable provision

- 5.58** The recently developed IRS draws on the existing regional strategies to provide a joined-up statement of regional priorities. The Vision for the IRS is simple, **to improve the quality of life for everyone who lives or works in the East of England.**
- 5.59** The IRS identifies potential areas of conflict between existing strategies. The imperative to deliver a step-change in housing supply and for everyone to have the chance of a decent home certainly raises major challenges. The IRS proposes a decision-making hierarchy that can be used to help deal with some of the potential conflicts.
- 5.60** The IRS embraces the objectives of the Regional Sustainable Development Framework, but recognises that this document is in need of some updating and expansion. The IRS also takes into account the national debate on sustainable development, and the publication of the UK sustainable development strategy, 'Securing the Future' in March 2005. This is the latest part of the national policy framework that includes the 2003 'Energy White Paper' and the 2004 'Energy Efficiency Action Plan'.
- 5.61** Investing in schemes to meet 'growth' will obviously help to deliver the proposed level of growth to 2021. However, delivering this level of growth will have an impact on the environment. Within the IRS framework the RHS should aspire to achieving growth with a minimum of no net loss of environmental assets. The emphasis must be on the density, design and quality of schemes to minimise environmental impact.

- 5.62 EEDA has a key role to play in supporting the delivery of high quality housing and sustainable communities through the development of its Housing Prospectus. Particular outputs will include support for a number of housing demonstrator projects, master planning exercises, brownfield land action plans, capacity building for local delivery vehicles and the Regional Centre for Excellence, 'Inspire East'.
- 5.63 The 'EcoHomes'¹⁴ standard is an environmental assessment method and the Housing Corporation has set targets for housing associations in new developments. For current allocations none have yet achieved the EcoHomes 'excellent' standard, but 8% are 'very good', 67% 'good' and 24% 'pass'.
- 5.64 The term 'affordability' of housing should ultimately encompass the cost in use of a property as well as the price of purchase or rent, striving for housing that is efficient and cost effective to maintain and service.
- 5.65 The Government's code for sustainable buildings is concerned with, 'establishing excellence for energy and water efficiency waste and the use of materials that goes beyond the minimum standards in building regulations. Where we (Government) are engaged in public private partnership to develop sites we can ensure that these high standards are applied to all new homes.'
- 5.66 **The Housing Corporation should continue its progress with housing associations to achieve EcoHomes standards.**
- 5.67 **Regional housing providers should work through Inspire East and the Sustainable Construction Forum, to develop and promote a regional perspective on the 'Code for Sustainable Buildings'. As the Region's Planning and Housing Body, EERA should take a co-ordinating role that is linked to the responsibility for the Annual Monitoring Report.**

¹⁴ See the reference in the context document to quality and design.

6 High quality homes and environments

Quality deficit

- 6.1 The Sustainable Communities Plan emphasised that the step-change was not only about the delivery of more homes, but also about creating communities and attractive places to live and work. High quality design is vital. Planning Policy Guidance Note 3 'Designing for Quality' contains guidance for local planning authorities 'to promote safe, attractive and energy efficient housing within the wider contexts of neighbourhoods, townscapes and landscapes'.
- 6.2 The recent Housing Audit¹⁵ carried out across London, the South East and East of England found that compared with the overall area studied, results in the East of England were not encouraging. 'Fewer schemes achieved a 'very good' score in the East of England region, with a higher proportion achieving a 'poor' score. But where there were 'very good' schemes, it was their simplicity of design in terms of imaginative handling of parking and access, and their overall architectural quality which appeared to be distinguishing factors; the Essex Design Guide clearly continues to have a strong influence on housing layout and approaches to highway design'.
- 6.3 The Government has funded the Commission for Architecture and the Built Environment (CABE) to provide greater support to delivering high quality housing. In the East of England CABE has established a post jointly with EEDA to work on housing and design across the Region. A number of regional initiatives are under way, including an Urban Place Supplement to the influential Essex Design Guide.
- 6.4 EEDA has encouraged housing demonstration projects for example to encourage zero energy developments and deliver high density on brownfield sites. There is a need to monitor the design and master planning work being carried out so that lessons are learnt and disseminated quickly
- 6.5 **The RHF (soon to become the RHDG) will address the 'design deficit' within its current structure.**
- 6.6 **In order to encourage better design and quality across the Region the RHDG will engage with Inspire East and CABE to support the development of Quality Criteria.**

Quantity, quality and cost

- 6.7 Ideally the Region would provide enough housing to meet all needs at the highest level of quality. Clearly that is not possible, the limiting factor is cost.
- 6.8 In a region charged with making a significant step-change in provision there is a risk that quality may be compromised in order to deliver the numbers required. Similarly, there is a risk that if a large volume of poor quality housing is provided, it may cost more in the long run if homes become unfit and areas run down.
- 6.9 Alternatively, if we do not provide housing at the planned rate we risk even greater problems associated with housing stress.

¹⁵ 'Housing Audit: Assessing the design quality of new homes' CABE October 2004.

- 6.10 Quality applies as much to existing housing as new provision. Where dwellings are being improved or renovated the use of quality products and design are essential.
- 6.11 In the public sector quality is managed by providers having to adhere to clearly set out standards and guidelines linked to the provision of subsidy. For all new development with subsidy, housing associations, for example, must adhere to Scheme Development Standards (SDS). The Housing Corporation will, in future, be employing a 'Value for Money' tool to assess quality, cost and performance. The need for and granting of public subsidy can therefore be viewed as a 'control mechanism'.
- 6.12 Where local authorities are putting in their own resources, schemes should adhere to the same standards as if other public subsidy were being made available.
- 6.13 Where housing schemes are developed without subsidy, control is more difficult to apply. Higher levels of quality are difficult to achieve if they lead to increased costs, particularly if the consumer is reluctant to pay more. Providers are encouraged to apply quality standards, for example, as a condition of land supply.
- 6.14 Improved methods of procurement and partnering can support aspirations to achieve year on year improvements in quality.
- 6.15 The Housing Corporation will promote improved methods of procurement to achieve higher output balanced against quality of product.
- 6.16 **Local authority enablers and planners should ensure that quality standards are always addressed during discussions with developers. Standards should be considered as an integral part of the economics of scheme/site development, where higher standards are achieved by lowering the land price and/or improving efficiency, productivity and design.**
- 6.17 **The Regional Annual Monitoring Report should incorporate quality as well as quantity measures, and investigate the use of appropriate indicators.**

Existing housing – achieving the 'Decent Homes Standard'

- 6.18 The existing housing stock is a significant asset at 2.3 million homes. Stock condition is therefore a vital issue for the RHS to address.
- 6.19 Properties may be unsuitable/unavailable to live in for many different reasons, the main ones being:
- they are in need of repair to meet 'decency' standards
 - they are in need of repair or renovation to make them fit for modern day use, to better suit the needs of their occupiers or to change their use if 'redundant'
 - they are in unattractive neighbourhoods
 - they are left empty by their owners.

- 6.20 Significantly, the Government requires homes to be brought up to the 'Decent Homes Standard', with different targets for the public and private sectors. All public sector housing must reach the Decent Homes Standard by 2010.
- 6.21 Within the public sector, housing associations are expected to attain the standard through their business planning processes, ensuring that needs are assessed and the necessary funds are made available through their own financial management.
- 6.22 Local authorities are currently conducting 'Options Appraisals' to identify whether they have the capacity to achieve the standard within their current arrangements. These options are considered in consultation with tenants and the outcome of the appraisals for all local housing authorities will be known by July 2005. Local authorities are also expected to have in their business plans, targets for both public and private sector decent homes.
- 6.23 The Decent Homes target for private sector housing occupied by vulnerable households is to increase to 70% the number of such households living in decent housing by 2010. It is important to recognise that vulnerable households may need advice and support – the role of Home Improvement Agencies is significant here.
- 6.24 Poor stock condition tends to be a problem around the 'fringes' of the Region, particularly in some the coastal areas. Other areas where deteriorating condition is likely to be a particular problem are in the older 'new town' areas such as Basildon, Harlow, Stevenage, and to some extent Peterborough. People may have bought the Commission for New Town stock and they, like their homes, are becoming increasingly vulnerable. This presents a particular problem as high numbers of homes reach a vulnerable stage at the same time. Finally pockets of multiple deprivation such as in Luton and Great Yarmouth are likely to demonstrate problems of disrepair.
- 6.25 Local authorities are encouraged to carry out surveys of both their own public sector stock and housing in the private sector, to provide detailed information on which to base proposals for improvement and renewal. Local authority powers have recently been extended by the Housing Act 2004. Among other requirements, it has introduced the responsibility for local housing authorities to assess the condition of stock using the 'Housing Health and Safety Rating System', which considers the risks that occupiers face in their homes.
- 6.26 Knowing the scale of the problem is one thing, having the capacity to deal with it is another. The Regulatory Reform Order of 2002 has provided local housing authorities with additional powers to tackle these issues such as by providing loans and working in partnership with others.
- 6.27 One of the difficulties for local authorities is accessing alternative funding for repairs through loans. 'Equity release' is one model that has been used, but is not universally popular because of the requirement for a charge on the property and the tendency to release large sums of money when the need might actually be for small sums.
- 6.28 There are a number of other models that could be used, for example Community Investment Trusts or working with housing associations in their capacity as 'social investment agents'.
- 6.29 EEDA sponsored the Suffolk Regeneration Trust, which was established in 2004. Among its aims is to work with partners to tackle debt and financial exclusion.
- 6.30 Members of the National Housing Federation who have signed up to 'iN business for neighbourhoods' may also be active players.

- 6.31** The EERA/RHB must ensure that it supports local authorities to meet national Decent Homes Targets. Where a specific level of DH funding from the RHB has been assumed in signed off Options Appraisals this should be honoured and not undermined by funding below these levels. However, funding for DH should not exceed historical levels.
- 6.32** The EERA/RHB must continue to provide funds for local authorities to improve the condition of stock in the private sector. In addition considering 'innovation' funding to encourage new initiatives will underpin good practice.
- 6.33** Regional partners should work with EEDA to evaluate the Suffolk Regeneration Trust and whether the approach could be replicated elsewhere in the Region.
- 6.34** Regional partners should evaluate the range of private sector initiatives such as loans schemes to evaluate the most effective products and disseminate information and good practice accordingly.
- 6.35** Bringing together these last two points; there is a role to engage at regional level with financial service providers to seek solutions to the stock condition issues in the private sector, where the majority of stock is owner occupied. RHDG will consider an appropriate lead agency as part of the action planning process.
- 6.36** The RHDG will work with the National Housing Federation to promote a wider understanding of its members' social investment capacity through 'iN business for neighbourhoods'.

Quality environments and regeneration

- 6.37** Problems of condition and disrepair may not be limited to single dwellings, but extend into neighbourhoods and impact on quality of life. Local environments are important in shaping people's attitudes and delivering opportunities for greater involvement and opportunity. The term 'Liveability' has been coined to encompass environmental quality, the use and management of public and open space, that can in turn be allied to a community safety agenda.
- 6.38** A key part of creating homes within high quality environments is the use of 'green infrastructure', 'the sub-regional network of protected sites, nature reserves, greenspaces and greenway linkages...it should operate at all spatial scales from urban centres through to open countryside'.¹⁶
- 6.39** The Government has recognised the crucial role of green infrastructure in delivering sustainable communities. The plan for developing the Thames Gateway includes 'Greening the Gateway' to create a 'positive sense of place, provide environmental protection for local communities and enhance the quality of life for those who live and work there.'
- 6.40** The Regional Social Strategy states that there should be 'strategic networks of greenspace that benefit physical and mental well-being, particularly in areas of deprivation'.

¹⁶ 'Biodiversity by design, a guide for sustainable communities' Town and Country Planning Association.

- 6.41 Policy SS11 in the East of England Plan identifies priority areas for regeneration ‘to secure sustainable economic, social and environmental development across the whole of the East of England.’ It identifies areas with weak economic performance and high deprivation with examples. Priority areas are concentrated on some of the larger urban areas and on the more peripheral north and east of the Region. Local Development Documents will set out the local policies to deal with these problems.
- 6.42 EEDA is supporting renewal projects via a ‘master-planning’ process in Great Yarmouth, Lowestoft, Stevenage, Peterborough, King’s Lynn, Ipswich, Luton, Bedford, Harlow, Basildon, Chelmsford and Felixstowe.
- 6.43 A final but very important point is that regeneration, particularly when it includes rehabilitation of existing dwellings or change of use, contributes significantly to the ‘previously developed land’ target.¹⁷
- 6.44 **The EERA/RHB must ensure that investment for regeneration can underpin Policy SS11 in the draft East of England Plan, and that housing investment can play its part alongside other funding for regeneration activities.**
- 6.45 **RHS should ensure that ‘green space’ has a place in plans to improve liveability of areas in developing recommendations on design and quality for existing neighbourhoods.**

Empty and unoccupied housing space

- 6.46 Unoccupied household space includes second residences/ holiday accommodation as well as vacant household space.
- 6.47 Second residences and holiday accommodation are understandably a feature of the Region’s coastal areas, with the heaviest concentration in North Norfolk. Whilst they may represent an under-use of the Region’s housing stock, they are also likely to be fundamental to the local economy via the tourist trade.
- 6.48 Vacant household space includes ‘unoccupied household space’ and relates to empty homes, but there is also an issue with ‘under-occupation’. Very often, ‘under-occupation’ will be a function of older people remaining in the family home when children have left.
- 6.49 Poor quality environments are also associated with increased fear of crime. Empty and/or boarded up homes are a wasted resource, but can also be an ‘advertisement’ for neighbourhood decline. Empty properties remaining empty for more than six months should be tackled as a priority to avoid declining neighbourhoods.
- 6.50 Bringing empty homes back into use will not only provide homes but contribute, albeit in a small way, to the targets regarding previously developed land and buildings.
- 6.51 The 2004 Housing Act has enabled local authorities to secure occupation of long-term empty private sector homes by applying to make ‘Empty Dwelling Management Orders’. The legislation operates alongside existing procedures by providing a back up to voluntary leasing arrangements and an alternative to enforcement action under other legislation.
- 6.52 **Local authorities should consider whether any additional income from council tax charges on empty homes can be recycled into bringing more empty homes into use.**

¹⁷ The Government has set a target of 60% of development to be on previously developed land.

6.53 The EERA/RHB will encourage the development of Empty Homes Charters and may consider innovative schemes to bring empty homes back into use. These should be linked to performance on Best Value Performance Indicator 64.

