

# TACKLING POVERTY THROUGH HOUSING AND PLANNING POLICY IN CITY REGIONS

Housing and planning policy can play a key role in reducing or mitigating the risk of poverty. Yet there has been no comprehensive review of how city regional institutions in England can use their devolved new freedoms and flexibilities to tackle poverty through housing and planning interventions. This research draws on documents, interviews and workshops with stakeholders in city regions to identify good practice and what more could be done through housing and planning policy to reduce or mitigate poverty.

## Key points

- City regional institutions – Local Enterprise Partnerships and combined authorities – have increasingly been engaging with housing and planning issues and how these can support broader ambitions for economic growth.
- However, interest in generating more inclusive forms of growth has largely not yet translated into housing and planning strategies and policies explicitly designed to support poverty reduction or mitigation.
- There has been limited pursuit of policies that address housing-related poverty, such as measures to increase the supply of genuinely affordable housing, improve housing quality in the private rented sector where it is failing, raise energy-efficiency levels to tackle fuel poverty, and provide direct employment opportunities.
- This may reflect the deal-based nature of the devolution of powers and funding to city regions, which encourages them to make ‘asks’ aligned with national policy priorities for delivering economic growth and accelerating housing supply.
- City regional institutions could do more to support poverty reduction objectives through housing and planning policy, particularly in delivering affordable housing.
- Combined authorities are well placed to lead on poverty reduction, given their central role in the devolution process, growing focus on poverty and inequality, constituent authorities’ housing and planning expertise, and the ability to co-ordinate across multiple policy areas.

## The research

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# BACKGROUND

Housing is intimately related to the risks and experiences of poverty. Housing circumstances shape daily experiences, and housing location determines whether people can access transport and jobs. City regional institutions – Local Enterprise Partnerships (LEPs) and combined authorities (a statutory structure set up by groups of local authorities) – could play a significant role in tackling poverty. Devolution deals negotiated between the government and city regional institutions in England provide new opportunities to develop strategies and policies for the housing needs of those ‘left behind’, whose circumstances have been brought into sharp relief in the wake of the EU referendum. This study used documentary evidence and extensive consultation with stakeholders to explore the potential to embed poverty reduction and affordable housing provision in housing and planning policy at city regional level in England.

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## The housing context

The widespread view is that England is experiencing a housing crisis which is particularly acute for low-income households. Housing trends and policy priorities have combined to reduce how far housing can help to mitigate poverty for households, including:

- failure of housing supply to meet demand;
- reductions in the supply of social housing;
- increasing reliance on a poorly regulated, increasingly unaffordable private rented sector (PRS);
- reforms to housing-related benefits that have reduced incomes and increased housing costs for low-income households.

## Links between housing and poverty

Housing and poverty are linked in various ways which highlight how city regional institutions can intervene to tackle or mitigate poverty. Five variables relating to housing can shape people’s risks and experiences of poverty:

- Lack of **availability** of housing leads to overcrowding or homelessness when low-income households struggle to access accommodation.
- Housing **costs** can tip households into poverty, especially where genuinely affordable housing is in short supply.
- Poor **quality** housing has a marked impact on the health and well-being of households in poverty.
- The **location** of housing can limit access to employment opportunities, which in turn constrains household income.
- Lack of **security** of tenure impacts on households through damaging, frequent moves that make it harder to establish community roots and sustain education, employment or training.

## What have city regional institutions already done?

City regional institutions have increasingly been engaging with housing and planning issues. This is perhaps inevitable given that national policy has prioritised the delivery of housing, along with the acute pressures on housing supply in some areas.

However, city regional institutions have mainly focused narrowly on increasing housing supply to attract skilled workers and support ambitions for growth. Agreed ‘asks’ regarding housing and planning have otherwise been limited and tentative, with little sense of being framed to support objectives for reducing poverty. This may reflect the deal-based nature of devolution, which has encouraged city regions to specify ‘offers’ that are aligned with national policy priorities.

This focus on growth may be an important prerequisite for creating the economic conditions in which city regions can generate jobs and raise household incomes. However, the benefits of growth will not necessarily trickle down. Interest in growth which is inclusive has been growing, but is yet to translate into strategies and policies for housing and planning that are explicitly designed to support poverty reduction or mitigation.

Promisingly, some areas are showing signs of a growing appetite to intervene directly, to ensure that housing development provides genuinely affordable housing in a way that can support poverty reduction. One such example is the securing of funding for local authority housebuilding through the Cambridgeshire and Peterborough devolution deal. There have also been interventions, albeit currently marginal, to support wider anti-poverty objectives around the issues of quality and, potentially, security of tenure in the PRS. The scale of these interventions could be stepped up.

