

Clive Betts MP
Chair, Housing, Communities and Local Government
Select Committee
House of Commons
London
SW1A 0AA

23 July 2018

Dear Clive

As Parliament rises for the summer recess – and I am sure, a welcome break – I wanted to write on behalf of the National Housing Federation with a few suggestions for potential future consideration by your Committee.

Further inquiry into land

The National Housing Federation has been following your Committee's current inquiry into land value capture with interest. The cost and availability of land remains the single biggest barrier housing associations face to building more homes, more quickly. England's dysfunctional land market, affecting the sale of public and private land, has a particularly significant impact on the delivery of affordable homes.

The Federation would welcome reforms to Compulsory Purchase Order compensation rules to ensure that a larger proportion of the value uplift created by residential planning permission can support affordable housing and infrastructure. We support calls to reform the 1961 Land Compensation Act, and hope that the Committee will be able to make recommendations to address the impact on affordable home delivery of a system of sale based on 'hope value'. The Federation has argued that compensation should be based on existing use value, plus a premium (which could be varied by location and existing use).

The problems with our land market go beyond this, however, and so we would encourage the Committee to take a future look at issues including:

- The proportion of public land that is going to provide housing;
- The role of minimum affordable housing thresholds;
- Encouraging public bodies to play a more active role in identifying, buying and assembling developable land;
- The merits of bringing greater transparency to the land market, for example by establishing a database of information on land prices, transactions, options, ownership and build out rates.

How to build for social rent at scale

From research recently commissioned by the National Housing Federation and Crisis, we know that England is short of 4 million homes. For the first time, this research not only identified the quantum of homes we must build to meet demand, but also the tenure mix required. We identified that 145,000 of these need to be affordable homes, including 90,000 homes built each year for social rent.

Addressing the sorts of questions I have outlined above around land will help to go some way to meet these targets. We feel that your Committee is perfectly placed to take a broader look at the other factors which must also be considered. Questions include:

- How is current funding for social housing being spent, and what level and type of funding will be needed to deliver new social housing at scale, including the role of:
 - New flexibilities in how Homes England distributes funding via Strategic Partnerships, and how these can be rolled out more widely
 - Frequent change to the Government's funding regime for social rented housing and the potential for longer-term certainty over housing funding and delivery
 - Government grant, cross-subsidy and developer contributions in the delivery of new social homes
- How can we ensure that large scale infrastructure-led housing development, such as the Oxford-Cambridge Corridor, delivers sufficient homes for social rent?
- How Combined Authorities and Local Authorities work with housing associations and developers to maximise delivery of homes for social rent.

These issues need cross-party, long-term support for solutions to increase supply of social homes. We think your Committee is the ideal forum for this sort of investigation, to take consideration beyond immediate party political priorities. We would be happy to discuss any of these suggestions further with you or your clerks.

As well as wishing you a good summer break, can I also extend my thanks to you and to your clerks for your recent meetings with members of the Federation?

Yours sincerely



Ruth Davison
Executive Director of Public Impact
Email: ruth.davison@housing.org.uk

CC: Edward Beale, Clerk, Housing, Communities and Local Government Select Committee