Figure 7. Policy framework: quality homes and environments

Policy framework: quality homes and environments	
Quality standards	<p>Quality Criteria developed by EEDA/CABE's Quality Design Manager will be disseminated through the RHDG.</p> <p>Standards should be considered as an integral part of the economics of scheme/site development, where higher standards are achieved by lowering the land price and/or improving efficiency, productivity and design.</p> <p>Where local authorities are putting in their own resources, schemes should adhere to the same standards as if public subsidy were being made available.</p>
Public sector Decent Homes	<p>Local Authorities and housing associations should ensure that their work on options appraisals and asset management produce solutions that are appropriate to their area and client groups to meet the Decent Homes Standard, and implement them according to the timetable.</p> <p>Emphasis will be placed on supporting schemes which reduce the proportion of vulnerable people living in non-decent housing within the private sector, and areas where there is a clear appreciation of local conditions, both in terms of the built environment and social factors. Innovation and the use of interest-free loans and equity-release schemes will be encouraged. RHDG will work with EEDA to develop more manageable equity release programmes.</p> <p>The 2001 English House Condition Survey of Private Landlords highlights the rise in lettings by private individuals and the need for health and safety information from local authorities. There may be a co-ordinating role for the RHDG with ARLA or other private landlord representatives.</p> <p>Knowledge of private sector stock condition is essential. It is important to review the coverage of private sector stock condition surveys carried out by local authorities and share regional knowledge and good practice. Additionally, when it is acquired, GO-East will provide modelled data for the Region developed by ODPM as a targeting tool.</p>
Empty homes	<p>Local housing authorities should maintain an up-to-date register of empty homes, and develop an active approach to bringing empty homes back into use that includes working with housing associations with specialist knowledge, use of empty homes management orders and compulsory purchase, and developing empty homes charters to raise awareness of the issue. Any additional income from council tax changes on empty homes should be considered for recycling to bring more empty homes into use. Sub-regional/cross boundary working on empty homes should be encouraged where possible.</p>
Greenspace	<p>Housing providers should ensure that the use of greenspace is maximised in developments to improve 'liveability'.</p>

Housing to improve health and well-being

- 6.54** This should be seen within the context of the Region's emerging health strategy, which aims to reduce health inequalities and encourage healthier lifestyle choices. It will focus on addressing the wider issues that affect the population's health such as the environment, economy, housing and transport, as well as taking action to encourage and enable healthier lifestyle choices. It will seek to do this by raising awareness of health and promoting the notion that health is everyone's concern, not just the role of the NHS.
- 6.55** Poor housing has long been associated with a range of physical and mental health conditions. Improving people's housing can reduce health inequality and make a significant contribution to their sense of health and well-being. Housing and housing services can be an effective tool in the prevention and control of disease and the promotion of good mental health. Furthermore there are significant links between 'liveability' and health, both physical and mental. Children are disproportionately affected by the quality of the local environment since they are the ones who spend most time in parks and play areas.
- 6.56** The Region should promote independence and housing choice for people in vulnerable groups. Housing developments and housing services can prevent or delay the need for costly intensive services and can improve quality of life and engagement with the community. Housing agencies make a contribution to preventing delayed transfers of care by ensuring people receive the equipment, repairs, adaptations and improvements their housing may need in a timely way. Home Improvement Agencies play a crucial role in supporting vulnerable people and enabling them to stay at home. Home Improvement Agencies are usually funded by local authorities and Supporting People budgets.
- 6.57** Disabled Facilities Grants (DFGs) are ring-fenced mandatory grants with 60% coming from the Government and the remainder from local authorities. The 2004 Housing Act has extended DFGs to all those occupying caravans as their only or main residence.
- 6.58** There is a universal difficulty across the Region with demand for DFGs outstripping the capacity to supply. At the time of writing, there is an ODPM review of DFGs (see section 8). A regional strategic policy framework will need to be developed following the outcome of the review.
- 6.59** The design of homes is vital to enable older people to live independently. The Regional Social Strategy identifies both Lifetime Homes and Smart Homes as mechanisms to minimise the effects of social exclusion experienced by many older people.
- 6.60** In addition to the increase in single person households over the past decade, there has also been a rise in the number of inter-generational households¹⁸. This underlines the need for increased flexibility within the housing stock in terms of design and dwelling size.
- 6.61** Within society generally there is a greater prevalence of disability as more people survive an accident or illness they previously would have died from, and new patterns of need are emerging.¹⁹
- 6.62** There is a strong correlation between age and disability, it is estimated that nearly half the disabled population is over state pension age.²⁰ As the population ages, more people are likely to need housing that is accessible.

¹⁸ Future East Partnership

¹⁹ John Grooms Housing Association report 'Where do you think you're going?' 2003

²⁰ Disability Rights Commission 'Creating Sustainable Communities'

- 6.63 There are three levels of accessibility;
- moderately adapted housing, Lifetime Homes or 'Part M'²¹ housing
 - significantly adapted or mobility housing
 - fully wheelchair accessible housing
- 6.64 Lifetime Homes Standards are also regarded as a benchmark for quality design. Further guidance on the Decent Homes Standard issued by the ODPM in February 2004 indicated that landlords might wish to consider Lifetime Homes Standards when carrying out work on properties.²²
- 6.65 The Region's study 'The implications of an ageing population for the sustainable development of the East of England' recommended that further study should include a review of the available information concerning Lifetime Homes and an assessment of the potential of this approach in the East of England context for both new build and modernisation of the existing stock.
- 6.66 **The RHDG will work with partners to inform future guidance to housing providers on the assessment and provision of accessible homes in the East of England. This will include developing policy H2 in the draft East of England Plan.**
- 6.67 **The RHDG will work with the Regional Public Health Group who are preparing a Regional Health Strategy on behalf of EERA to develop a better understanding of needs and the resources available to them. In addition they will improve joint working and planning between housing authorities, primary care trusts and strategic health authorities, particularly when boundary differences occur.**
- 6.68 **The EERA/RHB will consider what additional support might be required for housing providers to enable people to remain in their own homes. This will need to take account of the ODPM review of DFGs.**
- 6.69 **Housing providers should develop their strategic approach to adaptations through comprehensive Older People's Strategies. Housing Associations should develop policies to ensure that they can meet requirements of their tenants for adaptations by 2015.**
- 6.70 **RHDG, through its membership, will encourage the coverage of Home Improvement Agencies across the whole of the Region.**

Policy framework: housing, improving health and well-being

The design and quality of new homes

New housing should be provided with the occupier's current and long-term requirements in mind. Accessibility is a key design issue. Standards such as Lifetime Homes, or wheelchair accessible housing, should be considered for new housing provision with year on year increases where needs dictate this is appropriate.

New housing should be accessible to key services by public transport, cycling and walking.

The layout should incorporate good quality green and open spaces while creating a strong sense of place and community. Internal layout should include adequate soundproofing, for example as required by the Housing Corporation's Scheme Development Standards.

²¹ Reference to Building Regulations, part M

²² A Decent Home – the definition and guidance for implementation ODPM 2004

Policy framework – housing, improving health and well-being

The design and quality of new homes	<p>Local people, and potential new residents should be consulted and involved in design issues.</p> <p>Materials should minimise risk to health both in construction and use.</p> <p>Joint working between housing, health and social care agencies is essential in the planning and development of new and emerging communities.</p>
Improving existing homes and environments	<p>Housing authorities should use the Housing Health and Safety Rating to target the most vulnerable properties and occupants and achieve the Decent Homes target. Improvements should extend beyond the home to the surrounding environment wherever possible, involving occupants in the process.</p>
Community safety	<p>The layout should design out crime using for example ‘Secured by Design’ standards to foster community safety.</p> <p>RHDG will support the development of the accommodation pathway of the East of England Strategy for the Rehabilitation of Offenders. Reduction in re-offending can contribute towards secure and vibrant communities by reducing the incidence and fear of crime.</p>
Affordable warmth	<p>Housing authorities should continue to promote initiatives such as ‘warm front’ to reduce the current regional incidence of fuel poverty from 6%. In particular they should achieve the target of raising the energy efficiency of residential housing stock by 20% by 2010 compared with 2000, and achieve affordable warmth programmes across the Region by 2006.</p>
Disabled Facilities Grants	<p>Disabled Facilities Grants should be seen in the wider context of National Service Framework for Older People, and the regional research on Active Ageing. Housing providers should review their accommodation provision as part of the development of Older People Strategies. Within this they should develop policies for more efficient use of adaptations arrangements by 2015. This will include needs research, the use of disabled property registers, home improvement agencies, relationships between housing and health professionals especially occupational therapists.</p> <p>As ODPM is reviewing Disabled Facilities Grants at the time of writing, RHDG and EERA/RHB will need to develop a strategic framework with partners following the conclusion of this work.</p>
Overcrowding	<p>Housing and health professionals should be aware of the consequences of overcrowding, and participate in joint activities to alleviate the situation. They should ensure that needs are taken into account for new provision, including evidence based need for larger accommodation for some BME groups. In particular a review is required of the incidence of overcrowding as a consequence of provisions in 2004 Housing Act.</p>

Figure 8. Policy framework: housing, health and well-being

Policy framework: housing, improving health and well-being	
Allocations and lettings	<p>Health and social care agencies should join housing professionals in the development of any prioritisation system for Choice Based Lettings (CBL). It is recognised that vulnerable groups often find it difficult to access CBL systems and health professionals may be able to act as 'advocates' on behalf of clients.</p> <p>Agencies should recognise that provision includes sites for Gypsy and Traveller communities as well as built housing.</p>
Access to health care for homeless people	<p>Wherever possible, the use of temporary accommodation and length of stay should be minimised, to achieve the target of halving the number of people in temporary accommodation by 2010. Where temporary accommodation is used, ensure that it meets standards of safety, security and warmth. Ensure that homeless people have continued access to health services and support.</p>
Co-ordinating resources	<p>This extends beyond financial resources for staffing. Joint training will enable better referral for specific services. Protocols for referrals and sharing information will support better prevention and intervention.</p> <p>NHS Trusts and their partners should systematically review their property and landholdings for opportunities to increase the provision of affordable housing.</p>

7 Creating inclusive communities

Assessing need

- 7.1** Housing need is assessed by local housing authorities using Housing Needs Surveys that follow a standard methodology set out in Government guidance. More recent guidance considers both need and demand across housing market areas that may cross administrative boundaries.
- 7.2** The Local Housing Assessment Guide²³ sets out how authorities (both urban and rural) can assess the housing demands of their communities. The guide accompanied the consultation paper ‘Planning for mixed communities’ as part of the Government’s objectives to meet the housing requirements of the whole community and creating sustainable communities that offer a wide range of housing and are socially inclusive.
- 7.3** Some local housing authorities and housing associations have adopted sophisticated ‘data mining’ techniques incorporating geographic modelling of variables to inform their strategic decisions.
- 7.4** The needs of small minority and/or difficult to reach groups have so far been difficult to assess, and have usually been the subject of separate studies. A number of localised surveys have been carried out across the Region into the housing needs of BME communities.
- 7.5** Some housing authorities and sub-regions have also commissioned work to explore the needs of Gypsy and Traveller communities locally, and subsequently developed a strategic response.
- 7.6** **The RHDG has a role in disseminating Good Practice from these studies.**

Inclusion and community cohesion

- 7.7** Whilst gaps do exist, some research is available to inform policy development. This is a combination of national and regional work.
- 7.8** Research shows that housing is a ‘major determinant of the shape of communities and has profound implications on the relationship between different races and cultures’²⁴ This is reflected in the way that communities are often physically segregated as well as the separation that can occur in terms of schools, social networks, languages, employment and voluntary organisations. In the context of the growth agenda, there are important lessons to be learned from the Region’s past experiences of planned new settlements, some of which are now characterised by decline and deprivation, and fragmented communities.
- 7.9** Housing can play an active role in community development and capacity building. For example through members of the National Housing Federation’s ‘iN business for neighbourhoods programme’.

²³ Draft Practice Guidance from the Centre for Housing and Planning Research at the University of Cambridge for the ODPM issued March 2005

²⁴ Cattle Review, Home Office, 2001 cited in Offering Communities Real Choice, Lettings and Community Cohesion, CIH, 2003).

- 7.10 Barriers to achieving more cohesive communities include:
- social housing lettings policies
 - conditions, practices and attitudes affecting private sector housing
 - lack of suitable housing, specifically houses with four or more bedrooms suitable for large or extended families
 - lack of understanding and tolerance of cultural differences.
- 7.11 Clearly, many of these issues cut across other policy areas such as alleviating homelessness and health and well-being. Nationally, BME households comprise 7% of all households but represent 53% of those who are the most severely overcrowded²⁵. Regionally homeless acceptances for BME groups are higher than would be expected from their incidence in the general population.
- 7.12 While BME communities including asylum seekers and refugees, migrant workers and Gypsies and Travellers are distinct groups with many differences, there are also some common issues such as the lack of information on the diverse needs of these groups as well as the extent and nature of involvement in consultation exercises.
- 7.13 EEDA commissioned a piece of research from the Ormiston Children and Families Trust in 2005 to undertake a literature review, postal survey of service providers and direct consultation with Gypsy and Traveller communities to inform recommendations for future research and improvements.
- 7.14 According to Government figures, 25% of England's Gypsy and Traveller communities living in caravans and trailers live in the East of England. Despite this the Region accommodates only 19% of the country's local authority site provision. The lack of secure accommodation represents the biggest issue facing Gypsy and Traveller communities in the East of England. Currently, 34% of Gypsies and Travellers in the Region live on unauthorised sites and are therefore homeless. Yet, not all are seeking a settled lifestyle, which means their housing options are limited as traditional housing is the most common type of accommodation provided.
- 7.15 The Housing Act 2004 requires local authorities to assess the need for Gypsy and Traveller sites in their areas and develop strategies to meet that need. Furthermore the new planning policy circular (Planning Circular 1/94) will require local authorities to allocate land for sites. The circular also states that the Regional Planning Body should have a firm understanding of accommodation needs across the Region to inform policies in the RHS and RSS.
- 7.16 The ODPM five year strategy 'Homes for All' also states that RHBs will have a role in allocating funding for sites from 2006.
- 7.17 **The RHDG will work with EERA, EEDA and the Government Office for the East of England to develop regional policies based on further research into the accommodation needs of Gypsy and Traveller communities.**
- 7.18 **The EERA/ RHB's investment plan will include proposals on recommendations for funding for Gypsy and Traveller sites.**
- 7.19 EEDA also commissioned research into the contribution of migrant workers into the Region's economy. This work was incomplete at the time of writing. It was not aimed specifically at the accommodation needs of migrant workers. It does, however, contain some recommendations for accommodation in the emerging findings.

²⁵ CIH (2003) Offering Real Choice, Lettings and Community Cohesion, p.6

- 7.20 The report reveals that there are issues relating to inadequate and inappropriate accommodation for migrant workers in the Region, whilst many issues faced by migrant workers apply to all citizens there are some specific issues around orientation, culture and language that must be taken into account when considering accommodation for migrant workers.
- 7.21 **EEDA, as a member of the RHDG, will share findings of the research once complete and work with partners to develop good practice.**
- 7.22 EERA, together with regional partners, commissioned research into the accommodation needs of refugees. Refugees have rights to apply as homeless and to seek permanent social housing when they obtain permission to settle in the UK. Prior to this stage adult asylum seekers can seek accommodation and support arranged by the National Asylum Support Service (NASS) which, since 2000, has been dispersing new asylum seekers away from London and the South East to other regions, including the East of England.
- 7.23 Discussions with NASS are on-going with a new round of NASS contracts for the provision of asylum seeker accommodation and support, to take effect from April 2006.
- 7.24 The asylum seeker population in the Region is located in three types of areas:
- the current active cluster areas (Ipswich, Norwich and Peterborough)
 - areas used by other local authorities to make out of area placements of interim case [i.e. pre-2000] asylum seekers (e.g. Great Yarmouth) and
 - areas where the local authority has supported interim case asylum seekers who have made direct applications to them (e.g. Southend-on-Sea, Thurrock, Luton, Watford, Bedford and, to a lesser extent, Clacton/Colchester).
- 7.25 Homeless refugees will be assisted if they are considered to be in priority need, unintentionally homeless and if, in the case of those leaving NASS accommodation, the local authority to which they apply as homeless is the last area to which they were dispersed. However, if applying to another area, the local connection requirement may also be satisfied by means of employment or family association, for example. If not, the authority can, if it chooses, refer the application back to the local authority in the dispersal area.
- 7.26 Since April 2002, local authorities in the Region have recorded cases where refugees were accepted as homeless due to loss of NASS accommodation. These show 31 acceptances in 2003/04, half of which were in Bedford and Peterborough. Given the number of asylum seekers in the Region, this level of homelessness acceptances would appear to be low. This may reflect difficulties encountered by refugees in accessing homelessness services.
- 7.27 The study also found minimal evidence of homeless refugees being allocated social housing properties; only three authorities reported making any such lettings in 2003/4 and just two nominations to housing associations. Although many authorities do not record all cases these figures suggest that little access to permanent social housing is being gained by homeless refugee households.
- 7.28 The study found that single refugees, predominantly single men, are often not considered to be in priority need. As a consequence, they are surviving largely 'under the radar' relying on informal friendship networks and only sporadically coming into contact with service providers or information, advice and guidance agencies.
- 7.29 The study provides a number of recommendations for the RHS. These include developing and sharing good practice. Others are aimed at targeting investment to areas accessible to refugees;

raising awareness of refugees as 'vulnerable' within the decent homes target for private sector housing; making use of any established private sector accommodation that may no longer be required as part of the new NASS accommodation strategy; ensuring links with other strategies in terms of policy development.