Clear advantages in city regional working include:

- strategic planning across district boundaries to support housing delivery;
- sharing good practice and learning among local authorities;
- using the combined lobbying power of local authorities to negotiate more flexible forms of funding and, potentially, discretion over national policy;
- opportunities for cross-sectoral partnerships and agreements that span local authorities.

More could be done to realise these advantages to meet objectives for poverty reduction and mitigation.

## What more could be done?

Further action could be taken in two key areas: linking housing development to poverty reduction, and improving conditions in the PRS.

### Linking housing development to poverty reduction

Housing development could play a key role in poverty reduction by providing good-quality, affordable housing. New tools and powers for city regions, including spatial frameworks, mayoral development corporations and joint asset boards, may help to provide additional development. However, the likely extent of affordable housing within such development is unclear. Furthermore, city regions face challenges in delivering affordable housing because of problems of land availability and price, constraints in the planning system, national policies which undermine the development of new social housing, lack of funding for land remediation to bring brownfield sites back into use for housing-led regeneration, and practices among housebuilders who sometimes restrict levels of building to maximise sale prices.

Examples of existing good practice that local authorities, housing associations and other stakeholders have shown in increasing the supply of affordable homes include:

- enhancing the role of local authorities in delivering affordable housing;
- developing collaborative partnerships to drive increases in supply and promote wider anti-poverty objectives;
- bringing empty homes back into use.

However, more could be done. Further options for linking housing development to poverty reduction include:

- releasing public-sector land at below market value to support affordable housing development;
- encouraging the take-up of planning permissions by levying a charge on undeveloped units;
- securing devolved funding for local authority housebuilding;
- securing increases in or pooling of Housing Revenue Account borrowing;
- flexing the rules around the 1% rent reduction policy (a year-on-year decrease of 1% in the rent that social landlords can charge until 2020) to increase investment in affordable housing development;
- local determination of Right to Buy policy;
- developing vehicles and products to support low-income households to meet housing costs;
- securing devolved funding for land remediation to support housing-led regeneration.

## Improving quality and security of tenure in the PRS

Low-income households have become increasingly reliant on the private rented sector to meet their housing needs because of the high cost of buying a home and the lack of social housing for rent in some areas. City regions have experienced challenges in ensuring quality and security of tenure in the PRS because of: some landlords' practices, such as poor maintenance and use of no-fault evictions; the impact of policy reforms in the buy-to-let sector on investment; and lack of revenues to fund local authority inspection and enforcement.

A minority of city regional institutions have taken steps to improve standards in the PRS, including: initiatives to raise energy efficiency and reduce fuel poverty; attempts to enhance conditions in neighbourhoods with concentrations of low-quality private rented stock; and direct management of privately rented properties through local authority-led housing companies.

Further options for improving the quality and security of tenure of PRS housing in city regions include:

- allowing local authorities to retain revenues collected from enforcement measures to boost local inspection and enforcement capacity;
- using housing benefit as a lever to improve standards;
- retaining additional revenues from buy-to-let reforms locally to invest in improving standards;
- establishing non-profit letting agencies;
- introducing rent stabilisation to regulate PRS rents.

## Conclusion

LEPs and combined authorities could play a significant role in tackling housing-related poverty. Combined authorities are particularly well placed to do so, given their central role in the devolution process, their growing focus on issues of poverty and inequality, the existing housing and planning expertise of constituent local authorities, and their ability to co-ordinate policy across multiple policy areas.

However, the tendency is still to focus on broad ambitions to increase general housing supply to attract skilled workers and support economic growth. This approach will not necessarily meet the housing needs of low-income families.

City regional institutions could do much more to support poverty reduction objectives through housing and planning policy. This will become more important in response to urgent questions about what city regional institutions can do to support those 'left behind'.

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## About the project

The research entailed extensive analysis of the strategy and policy documents of LEPs and combined authorities. The team also carried out 50 interviews and held seven workshops with stakeholders across eight city regions: London, the South East, Greater Manchester, the Leeds City Region, the Sheffield City Region, Lancashire, the West Midlands and the West of England.

## FOR FURTHER INFORMATION

The full report, **Tackling poverty through housing and planning policy in city regions** by Richard Crisp, Ian Cole, Will Eadson, Ed Ferrari, Ryan Powell and Aidan While, is available as a free download at [www.jrf.org.uk](http://www.jrf.org.uk)

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