



PlaceShapers submission to the LGA Housing Commission February 2016

1. Introduction

- 1.1 PlaceShapers is a national network of community-based housing associations formed in 2008. Currently comprising 117 members of varying types and sizes, our members own or manage over 800,000 homes collectively, contribute around 25% of new homes provided through the National Affordable Housing Programme and provide services to more than two million people. As an alliance, our views therefore represent those responsible for around a quarter of registered housing associations' stock. Details of our members and more on what we do can be found on our website: <http://www.placeshapers.org>
- 1.2 We welcome the LGA's Housing Commission as an opportunity to set out a forward-looking vision for the future of housing and the relationship between councils and communities. Housing associations come in all shapes and sizes and operate in hugely varying locations and housing markets. PlaceShapers reflects this diversity and individually our members work closely with local authorities to make a lasting difference in their communities. Indeed, the importance of such partnerships was a key driver for PlaceShapers' formation and is embodied in the core values that all our members sign up to.
- 1.3 We believe that whatever your size and spread it is crucial to remain accountable at the local and regional level and to provide tailored additional investment to create sustainable, healthy communities. As such, alongside housebuilding, focussed housing management and stock investment services, our members invest over £60m a year in local activities to provide additional support for residents and the wider communities within which they work. This excellent added value work includes integrated health and social care services, employment training and support and a range of neighbourhood services that foster social cohesion.
- 1.4 Clearly there are challenges ahead but notwithstanding the changing environment, our members remain determined to protect homes and services, to add to the housing stock wherever possible and to continue to provide much needed support within the communities in which they are embedded. This includes working with the Government at central, regional and local levels to support delivery of housing



priorities (including through devolution deals) as well as working creatively to ensure that social purpose values endure.

1.5 This submission represents the collective response from PlaceShapers and covers the themes you are focussing on in general terms. We expect that many of our members will respond individually to your call for evidence and in doing so will contribute their views on issues at the local level.

2. **Housebuilding**

2.1 This country needs housing associations to help maximise its housebuilding programmes and PlaceShapers has a strong contribution to make. Collectively our members added 13,848 new homes to their existing stock in 2014/15. With at least 90% of our members developing new homes, this averages 125 each with some members contributing much more than this. It also means that our members will have added around 34,000 new homes to the housing stock in the four years to 2015/16.

2.2 Our members also “build local”. They apply their unique community understanding, presence and local commitment to bring about development that others may not be able to achieve, often working with local small or medium sized building companies to achieve this and using their local knowledge and partnerships to identify land and development opportunities. Numbers are important – we need more homes fast – but it’s the quality and long-term viability of properties and community facilities that really count. Our publication “Build Local”, launched at our 2013 Annual Conference by then Housing Minister Mark Prisk MP provides some good examples of what can be achieved: <http://www.placeshapers.org/document.php?o=45>

2.3 With a combined turnover of £4.4bn in 2014/5 we are major businesses able to leverage significant private finance to supplement dwindling levels of government grant, creating opportunities to create new or improved communities alongside new homes through close partnership work at the local level. Our relationship with local councils is critical to this success.

2.4 PlaceShapers is keen to support the Government’s drive to provide greater opportunities for people to own their own home. Our members have for many years delivered programmes to support this aim and will continue to do so through shared-ownership, rent to buy, starter homes and outright sale. Indeed, around 20% of recent new developments by PlaceShapers have been of low-cost home-ownership products. We expect to see this proportion increase in future programmes in line with



government priorities subject to local plans and site agreements. However, we realise that there will always be those unable to own their own homes and our members will continue to provide secure homes and support for these people alongside other services where this is what is needed locally.

- 2.5 In this context, we are concerned that an exclusive policy focus on home-ownership will be at the expense of genuinely affordable new rented homes. This is not to suggest that home-ownership products are unneeded or unpopular but that housebuilding and the “market” need to cater for all requirements, particularly given the numbers for whom ownership of any type will not be viable. This includes mobilising institutional investment in the rented sector as well as new building for sale. It also includes creative use of space, including potential “densification” in cities with imaginative use of airspace for high quality new homes.
- 2.6 We expect therefore that our members will seek to work closely with councils locally to create additional opportunities for new housing of all tenures, maximising the use of low-cost public land where possible and also councils’ RTB and new homes bonus receipts. In this respect, joint working to ensure that S106 agreements are not diluted and that rural exception sites remain protected will be important, as will be the creative use of commuted S106 monies. An example from Bristol illustrates what can be achieved. Here, our members have supported the creation of a social investment bond -The Bristol Bond- which will fund sub-market rented homes on council land and provide the Council with an annual revenue return.
- 2.7 In addition, we anticipate that many members will work closely with partner councils to explore means by which housing association homes sold under the “Voluntary Right to Buy” can be replaced on a like-for-like basis in the same location wherever possible. This will be a challenge, particularly where replacement costs are higher than the market value of sold units and available land is scarce, but it is one where we are sure creative solutions will result from joint working. Like the LGA, PlaceShapers is not supportive of the forced sale of high value council housing as the mechanism for funding RTB discounts for housing association tenants. We want our local authority partners to be able to continue to provide for acute housing need alongside us and believe that any disposal of vacant homes should be the subject of local asset management decisions.