- 7.30** The RHDG will ensure that the good practice emerging from this report is disseminated among its membership.
- 7.31** The EERA/RHB will ensure that it is aware of the housing needs of refugees in targeting investment for new housing and also for private sector housing, where refugees are a vulnerable group. This will particularly apply to dispersal areas and other areas with significant numbers of asylum seekers.
- 7.32** Furthermore, the EERA/RHB will consider whether capital investment is required alongside revenue funding for specific schemes in conjunction with SPERG.
- 7.33** Local housing authorities in areas where NASS private sector accommodation is no longer required should consider whether properties are of suitable standard and location to contribute to supply, for example to meet temporary accommodation needs.
- 7.34** Furthermore the RHDG has established a task group to identify BME housing needs across the Region in order to underpin future investment. The aim is to identify existing studies, the gaps in our collective knowledge and commission research to develop the regional and sub-regional evidence base.
- 7.35** This work should be linked to developing future services. For example SP want to fund culturally sensitive services and raise the understanding of the needs of certain groups. This may need direct communication with the BME communities.

Figure 9. Policy framework: housing, inclusion and community cohesion

Policy framework: housing, inclusion and community cohesion

<p>Planning for future inclusion</p>	<p>The East of England Plan prioritises health, education and social inclusion needs, seeking early provision in SCP growth areas and Priority Areas for Regeneration, encouraging provision for land use needs in Local Development Frameworks. The East of England Plan will include a policy to support local authorities allocating land for sites for Gypsy and Traveller Communities. Further research will underpin policy development.</p> <p>The Regional Social Strategy identifies social disconnectedness, together with poverty and poor skills, as one of the complex mix of factors that contribute to social exclusion. Therefore, in creating new communities, as well as regenerating existing ones, it is vital that provision is made for the both the social and physical infrastructure. There is a need to identify and plan the community infrastructure and engagement mechanisms necessary to promote social inclusion, ensuring that future development in the Region creates healthy, vibrant and sustainable communities.</p> <p>Opportunities for social and cultural interaction can be fostered through the provision of multi-use community facilities integrated within housing developments as community infrastructure.</p> <p>Tackling deprivation and lack of skills among offenders and providing support and advice on settled housing, will contribute to more inclusive communities by reducing the incidence and fear of crime.</p>
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Policy framework: housing, inclusion and community cohesion

Housing options	Housing options research by Care and Repair England anticipates that as the number of BME older people grows 'there will be a need for suitable and culturally appropriate housing options, including suitable supported housing and home adaptations, given the low income low equity home ownership among some BME groups'. Local housing authorities should take account of the changing demographics and likely impact on services.
Housing delivery	<p>The framework for delivery of housing will address the diverse needs of communities in the Region based on evidence of need.</p> <p>Housing investment in BME Schemes for 2006–08 will be targeted on Primary Areas where needs surveys already exist and plans are in place to support BME housing; and on secondary areas where CORE lettings/ census data identifies high populations.</p> <p>For 2008–10 investment will be determined by reference to regionally commissioned research.</p> <p>Delivery will (from 2006) include sites for Gypsy and Traveller communities.</p> <p>Housing delivery will also take into account the need for protocols, for example with the regional resettlement of offenders pathways approach, and the RHDG has a role to play in exchanging good practice.</p>
Capacity building	Housing providers should consider the opportunities for community development and capacity building, as part of community involvement in developing schemes.
Housing design	There is clearly a need to take account of a community's cultural expectations and norms when designing and planning new developments, e.g. the size and type of accommodation needed. In addition to design for the increase in the number of inter-generational households.
Information and knowledge	Building on existing examples of research and good practice in the Region (for example research into the needs of Gypsies and Travellers, refugees and migrant workers). The RHDG will promote diversity issues through the sub-regional agenda with the implementation of more sophisticated monitoring arrangements to identify the range of needs. RHDG will support the development of further research into the housing needs of migrant workers via the social strategy, and BME research into identified areas.

Providing mixed communities and widening choice

- 7.36** Mixed income communities are the key to the long-term sustainability of the community and the local economy. Single tenure estates are vulnerable and unsustainable over the long-term. Physical regeneration alone does not work in the main. People whose economic situation improves usually move away to fulfil their housing aspirations unless there is local choice. Mixing tenure is the most direct way to achieve mixed income communities. A feature of housing in the East of England over recent years has been the 'intermediate' housing market. There is an increasing number of people who cannot afford to buy yet whose incomes would make them ineligible for social rented housing.
- 7.37** One in twenty people in the Region is employed in creative occupations, and many creative industries are small businesses often with people working from home. There is a shortage of accommodation with studio places. Achieving an increase in live/work spaces would support the development of the creative and knowledge-based economy.²⁶
- 7.38** The impact of student demand on local housing markets has not been researched at regional level. National research²⁷ has shown that intensive demand for investment properties from student market landlords in some locations can have knock-on effects on the local housing market. It is also likely to change local demographic profiles within communities, in turn affecting sustainability. Given the potential for new or expanded further or higher education institutions in some parts of the Region, RHDG will work with the regional organisations for higher and further education (AUEE and ACER) to determine the potential effect of future new expansion and plan for provision within the framework of the RHS and RES.
- 7.39** A range of 'products' is required to meet these needs. Products for rent include social renting (from the local authority or housing association), private sector renting, buy-to-let renting and 'specialist' renting, for example student or nurses' accommodation. Home ownership options include not only outright ownership but shared ownership, rent to mortgage, cash incentive schemes, home-buy and self-build.
- 7.40** The East of England, as part of the Greater South-East, has experienced a Government focus on the needs of public sector employees who cannot afford to buy accommodation in the area where they work. The resulting recruitment and retention difficulties put public services at risk. The Government has responded with housing schemes aimed at a specific group known as 'Key Workers'. The national Key Worker Living Programme is aimed at supporting recruitment and retention of staff working in health, education and community safety.
- 7.41** The ODPM's five year strategy 'Homes for All' set within the broader context of the Sustainable Communities Plan, has widened the approach by establishing a low cost home ownership programme (HomeBuy) for First Time Buyers, aimed at people on lower incomes who cannot afford to buy without this support. Half of these new homes would be for Key Workers, with the remainder for priority groups established by the EERA/RHB. The programme will be run by English Partnerships and will start from 2006/07.
- 7.42** 'Homes for All' also extends low cost home ownership to social housing tenants who cannot afford the 'Right to Buy' or 'Right to Acquire' schemes, or are not eligible. Social landlords will participate in the scheme (Social HomeBuy) on a voluntary basis, but both local authorities and housing associations will be able to use the money raised to re-invest in housing and will have the right of first refusal on re-sale.

²⁶ 'Space for Creativity' a report from Living East, EEDA, Arts Council England (East), and Screen East.

²⁷ Centre for Housing Policy at the University of York, published by Joseph Rowntree Foundation December 2000

- 7.43 The scheme is not about setting tenants up to fail by enticing them into unsustainable home ownership, it is seen as a means of introducing more mixed tenure on single tenure estates.
- 7.44 Furthermore, choice-based lettings schemes (CBLs) are to be taken up by all local authorities by 2010, so that tenants can choose where to live rather than having a home 'allocated' to them. As CBL becomes more widely adopted it has implications for the RHS:
- potential for movement regionally through sub-regional CBL development
 - potential for movement *inter-regionally* – probably most significantly with the South-East and London regions.
- 7.45 Taking the pilot CBL programme as a whole, the development of support for vulnerable groups was an area of weakness. The dominant approach to supporting vulnerable and excluded groups was to use a representative organisation to provide support. Problems with this were that with a decentralised approach, not all vulnerable groups had a representative organisation to support them. There may be regional or sub-regional initiatives that could help.
- 7.46 'Supporting People' (SP) has a role to play in developing CBL with vulnerable groups in mind. The release of interim accommodation should have a positive weighting. There should be a referral mechanism and it should link into CBLs and be tied up with support packages. There needs to be a SP perspective on how these schemes can be fair and equitable as SP is part of the solution.
- 7.47 **The 'balance' of housing tenure types will be monitored through the Annual Monitoring Report.**
- 7.48 **The RHDG will support the development of CBL through the sub-regions by providing information exchange on good practice and links to regional representative agencies for vulnerable groups.**
- 7.49 **The RHDG will ensure that its membership encompasses private sector landlords to ensure that issues can be properly addressed.**
- 7.50 **The RHDG will ensure that significant plans for expansion in higher education and the potential impact on the housing market are monitored through the relationship with EEDA.**
- 7.51 **Those developing Local Development Frameworks should take the potential need for live/work space into account during consultations with local communities.**

Policy framework: providing mixed communities and widening choice

Mixed tenure	Mixed tenure is an important mechanism for creating mixed communities that in turn can help enhance social connectedness and networks. The EERA/RHB will use investment to promote mixed tenure on all new developments, pepper-potting low cost home-ownership and rented homes in new developments with no segregation in location or design, including reducing the visible differences between private and social housing. Similarly, the EERA/ RHB will support interventions to change the tenure mix on existing social housing developments where there is an imbalance of household types.
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Figure 10. Policy framework: providing mixed communities and widening choice

Policy framework: providing mixed communities and widening choice	
Mixed tenure	RHDG and other regional partners will consider 'Social HomeBuy' in the context of delivering both more opportunity to social tenants, and changing the tenancy mix on single tenure estates.
Key Worker housing	<p>Government policy on Key Workers has been driven by the need to address recruitment and retention difficulties amongst a particular group of workers in professions essential to the local community. As the areas with most significant problems are areas of high house prices, this has led to initiatives to address the problem through subsidised housing such as the 'Starter Home Initiative' and more recently 'Key Worker Living'.</p> <p>Research commissioned by EERA in 2004 has used region-wide data on vacancy rates to estimate the total annual requirement to meet Key Worker housing needs. Based on these recommendations, the draft East of England Plan proposes that at least 760 net units per year should be provided for Key Worker housing. This is monitored through the regular KWL updates the Housing Corporation provides.</p> <p>These figures are based on an estimate of housing need amongst occupational groups that are included within the Government's KWL criteria i.e. not the exact geographical distribution identified by Government, but some occupational groups i.e. health workers, teachers, police and certain categories of local government staff.</p> <p>Clearly, other public sector workers and staff contracted out from the public sector contribute to local economy and sustainable communities and may have similar problems accessing adequate housing. An assessment of this need will inform the new programme for First Time Buyers, whereby half the homes will be for Key Workers identified by the national definition, and the remainder to go to priority groups identified by RHBs.</p> <p>The sub-regions will identify the further localised need for Key Worker housing provision, using guidance from the Affordable Housing Study (phase 2).</p>
Private rented sector	The private rented sector has a significant role to play in providing products to meet a range of needs, such as temporary accommodation for homeless families and accommodation for people in the 'intermediate' housing market. The RHDG will extend its membership to include a representative from this sector. Private landlords, will be encouraged to develop their role in meeting housing need. For private rented sector landlords Housing Benefit administration is a major issue and therefore a barrier to greater participation. Housing strategies should take benefit administration into account. Additionally, rent deposit schemes may fill gaps left by benefit issues. Authorities should work towards accreditation schemes with private landlords.

Policy framework: providing mixed communities and widening choice

Choice Based lettings	Policies to achieve greater tenure diversification go hand in hand with more flexible lettings policies that promote choice. The Advisory Group on BME Social Housing, established in autumn 2004 is exploring how the new choice-based lettings schemes affect BME groups, undertaking a full Race Equality Impact Assessment of the policy. There is scope for the Region to inform the work of this group. The RHDG will encourage sub-regions to develop CBL to foster mobility and choice for tenants across the Region. The RHDG will provide the catalyst for information exchange between sub-regions as progress develops.
Housing options	The approach to housing advice developed in ‘Should I stay or should I go’ pilot housing options for older people recognises the value of external help at transition points in people’s lives. Local housing authorities are encouraged to use a housing options approach when giving housing advice.
Live/work space	Local development frameworks should take account of the need and opportunity to create live/work environments.

Rural communities

Need for housing

- 7.52** Under the new urban-rural classification 69% of the Region’s population lives in urban settlements above 10,000 population (the national figure is 81%).
- 7.53** The East of England is characterised²⁸ as having a higher than average proportion of the population living rurally, and a greater than average rural population growth rate. Rural areas in the Region have proportionately fewer people under the age of 24 and more people aged 45 years and older than urban areas.
- 7.54** A key issue affecting communities in rural areas of the East of England is access to good quality, affordable housing. Local people, particularly young adults, find it increasingly difficult to stay in their own communities which impacts on local employment.
- 7.55** The Region is blessed with natural beauty in the countryside and coastal areas, having a National Park in the Broads and four Areas of Outstanding Natural Beauty in the Norfolk Coast; Suffolk Coast and Heaths; Dedham Vale; and part of the Chilterns. Whilst this attracts welcome visitors and income, it also means that second and holiday home ownership places additional pressures on the housing market.
- 7.56** In order to form a regional picture of need and delivery, the Countryside Agency commissioned a data collection project, which is now being taken forward through the Housing Sub Group of the Regional Rural Affairs Forum.

