

# CLOSER TO HOME

Next steps in planning and devolution

IPPR  
NORTH

Charlotte Snelling and Bill Davies | October 2015

[www.IPPR.org/North](http://www.IPPR.org/North) | [@IPPRNorth](https://twitter.com/IPPRNorth)

Read online or download at:  
[www.ippr.org/publications/closer-to-home](http://www.ippr.org/publications/closer-to-home)

## 60-SECOND SUMMARY

England has not one housing market, but many. If the government is to even come close to hitting its target of 1 million new homes by the end of the current parliament, then the wide variation across the country – the different housing opportunities, challenges and requirements – must be recognised. Devolution – through city deals, local growth deals and, most recently, combined authority devolution deals – has started this process, but with a predominantly economic focus and an arguably partial and piecemeal approach to housing. The agenda must now be pushed further.

**A new devolution deal on housing is needed: a two-way process in which newly created combined authorities, under mayoral leadership, commit to ambitious long-term housebuilding targets in return for an expanded menu of powers and resources transferred down from central government.**

## KEY FINDINGS

A process of devolution in housing and planning is underway. The extent and type of devolution varies across different areas, with some devolution deals going further than others. Across the negotiated deals, examples of notable new powers include:

- brownfield registers and public assets boards, to identify and assess suitable land and buildings for housebuilding opportunities
- spatial planning frameworks, to co-ordinate housebuilding alongside master planning activity for area development and regeneration, bringing in wider infrastructure projects in transport and economic hubs
- mayoral development corporations, to develop place-based regeneration projects
- housing investment funds, to introduce increased finance into the building and construction sector, particularly SMEs, and to help unlock activity on sites
- direct capital grant funding in return for specific housing targets.

These all go some way towards helping local areas shape their housing markets and grow their housing stock. However, there has been a simultaneous tightening of control at the centre, where a series of policies and targets are constraining local authority and combined authority plans. These include:

- a National Planning Policy Framework (NPPF) placing restrictive limits on the release of land
- conditions attached to streams of Housing and Communities Agency and devolved funding,

with strict regulations on where money can be spent

- starter homes targets to meet in new developments
- the sale of social housing into the right-to-buy market.

To meet national targets successfully, local areas must therefore be given more powers that can be used to co-ordinate strategic planning across boroughs, tailor housing supply to the needs of their populations, and ensure that housing and developments are delivered to a high standard of design, with a distinctive architectural character.

## KEY RECOMMENDATIONS

**A deal-making process is required to generate a new devolution deal on housing.** This must be two-way, and start with an ambitious offer from the combined authorities and their constituent local authorities, including:

- commitments to support the release of sufficient public land, and to assess suitability for tenure mix across these sites, exploring both the potential in land sales and conversion opportunities of existing public assets
- the development of up-to-date local plans, with mayoral intervention where this process stalls
- ongoing negotiations with government on home ownership and housebuilding targets
- programmes to support SMEs to access and develop sites

- a willingness to pursue opportunities across local authority boundaries that are to the benefit of local and regional areas, as well as national targets.

In return, combined authorities should make new demands on government, which should respond through an improved devolution offer, including:

- **greater flexibility in the pooling and co-ordination of housing funding streams**, allowing combined authorities to gather resources and co-ordinate activity in a way that ensures appropriate tenure mix while still meeting volume requirements
- **retention of stamp duty receipts on all new-build properties**, to top-up housing investment funding
- **a lifting of NPPF land use restrictions** where brownfield opportunities alone are insufficient to deliver the housing supply that is needed

- **powers to set planning fees** to improve capacity in planning departments
- **council tax flexibility** on empty sites and empty homes to accelerate the process of bringing unused homes back into use and putting unused planning permissions into action
- **powers to set design code standards and viability frameworks at a combined authority level**, and to de-risk planning and improve the quality of the built environment.

Mayoral development corporations are an opportunity for piloting new devolution powers and to test models of implementation, and combined authorities with these powers already negotiated should start to explore how these can be used to demonstrate their strategic ambitions and plans for housing.

For the full report, including all references, data sources and notes on methodology, see:  
[www.ippr.org/publications/closer-to-home](http://www.ippr.org/publications/closer-to-home)

**Citation:** Snelling C and Davies B (2016) *Closer to home: Next steps in planning and devolution*, IPPR North.  
<http://www.ippr.org/publications/closer-to-home>

**Permission to share:** This document is published under a creative commons licence: Attribution-NonCommercial-NoDerivs 2.0 UK  
<http://creativecommons.org/licenses/by-nc-nd/2.0/uk/>