2.8 Finally, many of our members work with small and medium sized builders and developers with strong local connections to the communities in which they operate. We believe that councils have a particular role in helping to promote such partnerships on new schemes and will share with us a concern that a few large house builders increasingly dominate the market.

3 Place shaping, community and infrastructure

3.1 “Place shaping” is in our blood; indeed, the clue is in our name! We too believe that a home is more than just a place to live and that housing providers and councils have a responsibility to work together to create vibrant, stable communities in which people can be supported to make the most of their lives. This is why we consider ourselves to be “more than just landlords”. We care about the people and places where we work. We have the capacity to drive a legacy of long-term investment and regeneration and recognise the importance of local partnerships to improve and shape places at both a strategic and operational level. Working closely with councils and other agencies we can make a huge difference to local people, pooling resources and expertise to regenerate sites and provide homes and added value services that help create sustainable, economically and socially active communities.

3.2 Because they are firmly embedded within their locality, our members contribute to civic leadership, supporting and driving partnerships, for example around homelessness, refugee resettlement and rural housing provision. They also offer mentoring to small grass-roots groups to deliver their own housing solutions, for example via Community Land Trusts. In the West of England, our members have co-chaired the Bristol led Housing Delivery Board alongside the Mayor and the Mayor’s Homes Commission. And in Kent, the Kent Rural Housing Protocol provides a good illustration of joint housing and local authority place shaping: http://www.kenthousinggroup.org.uk/Menu_Text_4.aspx

3.3 Our publication “Localism that works” provides further examples of our members’ added-value work with 16 inspirational case studies and a foreword by the Rt Hon Greg Clark MP in which he said: “This report is a vivid illustration of how PlaceShapers engage with the future of their estates and communities. Across the country they have helped people return to work, reduce crime, create jobs and transform local neighbourhoods. These case studies are a testament to what local



initiative and local innovation can do for local communities.” You can find the report here: <http://www.placeshapers.org/document.php?o=24> .

3.4 Looking forward, we are excited by the extent to which devolution deals recognise the importance of housing associations working with local councils to deliver the place shaping agenda and hope of course that the resources will follow policy commitments to ensure that objectives can be delivered. We also see continuing value in working with LEPs alongside local councils given their wider focus on community investment.

3.5 In this context we welcome the Government’s recent de-regulatory measures for housing associations as we believe this will lead to much more flexibility in local planning, particularly in relation to asset management. We will continue to lobby for more freedoms and flexibilities where these will help tailor services to local needs. In particular we hope that this will extend to rent setting so that “affordability” can be linked to local earnings and the cost of living rather than uncontrolled “market” levels. Some flexibility in lettings policies with local schemes that promote mixed communities will also continue to be important, albeit that we appreciate the balance needed to enable councils to respond appropriately to increasing levels of homelessness. We are also supportive of greater flexibility for local councils in respect of borrowing capacity and the ability to retain sales receipts for local reinvestment.

4. **Employment, welfare reform and social mobility**

4.1 Housing associations such as PlaceShapers have a key role in building aspiration in their communities and helping people off benefits and into work. Our members are acutely aware of the financial pressures that face many low-income households in their communities and work hard to support them in coping with welfare reform and to improve their lives. The reducing benefit cap, direct payments under universal credit and reliance on discretionary top-up payments to bridge income gaps all add to existing pressures and mean that this support is needed more than ever.

4.2 We help people get ready for work, access opportunities and ultimately get jobs, generating savings to the public purse as a result. This includes creating apprenticeships and supporting people to start new businesses. It also includes skills training (such as IT / Digital learning, or support with driving lessons). Importantly, our members do not see this as an additional optional service; it is core business



alongside building and managing homes. Clearly current financial constraints are testing the ability of some of our members to continue such work at the level they would want but we expect this will not impact hugely on our work in this crucial area.