²⁸ The Countryside Agency ‘The state of the countryside in the East of England 2004’

Supply of affordable housing

- 7.57** In order to meet the demand for affordable housing, local councils work with national and local housing and planning policies to achieve the development of affordable housing in partnership with housing providers.
- 7.58** Development is distributed to contribute to sustainable patterns, concentrated rather than dispersed. The draft East of England Plan focuses development in market towns and key service centres, to be identified in local development documents. In all other rural settlements and communities, the continued viability of agriculture and other rural economic activities are important, along with the provision of housing for local needs and support for the sustainability of local services²⁹. The Plan also identifies how dwellings will be distributed throughout the Region, by local authority.
- 7.59** Following the need to concentrate rather than distribute development, local authorities conduct urban capacity assessments to inform the allocation of sites for development. Rural areas may have few sites allocated within the overall district total.
- 7.60** Village development may be on sites that would not normally be granted planning permission for open market housing. Such 'exception sites' are to meet the needs of local people, based on local surveys and needs information.
- 7.61** In January 2005 ODPM published a replacement for paragraph 18 of PPG3 – Planning for Sustainable Communities in Rural Areas. Paragraph 18 emphasises the need to make adequate housing provision in rural areas to meet the needs of local people and to contribute to the delivery of sustainable communities. Paragraph 18 also introduces the concept of allocated exception sites (identified in local development frameworks) to sit alongside windfall exception sites. Exception sites generally should be small sites, solely for affordable housing and on land adjoining existing small rural communities which would otherwise not be released for general market housing. The affordable housing provided on such sites should meet local needs in perpetuity.
- 7.62** Cross subsidy is a means of securing additional housing completely without grant or with a lower input of grant by producing homes for sale or shared ownership in addition to rent. Such schemes would be based on clear assessment of a local community's need for different forms of housing tenure and local housing and planning policies.
- 7.63** Cross subsidy from other forms of tenure is currently not normally achievable on exception sites (see above). However, the issue should be kept under review in the event the situation changes during the lifetime of the RHS.
- 7.64** Over recent years, funding for affordable rural schemes has been through the Housing Corporation's ring-fenced rural programme that has targeted small villages (below 3,000 population) as well as more recently larger settlements such as market towns and larger rural settlements in the 3,000 - 10,000 population range. Between the year 1998/99 and 2003/04 1985 rural homes have been completed in the East of England. The effectiveness of partnership working has seen a jump from 194 homes completed in 2001/02 to 386 in the year 2003/04.
- 7.65** Providing new housing in settlements above 3,000 population does, however, mean that eligible schemes and tenants would qualify for the Right to Acquire.
- 7.66** Housing is a key element in rural community regeneration and rural renaissance. Rural housing provision should be integrated with access to skills, employment and service provision.

²⁹ Policy SS9 Development in Rural Areas, in the draft East of England Plan.

- 7.67** The RHDG will ensure that the dialogue established with the Region's Rural Affairs Forum in developing the RHS is continued through the links with the Rural Housing Enabling Network and the Rural Affairs Forum.
- 7.68** EERA/RHB will use the outputs of the regional rural data collection project to develop a more systematic approach to regional investment allocations from 2006. This will specifically address the balance of funding between communities of under 3,000 population and 3,001–10,000 population.

Figure 11. Policy framework: housing in rural communities

Policy framework: housing for rural communities	
Housing needs	<p>Local authorities, housing associations and Local Strategic Partnerships should respond to the housing needs identified in Parish Plans, Market Town Health Checks and by Rural Housing Enablers. They should acknowledge that sustainability in rural areas includes informal support networks and services provided by the voluntary and community social sectors and encourage the development of suitable projects including those that provide supported housing and access to related services.</p> <p>Local authorities should ensure that the rural dimension is fully taken into account in developing housing market assessments.</p>
Planning	<p>Local Development Documents should promote the adoption of positive planning policies that improve the supply and quality of affordable housing in sustainable villages and market towns, in response to identified housing and support needs.</p> <p>Planning authorities should seek to increase the number of sites on which affordable housing can be sought by reducing thresholds and considering the use of 'allocated' exception sites in small settlements in addition to windfall sites.</p>
Funding	<p>The Regional Rural Data Collection report provides the basis for a more systematic approach to investment in rural schemes, and will be developed through the RHDG's links with the Rural Affairs Forum's Housing Task Group.</p> <p>The EERA/RHB will keep the rural pipeline under review, particularly to identify funding commitments for exception sites. In line with the principle of 'gap funding' EERA/RHB will encourage the potential for cross subsidy in areas where the demand and site profiles mean this would be an appropriate and effective response.</p>
Sustainability	<p>Those developing housing in rural areas should maximise the contribution that such development can make to meeting social, economic and environmental needs. Housing in rural areas should also seek to be well designed, to fit the locality and to meet good standards of environmental sustainability.</p>
Partnerships	<p>RHDG will maintain effective links with the Rural Affairs Forum's Housing Sub Group in order to achieve effective integration and policy development.</p>

Homelessness

- 7.69 Rising levels of homelessness and the associated use of temporary accommodation is a feature across the East of England. Local housing authorities have all produced homelessness strategies, with the emphasis on prevention. Many local housing authorities have changed their teams to focus on 'housing options' and advice.
- 7.70 'Supporting People' funded tenancy support and floating support have a vital role in early interventions to support vulnerable tenants and reduce risk of tenancy breakdowns. SP funding also supports accommodation services for single homeless people, many of whom have complex needs, in direct access hostels.
- 7.71 'Homelessness' is often the end result of other problems, financial, health or social. It is important that these other problems are tackled if homelessness is not to be repeated.
- 7.72 It is here that the RHS can be effective in linking up with other regional strategies and initiatives to tackle the range of needs. The Regional Health Strategy is an obvious link, but others are the Regional Social Strategy, the Regional Rehabilitation and Resettlement Strategy, the Regional network of Drug Action Teams, the National Asylum Support Service Accommodation Strategy, the Regional initiative on Domestic Violence through the Supporting People regional group (SPERG).
- 7.73 The East of England Strategy for the Rehabilitation of Offenders contains 'pathways to accommodation' for which an action plan is being developed. The accommodation pathway is vital to the Rehabilitation Strategy as accommodation is crucial to sustaining work and family life. There will be major gains for crime reduction and community safety if offenders can be successfully resettled. An element of this work may be to pilot a needs assessment tool.
- 7.74 An emerging issue is the housing and homeless problems experienced by younger people, particularly the 16–17 year old age group. Such groups benefit from mediation schemes to reconcile young people with their families.
- 7.75 Local authority and housing association lettings policies need to balance the needs of homeless households with others in housing need. For some authorities 'homelessness' is the main route into social housing. This imbalance particularly disadvantages single, homeless people.
- 7.76 **RHDG will review the knowledge from the Region's homelessness strategies for good practice and research the incidence of youth homelessness through its membership.**
- 7.77 **RHDG will review the links with other strategies to ensure that action on homelessness and its causes are co-ordinated at the regional level.**
- 7.78 **In particular, RHDG will build on its existing links with the East of England Strategy for the Rehabilitation of Offenders to co-ordinate the accommodation pathway action plan, and consider piloting the needs assessment tool through its membership.**
- 7.79 **RHDG will review SP Strategies as they are published and ascertain the implications from any changes to floating support.**

- 7.80** The RHDG will ensure that the sub-regions make the link with Drug Action Teams in their strategies. The RHDG should pilot a sub-regional approach to tackling homelessness and the use of temporary accommodation.
- 7.81** EERA/ RHB will provide investment for new housing to enable the accommodation needs of homeless households to be met through an overall increase in stock.

Figure 12. Policy framework: alleviating homelessness

Policy framework: alleviating homelessness	
Role of RHDG	<p>The RHDG cannot prescribe what local authorities should do in discharging their duties. It has an advisory and co-ordinating role and, via the RHS, it makes recommendations for investment. An investment theme for Local Housing Need and Homelessness is proposed in this RHS and investment (2006–08) and future spend across this theme will require monitoring.</p> <p>An important outcome of investment in housing will be additions to the housing stock overall, which will help to alleviate difficulties experienced with ‘move-on’ accommodation.</p>
Preventing and responding to homelessness	<p>All local housing authorities have produced homelessness strategies. These have been subject to a review at national level. It is important to take the good practice learning and ensure that the Region’s authorities and their partners have access to this, along with appropriate regional practice.</p> <p>The RHDG aims to support local housing authorities make the shift from crisis management to prevention.</p>
Identifying needs	<p>There remain some causes of homelessness that are not yet properly researched and understood. Recent research includes the needs of refugees and Gypsies and Travellers. Future requirements such as the incidence of youth homelessness should be identified within the RHDG and taken forward with regional partners in a forward plan of research proposals. This might include piloting a needs assessment model for ex offenders as part of the pathways to accommodation.</p>
Allocations and lettings	<p>RHDG is in a position to co-ordinate information exchange on local lettings plans to achieve balanced communities in new schemes.</p>
Sub-regional approach to tackling homelessness	<p>RHDG will promote a sub-regional pilot on homelessness and the use of temporary accommodation to ‘test’ the viability of this approach. Sub-regions should ensure that links with Drug Action Teams are made.</p>
Synergy with other strategies	<p>The RHS must take account of other regional strategies in developing future policy proposals. In particular to review the SP Strategies, finalising of the Region’s Health Strategy and the East of England Strategy for the Rehabilitation of Offenders to co-ordinate the accommodation pathway action plan.</p>

Supporting people

- 7.82** 'Supporting People' is the term the ODPM gave to a diverse programme that encapsulates the requirements of various partners/stakeholders including social care and health. The primary aim of the programme is to help vulnerable people to improve their quality of life and to gain and maintain greater independent living. In 2005/06 the Region received a total Supporting People grant allocation of £123,000,000 from the ODPM. The individual SP administering authorities, based at county and unitary level, co-ordinate the investment in supported housing.
- 7.83** Significant work has already been done in the Region to identify shared needs and priorities. A jointly funded Regional Coordinator has been appointed to support the Supporting People East Region Group (SPERG). Cross-authority working has been established and sub-groups have been set up to investigate the needs of three key groups – Gypsies and Travellers, victims of domestic violence and ex-offenders. Task groups have been set up to investigate whether regional ways of working can be established, for example, there has been regional agreement to elements of the steady state contracts given to providers. SPERG have also jointly commissioned research on domestic violence services in the Region, which has now been completed, and are linked in to the sub-regional housing strategies. Key themes that are common to the Region are set out in the following paragraphs.

Older people

- 7.84** Supporting People service reviews are revealing the need to change the use of some schemes. This is especially true for the sheltered housing schemes which are likely to be needed to be remodelled in order to meet changing aspirations. Many local authorities are already examining their sheltered housing stock to assess whether they will meet future needs. There is a clear requirement to ensure that any changes to the need for capital or revenue funding are co-ordinated.
- 7.85** Research has shown that there will be a large increase in the numbers of older people in the next few years, 'Between 1995 and 2025 the number of over 80s will increase by almost 50% and over 90s will double.'³⁰ The Region has identified a need for additional 'Extra Care Sheltered' housing which could come from a mixture of remodelling existing sheltered accommodation and new build.
- 7.86** There are also issues around older people's changing housing aspirations. Over seventy percent of dwellings are now owner occupied in the east region³¹ and with the change in tenure comes a change in attitude. Existing home-owners may choose not to go into rented accommodation therefore there may be a need for remodelling sheltered accommodation either for other groups or for use as a community resource. This could be especially useful in rural areas and there would be the potential for using the accommodation as a base for floating support but this would be dependent on transport and the sustainability of the scheme. Schemes should reflect cultural diversity issues.

Vulnerable groups

- 7.87** Early Government guidance on SP strategies focused the attention of the administering authorities (County and Unitary) on the needs of groups whose needs have historically not been well met: people who misuse substances, offenders, and ex-offenders, victims of domestic violence, young people at risk, teenagers who become pregnant, Gypsies and Travellers and refugees. Improving and extending services for these groups continues to be a priority.

³⁰ Department of Health, The NHS Plan: The Government's response to the Royal Commission on long-term Care, July 2000.

³¹ Office of the Deputy Prime Minister, English House Condition Survey 2001 Regional Report, July 2003

- 7.88** Visiting or floating support, where support is provided in people's homes, has expanded recently. It has shown to be a very effective method of support as it is tailored, flexible and cost effective. It can also help to ensure that service users are more dispersed, therefore moving away from a ghetto culture which can cause hostilities. Floating support is very successful in maintaining independence and most SP teams would like to extend services further.
- 7.89** SPERG has identified the lack of move-on accommodation, particularly for families, as an issue in the Region. The Region's Voluntary Hostels Group echoes this, identifying the need to free up spaces in hostels by ensuring swift and effective move-on via nominations to permanent housing for people who are ready to move. A lack of move-on accommodation can lead to hostels and other temporary accommodation silting-up. This arises from a shortage of new lettings, particularly of smaller accommodation, resulting in people with low support needs remaining in hostels longer than necessary and running the danger of becoming institutionalised or having their long-term independence compromised. It also means that earlier investment in schemes is not being used efficiently to meet higher levels of need.

Learning disabilities

- 7.90** There has been a shift away from institutional care towards group-living in supported tenancies. In the past there has been an over reliance on 'shared accommodation'. There is a continuing need to expand the housing options for the increasing numbers of people with a learning disability who are expecting to live in the community. SPERG argues that there should be a range of accommodation available to cover the diverse needs of this group and the need to look at more innovative models of housing as well as group homes, for example, cluster units, using assisted technology, remodelling of sheltered housing or sharing sheltered provision with the elderly (double usage). It should also be noted that service users with long-term mental health issues have similar housing issues.

Developing services in the future

- 7.91** There are structural issues over equity and access to services. The budgets which were merged into the SP programme were nearly all budgets for tenants of social housing. The needs of people in other tenures must now be included in the programme.
- 7.92** In some areas the pattern of support services has developed from the initiatives of individual providers with a greater or lesser degree of overall planning. This has led to unevenness of service availability, which SP teams wish to redress. New services will now be commissioned to meet gaps in service identified in SP strategies, normally using competitive procurement processes.
- 7.93** It is essential to have effective engagement with a developing sub-regional agenda, and SPERG will work with sub-regional housing groups in identifying 'local' investment within the investment themes. Sub-regional engagement is especially important in relation to ensuring that future needs brought about by demographic changes and an ageing population are properly considered.
- 7.94** Other issues for the East of England are the housing needs of homeless families, refugees, teenage parents and especially the victims of domestic violence. The main areas of concern are the inappropriateness of accommodation, lack of move on accommodation for families and lack of provision for differing ethnic needs. Work is in progress to consider a regional strategy for domestic violence over the next six months and the priorities will be included in the 2007/08 allocation request.

- 7.95 There is a lack of detailed information regarding the needs of the BME communities in the Region. The national themes are well known but need varies locally. BME needs are important for all administering authorities but the percentage of BME population varies widely across the Region posing different problems. SP want to fund culturally sensitive services and raise the understanding of the needs of certain groups. This needs direct communication with the BME communities.
- 7.96 Furthermore there are opportunities for other public funding to be more effectively targeted through links with SP. For example, the national Capacity Building Infrastructure Strategy for the Voluntary and Community Sector 'Change-Up'³² has funding available for Voluntary and Community Sector Infrastructure Organisations until 2006. In the East of England, funding is co-ordinated through 6 County Consortia of infrastructure organisations, and a Regional Voluntary Sector Partnership. As a number of SP service providers are also front line Voluntary and Community Sector Organisations there is scope to consider a more strategic use of resources and make links to these consortia at county and regional level.
- 7.97 **EERA/RHB will ensure that it works with SPERG to ensure the capital/revenue implications are clearly demonstrated in investment for supported housing schemes. In particular EERA/RHB will be aware of any remodelling proposals which might have implications for investment.**
- 7.98 **RHDG will ensure that the dialogue with SPERG is maintained and good practice is shared along with the knowledge and development of future research along with a Regional SP Strategy.**

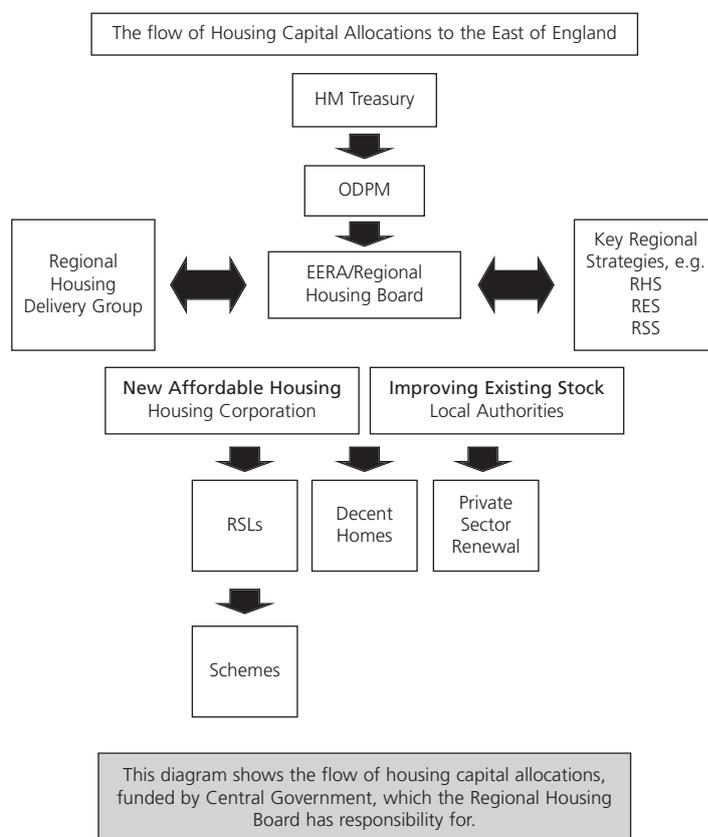
³² Published June 2004 and supported by the Home Office Active Communities Unit

8 Recommendations for public investment

Background to investment

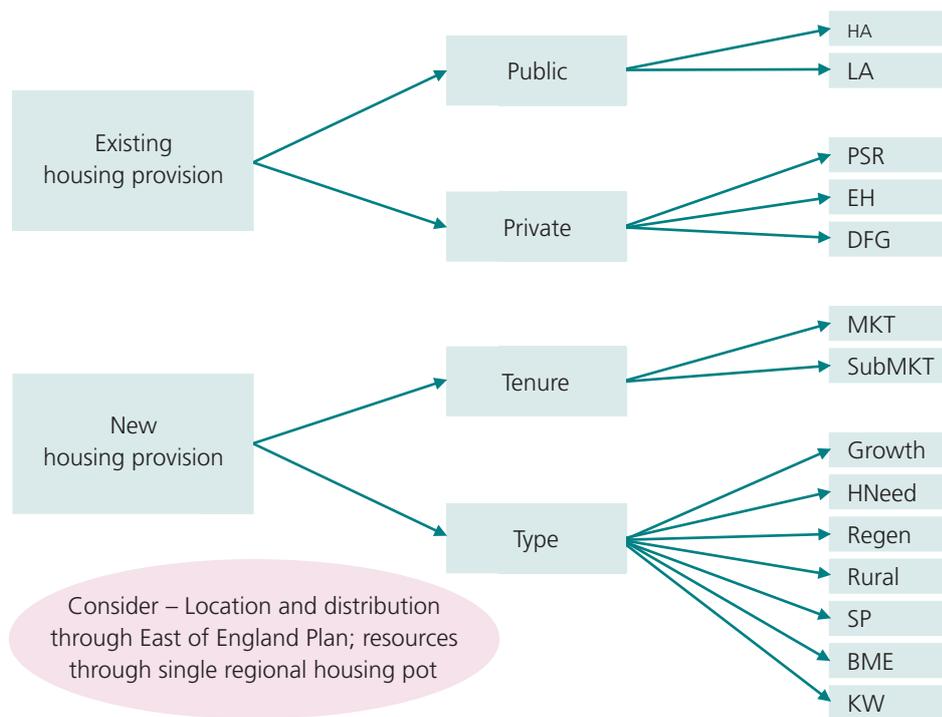
- 8.1** As indicated elsewhere, most investment to fulfil the objectives of the RHS will need to come from private individuals and organisations. The purpose of public funding is to address needs which cannot – or can only partially – be met through private investment.
- 8.2** There are several sources of public funding for housing in the East of England, some provided on a mandatory basis and/or distributed formulaically. This chapter addresses those which are distributed on a discretionary basis, and for which strategic guidance is therefore of significant value. One important role for discretionary funding is to complement mandatory uses. The intention is to ensure that public investment is used to maximum effect to achieve the objectives of the RHS.
- 8.3** The following diagram shows how the funding flows from central Government to deliver new affordable housing and improve the existing stock in both the public and private sectors.

Figure 13. Illustration of the flow of housing capital allocations



- 8.4 The most significant source of capital investment from the public purse is the Single Regional Housing Pot (SRHP), which combines a number of previously separate funding streams. It can be used for improvement of the existing housing stock, through investment by local authorities, or for the creation of new affordable housing through Housing Corporation investment.
- 8.5 Once funding is awarded to the Region, EERA/RHB is responsible for recommending to Ministers the strategic use of the SRHP, and the delivery of the programme of investment. The EERA/RHB's 2-year investment strategies are intended to be a key element in the implementation of the RHS. If they are to make best use of the limited resources available, it is essential that the RHS provides guidance on the outcomes needed over the life of the RHS, the intended means of achieving them, and the prioritisation to be followed where difficult choices have to be made between competing objectives, geographical areas or types of investment. This is the purpose of this chapter.
- 8.6 The diagram below illustrates how the RHS could shape the future housing in the East of England through its recommendations.

Figure 14. Potential investment interventions



KEY – Choice between:

a) Investment in existing stock

Local authorities (LA), housing associations (HA), private sector renewal (PSR), empty homes (EH), Disabled Facilities Grants (DFG).

b) Investment in new housing provision

Market (MKT) or sub-market (subMKT) tenures.

Targeting different outcomes – strategic growth, meeting local housing need and homelessness (HNeed), regeneration (Regen), supporting rural areas, accommodating people with support and care needs (SP), addressing needs in BME communities, or Key Workers (KW).

The balance between investment in existing housing stock and new housing

- 8.7 The key objective of the RHS is that everyone in the East of England will be able to live in a decent home in the future. The implication is that the RHS must consider both the housing stock that exists now and the planned new future provision. In terms of numbers, the vast majority of the 2021 stock will be that which exists right now. The condition of the existing housing stock, and the suitability of properties for accommodating the needs of the households living in them in the future must therefore be very important.
- 8.8 **Given the fact that most homes are owner-occupied, most of the measures to ensure a sustainable future for the Region's existing stock will need to be aimed at facilitating whatever private investment is necessary.** In other words, giving priority to the existing stock means primarily a priority for policy and action to facilitate private investment, rather than for the use of public investment, although clearly this will be an important consideration where it is public-sector stock involved (see Decent Homes below).
- 8.9 In contrast, public investment needs to be focused on the area in which the private sector is least able to meet need: providing subsidy for new affordable housing. Therefore, where public investment is needed for investment in the existing stock, the RHS proposes careful targeting to ensure that it is used only where it is necessitated by an inability of private funding to provide a solution.
- 8.10 The RHS proposes that in the short-term, 15% of regional resources for public capital expenditure in the East of England should be used for investment in the existing stock. Its use will be targeted carefully on non-decent private and public-sector stock for which there is no realistic source of private investment, and on bringing empty homes back into use. The level of funding will have to be reviewed over time as circumstances change.
- 8.11 Carefully targeting public investment in existing stock at this level means that **the RHS is able to release a maximum of public resources for investment in new homes.** Thus giving priority to the challenge of bringing the supply of new affordable housing in line with the anticipated high demand.

Investment in the existing housing stock

- 8.12 The targeting of public investment in the existing stock should be according to the following framework of policies and proposals.

Decent Homes in the public sector

- 8.13 On the basis of the options appraisals undertaken during 2003–05 by the stock-holding local housing authorities in the Region, plans will be in place in the latter half of 2005 for ensuring that each authority's stock can meet the Government's Decent Homes Standard by 2010. In some cases, it is anticipated that the agreed option will be retention in the public sector, with an acceptable level of further capital investment from public resources. **Where it has been agreed that a local authority should retain its housing stock, the highest priority for public investment will be provision of whatever has been accepted as necessary to meet the Decent Homes Standard in that stock.**

8.14 The Decent Homes Standard is a minimum standard, and the aspirations for housing in the East of England to be of a significantly higher standard remains an important objective for the RHS. For this reason, **all local authorities with housing stock in the East of England are encouraged to improve their stock to the highest practicable standard within their available revenue resources.**

8.15 **Public capital investment from regional resources should not be used to improve publicly owned housing above the Decent Homes Standard unless and until sufficient new affordable housing has been secured, which should otherwise be given priority.**

Decent homes in the housing association sector

8.16 All housing associations are required by their regulatory body, the Housing Corporation, to bring their deficient housing stock up to the Government's Decent Homes Standard by 2010. The RHS looks to the Housing Corporation to ensure that this is achieved.

8.17 It is accepted that some, particularly very small, housing associations may not have the financial capacity to make the necessary investment from their own resources. The Housing Corporation, as housing association regulator, should work with any housing association in this situation to discuss the options for creating sufficient resources to meet the Decent Homes Standard in its stock by 2010. Public investment should only be made available on an exceptions basis where the solution cannot be implemented in time.

Decent homes in the private sector

8.18 The degree and scale of private-sector housing unfitness in the East of England is relatively lower than other regions, and is concentrated in some of the older industrial and port towns, and the Region's New Towns. The need and demand for housing in the Region are so high that private investment can be expected to deal with much of the unfitness through market mechanisms. However, planning and other controls should be applied sensitively to ensure that they do not become obstacles to private investment being used to address problems of unfitness in the private sector.

8.19 Where private investment is not forthcoming to deal with unfitness, there is a case for considering strategic use of public investment. Where this relates to the detrimental effect on neighbourhoods, it is addressed through the approach to empty homes and/or regeneration in the sections below. Sometimes, however, it is more an issue of the circumstances of individual households.

8.20 In the private sector, unfitness is just as important for the residents as for those in the public or housing association sectors; it is more difficult, however, directly to address this challenge. Within the Region's private sector stock, households living in unfit properties have different abilities to address the problem. Many may be exercising choice, others may be 'trapped' in their homes, unable to find alternative solutions because of their financial or other vulnerability.

8.21 **Public investment should be used to bring up to the Decent Homes Standard, residential properties in the private sector whose occupants' vulnerability makes it impracticable for them to find their own solution. Such investment should only be provided where there is a sound local strategy operating to identify and prioritise the need for investment, and to ensure that the residents will continue to benefit from it. On this basis, funding should be given priority over investment in new affordable homes.**

Empty homes

- 8.22 There will always be properties empty as households move from one dwelling to another, or as properties await building works. However, in the East of England there are many residential properties standing unused for other reasons, and many of these are owned by public bodies. This is a wasted resource which is unacceptable in a region experiencing a shortage of available housing, and therefore the RHS seeks to bring these empty properties back into residential use.
- 8.23 The strategy for addressing empty homes requires the following:
- local authorities which have not compiled a database of empty residential properties should do so. All authorities should keep their database up to date.
 - individually and in collaboration, housing authorities should develop their housing strategies to embrace concrete action to bring empty properties back into use. In the first instance, this should be pursued on the basis of continuity of ownership.
 - in each area, housing associations with specialist experience should be identified for working within empty homes strategies. Public resources from the SRHP should be made available where subsidy is required because the properties are to be used for affordable housing. Where appropriate, the associations should rehabilitate properties for resale to owner-occupiers, using surpluses to subsidise those used for affordable housing.
 - compulsory purchase of properties should be used where negotiation with property owners or the threat of compulsory purchase have failed. Local authorities should consider borrowing to capitalise the initial phases of purchase programmes resulting in the sale of properties, allowing the resource to be recycled thereafter.
- 8.24 Research into empty homes in the East of England is currently underway. Once results are available, this will permit the strategy to be reviewed, and a more detailed set of policies and proposals generated.

Private sector renewal

- 8.25 Private sector renewal implies a more strategic approach to improving properties in the private sector, rather than relying on market led demand to improve individual properties. Renewal may, for example, be targeted on individual types of properties or geographical areas perceived to be in need of renewal. Initiatives may also be part of wider area regeneration strategies.
- 8.26 Such an approach will be informed by effective knowledge of the condition of the housing stock gained from data collection or local surveys.
- 8.27 All local authorities have Private Sector Renewal strategies in place. Many authorities are making use of the powers granted under the Regulatory Reform Order to make loans available to applicants rather than grants. In section 6 this strategy refers to the need for co-ordinated action on information and brokering at regional level as this can be difficult at localised level.
- 8.28 Public investment for renewal from the SRHP will be targeted at meeting the decent homes target, and thus focused on vulnerable stock occupied by vulnerable groups. Anything beyond this should include innovative approaches to renewal that are based on sound evidence and robust data.
- 8.29 **Future public investment in private sector renewal and decent homes will be underpinned by an enhanced stock condition evidence base.**

Disabled Facilities Grants

- 8.30 At present, the use of DFGs is not strategic, since resources are distributed essentially on the basis of formulae, and the mandatory provision of grants is demand-led. Given that demand far exceeds resources, the use of grants follows rationing processes, rather than prioritisation. This needs to be addressed; however the development of a more strategic approach will have to await the outcome of a Government review of the system.
- 8.31 Aids and adaptations discretionary funding for housing association stock was signalled in the last RHS as requiring a more strategic approach to investment with a move away from block allocations of grant effectively drawn down at a housing associations discretion. This policy approach remains and while 'in principle' aids and adaptation funding can still be made by the Housing Corporation, this will be continue to be on an individual aids and adaptations project basis only where the housing association can demonstrate that all other sources of funding have been exhausted, including the housing association's own internal resources. Those associations formed as a result of a local authority transferring its housing after 31 March 1996 remain ineligible for funding for this purpose and should already have accounted for these needs in their business plans. The Housing Corporation expects all housing associations to be moving towards a longer-term strategy on how the needs for those tenants requiring adaptations to their homes will be met.
- 8.32 Figure 8, 'Policy Framework: housing, improving health and well-being' illustrates the areas that contribute to a long-term strategy on adaptations (see section 6).