- 4.3 Because we believe that building new homes and supporting jobs, enterprise and aspiration go hand in hand, we are currently commissioning a project to demonstrate our contribution by way of case studies from around the country illustrating the impact that such support has on individual residents' lives. There will be a number of good practice points to arise from this project that we will be pleased to share more widely in order to help extend the support available locally.

5. **Health and quality of life for an ageing population**

- 5.1 This important topic is a priority area of work for us. Many of our members already work in partnership with local authorities and health providers to provide support and assistance for those who would otherwise require more expensive care. Yet, despite sound policy intentions, local council and health authority funding constraints continue to limit the extent to which this economic benefit can be realised. We are certain that more can be done to maximise the contribution of housing associations to the health and wellbeing agenda.

- 5.2 We have worked jointly with Public Health England (with whom we organised a conference on the subject) and the NHS Alliance amongst others to promote the opportunities that exist for creative health and housing partnerships. Please have a look at our 2015 video animation which gives more insight into how our members support health and housing service integration: <https://www.youtube.com/watch?v=T-od5iXaDGQ&fs=1> and also this article from 2013 with its case studies of what can be achieved: <http://www.placeshapers.org/seecmsfile/?id=50>. Additionally, we last year jointly funded a new on-line resource for health practitioners developed by the NHS Alliance as tool to provide easily digestible information about housing and some insights into ways in which new health-housing partnerships, might achieve the necessary transformation in health: <http://www.housingforhealth.net>

- 5.3 At the local level we have many examples of our members continuing to work with their local partners on health and housing initiatives. An example is the Kent Social Care Accommodation Strategy. This is bringing together all relevant partners to radically reshape the way services are delivered, majoring on preventative community health and social care services that support people to stay in their own



homes for as long as possible. We are sure that more can be achieved through local councils, health services and housing providers working together at the strategic and operational level and think there is scope for Health and Wellbeing Boards to develop more structured approaches in this respect. This, for example, could include looking at how care contracts can be commissioned flexibly so that organisations able to provide people with a full range of services as their care needs change are able to do so without causing unnecessary disruption and anxiety for service users.

- 5.4 Of particular concern to us currently is the proposed capping of housing benefit in the social housing sector to LHA limits as this presents a real threat to the future viability of supported housing schemes. We, alongside the NHF and others, do not believe that the Government's proposed solution for income shortfalls to be made up by discretionary housing payments administered by local councils is workable. We are calling for all supported housing to be exempt from the change or for the higher costs of managing such housing to be guaranteed through a new funding scheme announced without further delay. Without this, new schemes are on hold and there is a serious risk that existing schemes will close, with huge knock-on personal and financial costs. We hope that the LGA is able to help influence the change needed to secure such provision going forward. Our statement on this issue includes many examples of the value for money that such schemes provide not only for health and quality of life but for the public purse: <http://www.placeshapers.org/supported/>

6. Concluding comments

- 6.1 Britain's housing crisis will not be solved without a massive housebuilding programme. This needs to be across all tenures and to include investment in new housing at genuinely affordable rents as well as new routes into home ownership.
- 6.2 Community based housing associations such as our members are key providers with more than 90% of us actively developing and providing new homes. We have the development expertise and local relationships to unlock sites, to negotiate agreement with those who may initially oppose new homes and to ensure the necessary investment in the wider community. Our publication "Build Local" is a useful source of evidence of what can be achieved.
- 6.3 Providing improved value for money is core business for our members and collectively we are driving that agenda forward and delivering substantial savings year-on-year to generate increased capacity for new homes and services. However,



whilst we are exploring and accessing all types of new funding opportunities, including through the bond markets and cross-subsidising schemes internally wherever possible, the step-change required in supply cannot be achieved without continuing levels of support and government investment at the regional and local level. Only in this way will we (and others) be able to provide new housing at a cost within the reach of those who need it without perpetuating a dependency on welfare benefits or denying access to those for whom the market cannot offer solutions.

- 6.4 PlaceShapers is an impressive subset of the housing association sector, creative and innovate with strong ethics generally and a desire to improve the life chances of people who live in our communities. We came together to ensure the voice of community-based providers was heard and to facilitate joint working and support within our membership. We remain willing to provide local leadership and project management for key objectives such as devolution, the integration of health and social care, the helping of our customers into work and, of course, the meeting of all types of housing need. Partnership working with local councils is key to this task and we would be happy to discuss these issues and our submission in general with the Commission if that would help further.