Investment in new affordable housing

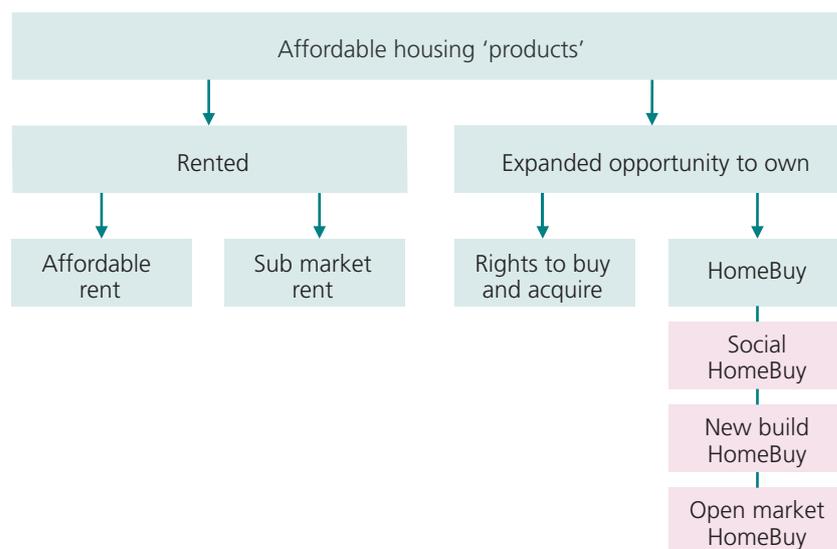
Products

- 8.33 There is a range of optional forms of new affordable housing currently available through housing associations as products of Social Housing Grant (SHG) invested from the SRHP:
- **social renting** – rents are set significantly below market levels within the Government's rent restructuring framework
 - **sub-market renting** – rents are set between social and market levels, using less subsidy, reflecting the needs of households in the 'intermediate market'
 - **shared ownership** – households purchase a part of the equity in their home, paying a rent on the remainder to the housing association for the part of their equity not subsidised through SHG
 - **equity loans** – households are provided with SHG in the form of an interest-free loan to cover part of the cost of purchasing a home, as currently offered under HomeBuy and the Government's Key Worker Living initiative.
- 8.34 In pursuing its aim to extend opportunities to for home ownership, the Government was, at the time of writing, consulting on proposals to streamline shared ownership and equity loans into a range of three HomeBuy products: Social HomeBuy – equity sharing for social tenants in the homes they currently occupy; New Build HomeBuy – equity sharing in a new home built for this purpose; and Open Market HomeBuy – purchasing a share of a property on the open market. The latter two types are aimed at Key Workers and other first time buyers. EERA/RHB will be identifying target groups in its investment proposals to Ministers. Households receiving grant assistance will

normally be able to move to full ownership over time by increasing their share in the equity of their homes. This is also known as 'staircasing'.

- 8.35 All the above involve the combination of Social Housing Grant with private finance to obtain the greatest output from the former, using it as 'gap-funding' to make the housing affordable to the resident.

Figure 15. Affordable housing products



- 8.36 The various products on offer have different financial arrangements that match households' needs. The cover is not complete, and efforts are being made to develop other products. Local authorities and other public bodies can already invest capital in alternative products which do not have to fit within the statutory SHG regime.
- 8.37 Some private developers have created financial arrangements to permit new homes to be sold significantly below market prices, i.e. as a form of 'affordable housing,' and are typically aimed at first-time buyers. This is to be welcomed in as much as it satisfies some of the need for housing supplied below market price; however, it is of very limited value for overall supply in the Region if the price subsidy cannot continue as a benefit for the second and subsequent purchasers. **The RHS supports the provision of homes for outright purchase at sub-market prices set in the context of local affordability information, but only where there are arrangements to maintain the properties affordability in perpetuity.**
- 8.38 It is also of limited value when housing products are made affordable by lowering their quality in terms of space standards, or in other respects. **The new affordable housing required in the East of England should be universally of a minimum standard commensurate with the Housing Corporation's Scheme Development Standards.**
- 8.39 The RHS cannot prescribe the balance between supply of the different products in the years to come, or even in different parts of the Region in the immediate future, since it is impossible to anticipate precisely the range of needs to be addressed. **The RHS requires local authorities to work with housing associations, other housing providers and relevant bodies as**

recommended in national guidance, to undertake local housing market assessments, and to maintain a regular monitoring of markets so that local provision of different affordable products can be matched closely with anticipated requirements.

- 8.40 Most affordable housing products can be created through both new construction and the purchase of existing properties. However, while the latter may help in supplying need for affordable housing, it does not normally add to the overall supply of properties in the Region. Investment for new affordable housing in the East of England should generally follow sub-regional and local housing strategies. **Where strategies target rehabilitation of existing stock to bring empty properties into use and generally contributing to regeneration, as a means of addressing unfitness, or as a means of making communities more sustainable through tenure diversification, public investment should follow this prioritisation, even if it implies higher capital grant costs. Other than these very specific circumstances, capital funding should normally only be used for affordable housing schemes that will add to the overall stock of the Region.**

Targeting investment products

- 8.41 For the longer-term, the East of England Plan provides a useful framework for considering long-term need for different products.
- 8.42 As indicated earlier, the long-term requirement in the East of England for additional affordable housing is around 11,000 homes per annum. Of this, around 8,500 are forecast to be required for social rented housing, including the need to deal with the current backlog. The remainder would be required to meet various needs in the intermediate market: some sub-market renting, but mainly various forms of shared ownership.
- 8.43 In the short-term, other factors need to be taken into account, and the respective requirements for different products need to be set out in sub-regional and local housing strategies. One key factor in doing this will be the opportunities for investment already emerging from the work on the supply-chain of housing schemes coming through the development pipeline. Another factor, possibly influencing the choice of schemes for investment, will need to be Government initiatives aimed at increasing the supply of intermediate housing products to help address recruitment and retention problems among public-sector Key Workers.

Investment themes

- 8.44 All new affordable housing will meet the immediate housing needs of some of the Region's households. The potential schemes for investment are likely always to be more numerous than the resources available for investment, and therefore often difficult decisions over the use of limited resources will be required. The RHS aims to assist decision-makers in this task by helping to structure their decision-making, and to set priorities. At the same time the intention is also to provide a strong guide to those considering or designing schemes with the intention of implementing the RHS and hence attracting public investment.
- 8.45 The approach adopted in the RHS is to relate all potential schemes for investment back to the overall aims of the RHS, in terms of the outcomes they should help to bring about. In other words, this approach looks beyond simply providing accommodation for people in need, and seeks to achieve the broader goals being pursued within the East of England. For this purpose, outcomes are considered in relation to several over-arching investment themes: this provides a structure for organising and assessing them for possible inclusion in investment programmes.

8.46 Housing schemes which do not address outcomes under the strategic investment themes should not be considered for funding from public resources.

8.47 It is important to recognise that the categorisation under themes applies to the schemes themselves. The categories are defined by the nature of their outcomes and not the areas in which they are located. For example, not every housing scheme in a regeneration area is necessarily geared to regeneration; nor will every scheme addressing rural need be located in a village.

8.48 The first RHS for the East of England (2003–2006) adopted the five themes previously used for targeting investment in the Region: growth, regeneration, supported housing, rural need, and housing for people from the Region's BME communities. Targets and provisional allocations for the 2004–06 investment period were as set out in figure 16.

Figure 16. Targets and provisional allocations against 2004–06 investment themes

East of England: strategic theme allocations (SHG)



8.49 To the existing themes, an additional theme of Key Workers was added, reflecting the growing concern in the Region and within Government of the potential impact of housing affordability issues on public services and economic development. The RHS prioritised the themes broadly through indicative levels of investment for the short-term, with very general direction on the geographical targeting.

8.50 Consultation for this revised RHS led to the identification of further themes: homelessness, other local needs, asylum seekers and refugees, and Gypsies and Travellers. The investment themes for the present RHS are set out on the following page.

Figure 17. Investment themes

Theme	Strategic outcome	Typical schemes
Growth	Where growth in housing numbers is planned to be significantly in excess of natural household growth in the area, measures are needed to ensure that an appropriate element of affordable housing is facilitated and properly utilised. By implication, the affordable housing must be providing accommodation for need over a larger area than what would be considered 'local need'.	Schemes will typically be part of strategic release of allocations for housing land required by regional or sub-regional plans. Consequently of mixed tenure and housing type, they will provide for the range of needs anticipated in the incoming population from an area larger than the town or district in which they are located. This can be demonstrated either through arrangements for utilising a scheme's capacity across administrative boundaries, or in the origin of households accommodated on an on-going basis by the host authority. The extent to which provision for Key Workers and others in the intermediate market will be made will depend upon local employment circumstances and expected commuting patterns.
Local need and homelessness	In contrast to the growth theme, this relates directly to need arising within the locality of the scheme, and hence serves the existing population.	In terms of creating sustainable communities, there will need to be a mix of type and tenure to complement existing provision. Schemes should not normally be aimed at simply accommodating homeless households, but, if so labelled, be more a part of a local strategy to avoid homelessness occurring in the first place.
Regeneration	Here, the strategic outcome is typically not couched in terms of housing itself. What is required is the physical regeneration of land or buildings now redundant, and/or the social or economic regeneration of areas and communities which are unable to achieve this themselves. Investment in new affordable housing can be through rehabilitation or new properties on brownfield sites. Its provision is, however, a means to an end, being normally one of a bundle of integrated measures required to achieve the desired regeneration. Housing development may be the only measure, where it is a run-down residential area that needs to be regenerated.	Schemes on 'brownfield' sites will be recognised as regeneration only where there is a clear and beneficial outcome in these terms. Where the regeneration is of an area extending beyond the development site, a strategy is needed to demonstrate their interrelationship. For this reason, the detailed nature of the scheme will be designed in direct relationship with its local circumstances within the surrounding area.

Theme	Strategic outcome	Typical schemes
Rural needs	The objective here is the appropriate accommodation of needs arising in rural areas – i.e. where settlements are small, population density low, travel difficult, and opportunities of access to housing restricted. Although the needs to be addressed are typically from people wishing to remain in an area, they will also include those wishing to take up employment (including unpaid care) in rural areas, and hence to move to live there.	Schemes can be in suitable villages, or in larger settlements where the location is determined in an evidence based strategy as being appropriate. This reflects the need to ensure the sustainability of the housing schemes and settlements. Schemes also need to be located with a view to the quality of life of the future residents, given their need for access to amenities and facilities. The design of schemes in villages needs to be carefully managed to ensure the physical and social integration with the host community.
Key Workers	Where the sustainability of existing or future communities is endangered by difficulties in recruitment or retention of employees in essential activities, these can be recognised as Key Workers. If accessibility or affordability of housing is a factor in these difficulties, the RHS supports measures to find a housing solution.	Key Worker schemes will require the identification of Key Worker groups experiencing housing needs, the design of projects able to meet these in terms of type, location and cost, and arrangements to ensure the scheme will be viable and in demand for the future. In terms of sustainable communities, they are best integrated into housing schemes serving wider needs.
Supported housing	A substantial and growing proportion of the population is in need of housing support. Revenue funding of this activity should be strategically targeted to help provide this under the SP arrangements. Where future provision will require capital investment in new housing schemes, this will be a strategic objective for use of the SRHP.	Supported housing schemes will need to be developed on the basis of planned provision of appropriate support and its revenue underpinning. They will therefore normally need to be planned as an element in the implementation of the emerging SP strategies. Care needs to be taken also in terms of their design and location, relating to physical appropriateness and the need for integration into surrounding communities.
Needs from black and minority communities.	Strategically, in the promotion of community cohesion, it is important that members of BME communities should have the same access to housing as members of the mainstream community, and hence that they benefit equally from provision under all the other themes. However, the RHS recognises that, for a wide variety of reasons, that this is not everywhere or always the case. Also, there are instances where linguistic, cultural or other factors lead to a need for specialist schemes to provide suitable accommodation.	Schemes will need to demonstrate that they have been planned and designed with the specific and special needs of members of a community in mind – typically this will require close collaboration with that community. Schemes not offering specialist accommodation would not normally receive support, unless it could be demonstrated that there are no other means of enabling normal access for members of the BME community into housing otherwise available to the mainstream community. In all cases, a strategic approach to BME housing will be needed.

Thematic targeting of investment

- 8.51 To aid those taking future funding decisions, it is essential for the RHS to provide direction and prioritisation for targeting the different investment themes. For practical convenience, it is advisable to consider this on both longer and short-term scales.
- 8.52 The East of England Plan and central Government policy provide little guidance on thematic targeting – essentially only on Key Workers (see below). Equally, the evidence base on housing need and related factors is also not sufficiently well developed to provide clear guidance. For these reasons, the long-term prioritisation underlying targeting in this RHS is essentially a reflection of views emerging from the initial development of the sub-regional strategies. For this longer-term perspective, this is presently sufficient, given that there will be opportunities to refine the picture on the basis of future research.
- 8.53 Short-term targeting is also sufficiently robust, but for different reasons. As is set out in the next section, there are so many factors dictating what should or can be achieved in the short-term, that thematic targeting has proven to be relatively straightforward.
- 8.54 The RHS is addressing all public investment in new affordable housing. As a consequence, provision through investment of resources outside the SRHP is also covered, although the decisions on targeting of this will be in the hands of organisations other than the RHB or EERA. This is anticipated to apply principally to capital investment by local authorities and English Partnerships (EP), although others may emerge during the period of the RHS. The low cost home ownership programme for First Time Buyers and announced in 'Homes for All,' is being run by English Partnerships and is programmed to start in 2006–07. It is important that all such bodies work in cooperation to ensure that their investments complement one another, and are coordinated within the framework of the RHS to address common objectives. This applies particularly where the investment, such as EP's in low-cost home ownership, is geared to specific products or sectors of the market.
- 8.55 The table below sets out the thematic targeting proposed in the RHS. It should be remembered that its purpose is to set the emphasis or focus of key outcomes being targeted through the public investment. A large proportion of the schemes benefiting from investment will inevitably produce outcomes under more than one theme, so that the overall benefit under each theme will tend to be considerably greater than implied by the figures in the table. In other words they would appear to add to **more than 100%**, because the outcomes of investment are not simply a division of a total benefit.
- 8.56 However, for practical reasons, it is important for the RHS to provide clear guidance. Therefore the table does divide up the overall pot of funding in simple terms, and it should be remembered that this establishes the **primary** outcome targeted, but not all the beneficial outcomes taken into consideration when selecting schemes for investment. In other words, the percentage figures should be seen to represent a **minimum** share of investment targeted on each theme.
- 8.57 The Government has confirmed that arising from the 2004 Spending Review and in recognition of the housing pressures in the Region, the East of England will see a substantial increase in resources for housing for the investment period 2006–08.
- 8.58 The process to develop an allocations methodology to direct this investment has been subject to separate regional consultation and has had to take account of both what the Government expects to see from its increased investment to the Region (particularly for the Key Worker Living Programme) and what stockholding local authorities need to deliver the outcomes of their

Options Appraisals and achieve the decent homes standard. These two factors and the resulting investment required have to be considered as absolute. Proportions of investment for the other themes have to be set in relation to these.

8.59 The draft RHS was unable to take account of the total amount of regional funding and the proportion of total investment needed for Key Workers and Local Authority Decent Homes as they were uncertain at the time of writing. Subsequently the RHS has been able to take account of both stakeholder views and these absolute requirements to arrive at a longer-term view of the proportions of investment for each theme. It has established indicative percentage shares of the Single Regional Housing Pot, thereby setting the direction of travel. The exact percentages in any investment cycle will be completed by EERA/RHB within the investment plan to be presented to Ministers.

Figure 18. Investment themes indicative targeting

Theme	Indicative share of Single Regional Housing Pot	
	to 2010 (%)	from 2010 (%)
Growth	20	25
Local need/homelessness	20	20
Regeneration	10	10
Rural	10	10
Key Workers	14	5
Supported housing	8	15**
Existing stock	15	10
BME*	3	5
Total	100	100

* Includes refugees, migrant workers, Gypsies and Travellers

** Subject to review as the Region's Supporting People Strategy evolves

8.60 Targeting and policy within the individual themes are handled in the sections below. They also provide an indication of the basis for target levels of investment. The figures are aspirational, and will be achieved only if sufficient numbers of appropriate schemes can be developed. The longer-term figures from 2010 will also be subject to testing and review as experience develops and the results of further research provide evidence on the Region's emerging needs and priorities.

Growth

- 8.61 Three of the Growth Areas designated by the Government lie wholly or partly in the East of England. In reality, this has merely added planned growth to the massive growth occurring across almost the whole region as a consequence of economic and demographic pressures.
- 8.62 Most of this growth will be in the form of housing provided by the market for direct purchase and owner occupation; and a substantial proportion will be accommodating households migrating into or within the Region. It is anticipated that relatively few migrants will be seeking social rented housing, although there should be more demand from the intermediate market.
- 8.63 The East of England Plan sets out the spatial distribution of new housing to accommodate growth. A substantial proportion of affordable housing will be required as part of this new housing growth, as per policy in the East of England Plan. Although this suggests a large volume of capital subsidy to support this volume of affordable housing, the proposed policy with regard to planning obligations should lead to relatively less subsidy required from the SRHP.
- 8.64 On this basis, the long-term target level for funding under the growth theme is set at 25%. In the short-term, it is set even lower, reflecting the expected delay in major planned growth developments coming through the pipeline
- 8.65 Affordable housing under the growth agenda is essentially aiming to accommodate need that is not generated from within the locality. It is also to be generally concentrated in strategically selected locations in specific local authority areas. In practice this will mean that a scheme coded 'growth' will be expected to demonstrate that future occupants will be coming from a larger area than the local authority which hosts the scheme. This can be either through inter-authority nomination agreements and/or evidence that there is in-migration of households into the area of allocation i.e. the local authority who need affordable housing.
- 8.66 **The geographical distribution of investment under the growth theme should be tied directly with the phased development of strategic housing schemes in accordance with the East of England Plan.**

Local need and homelessness

- 8.67 Local need is defined as need arising within the existing population of an area. It includes the enhanced need for affordable housing generated by house prices increases, as a consequence of unsatisfied demand from external growth pressures. The reason for this strategically is that it can be addressed directly by the respective housing authority, and does not require the cross-boundary cooperation inherent in the growth theme. This does not preclude the development of cross boundary working and good practice.
- 8.68 Rather than being addressed separately, as sometimes in the past, homelessness is included in this theme, partly because it is part of local need, and partly because, in order to enhance their sustainability, investment should never be in housing schemes wholly dedicated to homeless households.
- 8.69 The primary means to deal with homelessness in the Region is through the range of measures able to prevent households becoming homeless through homelessness prevention strategies. This is particularly relevant for vulnerable people leaving institutions. Secondly, lettings should be managed to accommodate homeless households in well-functioning communities, whilst also helping to achieve mixed communities.

- 8.70 Investment under this theme should be targeted geographically on the basis of the distribution of need, but only when the evidence base in the Region has been improved to the point that needs in different areas can be assessed on a common basis. This is a longer-term priority for action. In the short-term, investment should be targeted on those areas that can demonstrate the most pressing problems and have effective delivery arrangements in place.

Regeneration

- 8.71 Across the East of England there are many areas with pressing needs for physical, social and/or economic regeneration including; the new towns, declining industrial centres and the ports. Undoubtedly they need substantial volumes of capital investment, and often public investment to help kick-start and support the regeneration processes. It is not, however, a policy in this RHS simply to target investment in housing on all areas requiring regeneration.
- 8.72 Investment under the regeneration theme requires several criteria to be fulfilled:
- evidence that housing has a role to play in the regeneration process
 - evidence that affordable housing is actually needed and would contribute positively to regeneration outcomes (i.e. would not simply be meeting general local needs)
 - evidence that public investment is needed for the affordable housing
 - a clear strategy demonstrating how the housing scheme is integrated into a comprehensive plan for the area; this will require clarity on the respective roles of rehabilitation and provision of new housing on brownfield sites.
- 8.73 Targeting investment for regeneration will need to follow the distribution of schemes fulfilling these criteria at any one time. The initial target of 10% of investment under this theme will need to be kept under review as regeneration schemes emerge.

Rural

- 8.74 Housing needs arising in rural areas cannot be addressed simply by providing new affordable housing where they occur. This is because the long-term sustainability of rural communities is not guaranteed. For example, there may be questions over the quality of life of financially vulnerable households living in remote villages with difficulties in accessing essential facilities that are provided only in larger settlements.
- 8.75 **The RHS requires the targeting of investment under the rural theme to be entirely on housing schemes where the sustainability of the community and the residents' lives within it can be demonstrated.** This may mean that increasingly, some rural housing need is met in market towns. Eligible schemes should only arise from evidenced-based strategic approaches to finding the best solution to the needs.
- 8.76 It is difficult to form a **regional** view of rural housing need. It is not possible to aggregate local housing authority surveys due to differences in timing, methodology and the fact that 'rural' need may not be separately identified. The very local surveys carried out by Rural Housing Enablers are done to support local priorities, and are not conducted systematically across the Region. A rural data collection project was funded by the Countryside Agency in early 2005, which is now being developed through the Region's Rural Affairs Forum. The findings from this are included within the context document.

- 8.77 Similarly, although much progress has been made in recent years to build up a development pipeline of rural schemes coming forward for investment, it is unclear how much the capacity for investment can be increased, regardless of need. In the meantime, the RHS proposes the targeting of 10% of investment under this theme, which is believed to ensure a volume of output in keeping with that achieved in recent years.
- 8.78 **The rural target will be to provide a *minimum* amount of 600 units to be produced in 2006–08, to be focused 75% in settlements of below 3,000 population and 25% in settlements from 3,001 up to 10,000 population.** This distribution takes account of the distribution of rural settlements, the pattern of previous allocations and the predicted future pipeline.

Key Workers

- 8.79 The Government's current Key Worker Living initiative has challenged the East of England to invest substantial sums of public money in new affordable housing for designated groups of public workers. Regional research has indicated a long-term need for housing for these groups, some 760 new homes annually, which is lower than the current programme. Nonetheless, there is evidence that employers are experiencing recruitment and retention problems with a much wider spectrum of workers in the public sector, and similar problems are threatening the workforce base for economic development in the Region's 'hot spots'.
- 8.80 Although this broader definition of Key Workers should in theory cover those picked up by assessments and accommodation of 'local needs' or 'growth' (see above), failure to provide housing for them could have far-reaching consequences for economic development and service provision across the Region, and hence for the sustainability of many of its communities. The RHS therefore proposes a more rigorous investigation at local, sub-regional and regional levels of the Key Workers in housing need and of the best means to address these.
- 8.81 The target figures in the table for Key Worker investment relate to the Government's definition of this group. The figures will need revising as the results of this proposed investigation emerge.
- 8.82 The planning of all housing schemes benefiting from public investment should consider local and wider needs for Key Worker housing, using whatever definition is recognised locally as appropriate. Where private sector workers are concerned, employers should be involved, with a view to contributing financially to employee housing schemes.

Supported housing

- 8.83 Most supported housing will require revenue support in the form of SP grant. However, this will not always be the case, and the potential for tying investment to other forms of revenue support should always be taken into account in targeting and investing public capital. In as much as investment will depend on the availability of SP resources, this imposes a restriction on the extent to which targeting can take place under this theme.
- 8.84 It is essential to ensure that the capital and revenue (via SP) spending plans are properly co-ordinated. This is especially so in relation to ensuring that future needs brought about by demographic changes, and an ageing population are properly considered. There are other sources of revenue to consider such as the recycling/remodelling of existing accommodation.

- 8.85 In the longer-term, the limited possibilities of recycling SP resources into new schemes will tend to impose an upper limit on capital investment. At this point in time however, it is impossible to estimate what this might be and therefore the target level has been set at a nominal 15%. In the short-term, the target has been set at 8%, reflecting the extent to which uncertainty over revenue funding is preventing schemes needing SP grant from being prepared.
- 8.86 It is of urgent importance that the SPERG develops a regional strategy for use of SP resources, tied to a development plan into which capital investment could be targeted. No geographical targeting can be undertaken without such a strategy.
- 8.87 Initial indications point to a central role for investment in the remodelling of existing supported housing schemes. Properly anchored in an over-arching strategy, remodelling has the potential for making best use of existing properties and revenue resources, and also for creating accommodation best tailored to the residents' needs.

Housing for Black and Minority Ethnic communities

- 8.88 Households from BME communities should have the same level of access to housing as the wider community in the East of England. However, research in a few areas of the Region has demonstrated that this is not always the case. Part of the problem is the variety of factors which lead to members of BME communities effectively not being able to exercise the same choice in housing. Other culturally specific factors can lead to special housing needs for which there is simply insufficient provision.
- 8.89 **Since the RHS aims to ensure that all people in the East of England have access to good housing, it proposes that, wherever appropriate, specific investment should be targeted on BME needs where these would not otherwise be addressed.**
- 8.90 The implementation of this policy will be challenging, given the poor quality of information generally available on this issue; it also demands that housing providers and enablers develop better channels of communication with the communities whose needs are not being heard. This is evidenced in the poor response of recent years to regional initiatives inviting bids for schemes to be funded under this theme.
- 8.91 **Until a better regional evidence base has been developed, it is proposed that up to 3% of investment is allocated under this theme, and that it should be targeted on Bedfordshire and Essex, where recent research work has created a basis for enabling appropriate schemes to be brought forward.**

Housing for refugees

- 8.92 SRHP investment provision for refugees is informed by the regionally commissioned research into the accommodation needs of refugees. Any specific provision for refugees would be encompassed within the BME community theme as detailed above.
- 8.93 The research has highlighted the types of areas where the asylum seeker population is located. Once permission to settle has been received refugees may seek social housing, and may be more likely to do so in these areas. Access to social housing in suitable types and locations in these areas must be kept under review, with EERA/RHB considering how investment should be targeted, particularly in the dispersal areas and other areas with significant numbers of asylum seekers. This should be linked to the emerging NASS accommodation strategy.

8.94 This is not necessarily about specific 'separate' provision in social housing, but about access to provision in the existing social housing stock and the private sector. In particular in relation to the private sector, where refugees may be likely to populate 'vulnerable' groups in poor quality private sector housing and thus become linked to the decent homes target.

8.95 The link with SP funding must also be managed, as many refugees will require additional support to take up and maintain a tenancy.

Housing for migrant workers

8.96 The EEDA sponsored research into the contribution of migrant workers to the Region's economy, although unfinished at the time of writing, has highlighted accommodation issues in the emerging findings.

8.97 Whilst these are weighted towards working with employers of temporary migrant workers there may be a need to pick up emerging issues through RHDG (of which EEDA is a member).

Gypsies and Travellers

8.98 The needs of members of the travelling community who choose to settle and live in permanent housing should be addressed under policies for the BME communities to which they belong. As a subset of the BME investment theme, the RHS proposes a coherent approach being applied to public provision of sites for travellers' mobile homes.

8.99 The Government is committed to ensuring that adequate provision is made for the housing needs of Gypsies and Travellers, and legislation will now enable SHG to be used for capital funding of sites for mobile homes. However, the paucity of evidence of demand in the Region, combined with a lack of detailed information on the funding framework, mean that it is very difficult to establish a basis for targeting investment. Specific measures to address the issue are set out in the Housing Act 2004 and new draft planning circular requiring local authorities to assess the accommodation needs of Gypsies and Travellers in their area, and to produce a strategy detailing how those needs can be met.

8.100 The EEDA commissioned research that looked at the general accommodation needs and aspirations of Gypsies and Travellers. This research has provided a framework for future research and policy making in the Region. Several local authorities within the Region have completed or commissioned accommodation needs assessments of local Gypsy and Traveller communities, although the results of only a few were available at the time of writing. Incorporation of policies and proposals for Gypsy and Traveller provision into the RHS will have to await a review based on comprehensive evidence from across the Region.

8.101 The ODPM has added funding previously allocated through the Gypsy Site Refurbishment Grant to the Single Regional Housing Pot to support the provision and maintenance of sites for Gypsies and Travellers. Although the RHS can be expected to focus investment in areas of high need, this funding must also fit alongside investment in other services in order to create a complete package for meeting the wider needs of Gypsies and Travellers in a sustainable manner.

Geographical targeting of investment

- 8.102** The RHS proposes no overall levels of investment targeted on individual geographic areas. It acknowledges the significance of the Growth Areas designated by the Government, and that strategic planning in these areas is likely to increase the opportunities for investment there.
- 8.103** However, as demonstrated in consideration of the various investment themes above, the drivers for their geographical targeting vary considerably. This would make any distribution of funding independent of the individual themes, somewhat spurious.

9 Implementation, managing and monitoring the RHS

Priorities for delivery

- 9.1 Publication of this document is merely the beginning of a process. The value of the RHS will be judged entirely on the basis of its implementation. This is encapsulated in two questions: were its objectives achieved, and did it provide the appropriate framework for those charged with delivering against objectives?
- 9.2 A series of actions and recommendations for the implementation of this RHS are proposed in each section, and a full list can be found at the end of this section. In terms of prioritisation of these actions, the most pressing need is for the creation of a detailed Action Plan to set out the agenda over the next few years. This will require a process of careful prioritisation, attribution of responsibility, identification of targets and milestones, and setting timescales.
- 9.3 This action planning process should be completed by December 2005. This will allow for the following matters to be taken into consideration:
- the arrangements for governance, management, monitoring and review of the RHS are subject to change pending confirmation from Government on the merger of regional planning and housing functions. Although we fully anticipate a positive announcement, confirmation is required before new arrangements can be put in place.
 - the action planning timescale should allow full involvement of all those critical to the implementation of this RHS. This timescale will allow for communication to facilitate understanding and co-operation amongst these delivery partners.
- 9.4 Given the potential new roles for EERA in regional housing, this action planning process should be led by EERA, working in conjunction with regional partners involved in the preparation of the RHS and with wider networks of key stakeholders.
- 9.5 The sub-regions are an integral part of this structure and have been instrumental in shaping both the RHS. They will also be significant delivery agents through their own sub-regional strategies and the investment planning process.
- 9.6 The implication is that sub-regions will need to monitor the progress of their own strategies and ensure that effective linkages with the RHDG are maintained.

Short-term delivery

- 9.7 At any time in the future, interest in pursuit of the RHS will be lost if it is not perceived to be making a significant difference to what is happening in the Region. It is imperative that those responsible for delivering strategic objectives are seen to be doing so in the early years. **This will apply to all of the Action Plan, but the most significant or visible success which is required is to make progress towards the delivery of the step-change in increasing the supply of affordable housing in the Region.**

Delivery at local level

- 9.8** The broad-brush approach of a strategy covering the whole of the East of England does not permit the degree of specification in terms of outputs and outcomes that is required by those charged with delivery on the ground. This is the role of the sub-regional strategies which have been created and developed in parallel with the RHS itself.
- 9.9** Although short-term delivery may be achieved on the basis of the pipeline of development schemes in place when the RHS was first formulated, successful delivery from then on will depend on the extent to which the sub-regional strategies can create an effective bridge between regional policies and local action.

Managing the process of delivery

- 9.10** The RHS has been prepared in anticipation of a positive announcement from the Government during Summer 2005, on its proposal to merge the Regional Planning Body (EERA) with the Regional Housing Board.
- 9.11** Implementation of this change will be led by the EERA. In the East of England, EERA already has been very closely involved in the development of the RHS and has managed the development of the draft East of England Plan. Implementation of the merger will build on this, with EERA taking full responsibility for the development and management of the RHS and securing stronger links between planning and housing delivery.
- 9.12** The following changes are proposed by EERA, to support this new function:
- EERA itself will take on the role of Regional Housing Board alongside its existing role as regional planning body.
 - the existing EERA Housing and Sustainable Communities Panel will be increased in size and breadth of representation. The Panel will be responsible for providing leadership, prioritising investment and scrutinising performance, on behalf of EERA.
 - a technical advisory group, to be known as the Regional Housing Delivery Group (RHDG), will be set up to support EERA. The RHDG will draw on expertise from practitioners drawn from a range of organisations involved in delivery. This group will build on and replace the existing Regional Housing Forum, and will be very closely involved in the management of the Action Plan, working through 'task and finish' sub-groups to deliver specific projects.
 - an increased resource within EERA's secretariat will support the above groupings and manage the day-to-day work of implementation and monitoring, securing greater consistency between planning and housing delivery.
- 9.13** The detail of how these revised structures will work is subject to confirmation of the Government's intention to proceed along these lines. Despite the lack of this operational detail at the time of writing, we can anticipate that EERA's new role will require the continued involvement of the widest possible grouping of housing stakeholders, respecting their individual interests while imposing expectations regarding adherence to the guidelines of the over-arching RHS.
- 9.14** Similarly, EERA's new role will also involve acting as custodian of the interrelationship between regional planning and housing strategies and the manner in which the former works through smaller geographical levels into the delivery of housing objectives. A key function in this respect will be the task of ensuring that the various delivery figures relating to future housing provision are harmonised, using a shared evidence and monitoring base.

Monitoring and review of the RHS

Monitoring

- 9.15 Monitoring of the RHS is essential to test the effectiveness of implementation of the strategy. The key measures of success to be monitored need to relate to the RHS's overall vision, and appropriate indicators will need to be developed that will help monitor strategy implementation in the following key areas:
- balancing housing supply with need and demand
 - bringing the Region's housing stock up to decent standards
 - ensuring that communities are sustainable.
- 9.16 As part of its new responsibilities as Regional Housing Body, EERA will need to have an up to date knowledge of trends in terms of house prices, household incomes, interest rates, demographic changes and other economic, social and cultural changes that may affect housing need, supply and demand. This will inform the process of monitoring.
- 9.17 EERA is required to submit an Annual Monitoring Report (AMR) to the Secretary of State by the end of February each year as part of its role as Regional Planning Body. The main purpose of the AMR is to monitor the implementation of the RSS (known as the East of England Plan). Given the linkages between RSS and RHS, there is merit in a joint approach to monitoring specifically in relation to affordable housing delivery. Similarly the RES, also developed alongside the RSS, will have many shared monitoring requirements in terms of the regional economy and labour markets.
- 9.18 **Further work is needed to identify more exactly the shared monitoring requirements of the RSS, RHS and RES.** EERA is planning a short study to this effect which will identify a set of common indicators. Data relating to these indicators can then be drawn together annually, and reported on in an extended AMR. This will form a fundamental part of the monitoring of the RHS.
- 9.19 The RHS Action Plan, will inform the exact timing and nature of monitoring activity beyond that covered in the AMR. This should also be completed on an annual basis by EERA in conjunction with the technical advisory group, RHDG.

Review

- 9.20 The East of England RHS will be subject to review at an appropriate medium-term planning horizon before the end of the period of this strategy 2005–2010. An earlier review may be triggered by:
- any changes in the East of England Plan or other complementary strategies which alter the basis for the RHS
 - unanticipated changes in the housing market, economy or other external environment of the RHS
 - significant changes in national housing policy.
- 9.21 There is also the possibility for a more targeted review and/or update of specific sections or policies in the RHS as and when required. This may also be triggered by changes to the East of England Plan, changes to the external context for the RHS, or improvements to the evidence base for the RHS which change the basis for a specific policy.

- 9.22 The responsibility for managing the review will be EERA's, with implementation support from the technical advisory group (RHDG).

Risk and contingency planning

- 9.23 In advance of monitoring the implementation of the RHS, it is possible to identify a series of significant risks to success. These are set out in the table below. Actions are taken forward to the following section.

- 9.24 In prioritising actions it will be necessary to assess both the likelihood of the risk occurring and the potential impact on the RHS.

Strategic risk	Operational risk	Action
Non delivery of total planned new housing provision	Public resistance to regional housing provision	Review consultation arrangements post the East of England Plan, Examination in Public
	Resistance to development restricts local land supply in general	As above
	Lack of infrastructure development	Seek resolution regionally through the East of England Plan and locally through Local Development Frameworks
	Shortage of construction labour	Determine a policy and action plan to deliver the skills that will be needed to increase the quantity and quality of homes in the East of England (see action plan)
	Inappropriate planning applications	Seek clarity within local development frameworks
Opportunity costs of environmental enhancement	Environmental changes e.g. flood risk	To be taken forward through regional work on the Code for Sustainable Buildings
	Quality requirements impact on cost overall	As above
Lack of climate of certainty for affordable housing provision	Rise in market prices making housing even less affordable	Monitoring role through the Annual Monitoring Report and adjustments to regional policy

Strategic risk	Operational risk	Action
Lack of climate of certainty for affordable housing provision	Rise in market prices making housing even less affordable	Monitoring role through the Annual Monitoring Report and adjustments to regional policy
	Fall in market prices impacting on delivery of market housing, and thus affordable housing through section 106	As above
	Section 106 policy does not work effectively	Promote examples of Good Practice
	Inadequate public resources including SRHP funds for capital investment	Improved evidence base to inform subsequent spending reviews
	Long-term shortage of SP revenue funding	Review alternative sources of funding
	Risks inherent in decisions on investment themes, for example decisions on percentages, low for regeneration and impact on areas requiring regeneration	Review delivery outcomes as part of the Annual Monitoring Report
	Risk associated with not investing in new affordable housing/homelessness and economic stagnation	Continued investment in new affordable housing provision
'Affordable' housing does not meet identified needs	Balance between social rented and intermediate housing tenures is inappropriate	Review delivery outcomes as part of Annual Monitoring Report
Deteriorating condition of existing stock	Failure to meet decent homes targets by 2010	Public investment in existing stock, encouragement of the private sector, development and use of new loan products
	Failure to identify renewal areas	Development of regional data and information tools to support local targeting of more detailed surveys
Lack of management and monitoring of the RHS at regional level	RHDG fails to ensure actions are carried out	Robust monitoring framework with identified responsibilities and reporting mechanisms
Delivery problems at sub-regional level	One or more sub-regions fail to develop a common agenda	Early awareness through RHDG and appropriate support within resources available
	Local authorities do not follow sub-regional or regional strategies	Dialogue through RHDG
	Political changes to policy	Dialogue through RHDG

Actions to be scheduled and prioritised

- 9.25 A series of actions arise from the RHS which will need to be carried out in order to ensure the success of the RHS's implementation. The first action of all will be to turn this list into an action plan, with all tasks scheduled in terms of prioritisation and roles and responsibilities determined.
- 9.26 It will be vitally important to identify resources for these actions. In particular actions may require resources to be combined with those from other agencies. Funding from partner public sector bodies may be limited, variable or subject to different timescales throughout the life of the RHS. It will be necessary to make such linkages explicit with clear timescales attached. The Action Plan must also recognise the limitations of funding from other sources – regional agencies can only act within their remit. It will be particularly important to align funding with sources such as EERA and EEDA.
- 9.27 Actions will need to be given a priority rating and be assessed for risk. The Plan will need to adhere to the format required to achieve 'Fit for Purpose' as is used for local authority strategies.

Action

Develop a strategic policy framework for achieving decent homes and renewal in the private sector.

Develop a strategic policy framework for use of Disabled Facilities Grants.

Develop a strategic policy framework for balancing quantity and quality in new developments.

Develop a strategic policy framework for a common approaches to planning obligations

Develop a strategic policy framework for scheme financing and cross-subsidy

Develop a strategic policy framework for using modern methods of construction

Develop a strategic policy framework for sustainability in rural areas

Develop a strategic policy framework for engaging BME communities

Develop a strategic policy framework for supported housing

Develop a strategic policy framework for site provision for Gypsies and Travellers

Local authorities should research and keep a register of land potentially available below market value to assist in long-term planning of affordable housing supply.

Local planning frameworks need to develop explicit policies regarding the use of s106 agreements to reflect housing sector needs. Good practice from the sub-regional development of the pipeline project action plan will be shared through the RHDG.

EEDA, the development industry, the CITB, Learning and Skills Councils, Sector Skills Council for Construction, Inspire East and UCATT should determine a policy and action plan to deliver the skills that will be needed to increase the quantity and quality of homes in the East of England.

Action

Regional housing providers should work through Inspire East and the Sustainable Construction Forum, to develop a regional perspective on the 'Code for Sustainable Buildings'. As the Region's Planning and Housing Body, EERA should take a co-ordinating role that is linked to the responsibility for the Annual Monitoring Report

Arrangements should be created through which private sector employers in areas of housing stress in the Region could ensure affordable housing for key employees through the provision of capital subsidy for their housing

The RHDG will work with regional partners, including Inspire East to develop and promote a financial appraisal tool and 'regional experts' to develop more effective use of s106.

The RHDG will address the 'design deficit' within its current structure, and RHDG will engage with Inspire East and CABE to support the development of Quality Criteria

Housing enablers, providers and planners should ensure that quality standards are an integral part of discussions on the economics of scheme development

The Housing Corporation will use improved methods of procurement to achieve higher output balanced against quality of product, and continue its work with housing associations to achieve EcoHomes standards

The regional Annual Monitoring Report will incorporate quality as well as quantity measures, and investigate the use of appropriate indicators. Market intelligence gathered will inform regional policy on housing as well as planning. The report will also include progress against EERA/RHB investment targets.

Regional partners should work with EEDA to evaluate the Suffolk Regeneration Trust and whether the approach could be replicated elsewhere in the Region. Furthermore should evaluate other loan products and good practice and engage at regional level with financial service providers to seek solutions to private sector stock condition issues. RHDG will consider the appropriate lead agency

The RHDG will work with the National Housing Federation to promote a wider understanding of its members' social investment capacity through iN business for neighbourhoods.

Local authorities should consider whether any additional income from council tax charges on empty homes can be recycled into bringing empty homes back into use. The EERA/RHB will encourage the development of Empty Homes Charters and may consider innovative schemes to bring empty homes back into use. These should be linked to performance on Best Value Performance Indicator BVPFI64.

The RHDG will work with partners to inform future guidance to housing providers on the assessment and provision of accessible homes in the East of England. This will include developing policy H2 in the draft East of England Plan.

The RHDG will work with Health Professionals developing the Regional Health Strategy to develop a better understanding of needs and the resources available to meet them. In addition, improved joint working and planning between housing authorities, primary care trusts and strategic health authorities is needed, particularly when boundary differences occur.

Action

RHDG through its membership will encourage the coverage of Home Improvement Agencies across the whole of the Region.

The RHDG has established a task group to identify BME housing needs across the Region in order to underpin future investment. The aim is to identify existing studies, the gaps in our collective knowledge and commission research to develop the regional and sub-regional evidence base. The task group will report regularly to RHDG and research findings will inform future investment decisions.

RHDG will promote good practice from regional research.

The RHDG will work with EERA to develop regional policies based on further research into the accommodation needs of Gypsy and Traveller communities.

The 'balance' of housing tenure types will be monitored through the Annual Monitoring Report.

Local housing authorities should consider whether private sector housing no longer required by NASS is appropriate for use as temporary accommodation

RHDG will support the development of choice based lettings through sub-regions by exchanging good practice advice

RHDG will ensure that its membership encompasses private sector landlords to ensure that issues in that sector can be properly addressed

RHDG will ensure that significant plans for expansion in higher education and the potential impact on the housing market are monitored through the relationship with EEDA

The RHDG will ensure that the dialogue established with the Region's Rural Affairs Forum in developing the RHS is continued through the links with the Rural Housing Enabling Network and the Rural Affairs Forum.

RHDG will review the knowledge from the Region's homelessness strategies for good practice and research the incidence of youth homelessness through its membership. RHDG will review links with other strategies to ensure co-ordination of action on homelessness at regional level. This will include work on the housing pathways for the strategy on Rehabilitation of offenders. RHDG will pilot sub-regional approaches to tackling homelessness and the use of temporary accommodation

RHDG will ensure that the dialogue with SPERG is maintained and good practice is shared along with the knowledge and development of future research.

The development of a regional evidence base should incorporate housing market intelligence and stock condition data

RHDG will review the effectiveness of its consultation arrangements, and address any weaknesses identified.

RHDG will ensure that dialogue with sub-regions is maintained, in particular to advise of any difficulties in delivering sub-regional strategies and investment plans.

10 Appendix

Appendix 1 – delivery agents

Delivery of the RHS on the ground will be in the hands of a multitude of organisations active in the housing field:

- Translation of the RHS into more detailed strategies, plans and policies
 - sub-regional steering groups (housing sub-regions and the Government's Growth Areas)
 - local housing authorities
 - local planning authorities
- Management of housing:
 - local authorities
 - housing associations
 - private landlords
- Housing maintenance and improvement:
 - local authorities
 - housing associations
 - private landlords
 - private households
- Public investment:
 - local authorities
 - the Housing Corporation
 - English Partnerships
 - EEDA
 - GO-East
 - local delivery vehicles in growth areas
- Land assembly for development:
 - English Partnerships
 - EEDA
 - local authorities
 - commercial developers
 - housing associations
- New housing production:
 - commercial developers
 - housing associations.

List of Abbreviations

ACER	Association of Colleges Eastern Region
AMR	Annual Monitoring Report
ARLA	Association of Residential Letting Agents
AUEE	Association of Universities in the East of England
BME	Black and Minority Ethnic
BVPI	Best Value Performance Indicator
CABE	Commission for Architecture and the Built Environment
CBL	Choice Based Lettings
CIH	Chartered Institute of Housing
CITB	Construction Industry Training Board
DFG	Disabled Facilities Grant
DH	Decent Homes
EEDA	East of England Development Agency
EERA	East of England Regional Assembly
EiP	Examination in Public
GO-East	Government Office for the East of England
HA	Housing Association
IRS	Integrated Regional Strategy
KWL	Key Worker Living
LDD	Local Development Document
LDF	Local Development Frameworks
LSP	Local Strategic Partnership
MMC	Modern Methods of Construction
NASS	National Asylum Support Service
ODPM	Office of the Deputy Prime Minister
PPG3	Planning Policy Guidance Note 3
PSA	Public Service Agreement
PSR	Private Sector Renewal
RCC	Regional Cultural Consortium
RES	Regional Economic Strategy
RHB	Regional Housing Board
RHDG	Regional Housing Delivery Group
RHS	Regional Housing Strategy
RSS	Regional Spatial Strategy (the East of England Plan)
SCP	Sustainable Communities Plan
SDS	Scheme Development Standards
SHG	Social Housing Grant
SP	Supporting People
SPERG	Supporting People East Region Group
SRHP	Single Regional Housing Pot
UCATT	Union of Construction, Allied Trades and Technicians
VHG	Voluntary Hostels Group