1. **Purpose of Report**

1.1 To provide Executive with a summary briefing on the proposals in the Government’s Housing Green Paper and to consider a Council response to the proposals for submission by the consultation deadline of 15 October 2007.

2. **Background**

2.1 The Green Paper “Homes for the future: more affordable, more sustainable” was published in July 2007. The Green Paper gives more details of the Government’s proposals to deliver more new homes and increase the supply of affordable housing heralded by Gordon Brown’s announcements in his first speeches as Prime Minister.

2.2 The Green Paper highlights 3 key challenges;
- Providing more homes to meet growing housing demand
- Providing a greater proportion of affordable homes to buy or rent
- Providing well designed and greener homes linked to schools, transport and healthcare

2.3 The Green Paper covers key issues such as:
- How many new homes of all tenures are now planned
- How the increased numbers will be achieved
- How the government intends to deliver more affordable homes
- The quality of new homes
- Greener homes

2.4 The key figures in the Green Paper are:
- **2 million new homes by 2016** and 3 million new homes by 2020
- Total new housing completions will rise to **240,000 homes pa by 2016**
- The supply of affordable homes will increase to **70,000 new affordable homes pa by 2011**
The figure of 70,000 affordable homes will include **45,000 new social homes**

- **100,000** extra homes to be built in the 29 new growth points (Lincoln has growth point status) with additional new growth points to be announced
- **5** new “eco-town schemes”

2.5 The Green Paper contains 5 key sections:
- Section 1: Challenges
- Section 2: More Homes to Meet Growing Demand
- Section 3: Creating Places & Homes that people want to live in
- Section 4: Making Housing More Affordable
- Section 5: Delivery – Making it Happen

A full copy of the Green Paper has been placed in the Members Room and is available on-line to download from the DCLG website [www.communities.gov.uk](http://www.communities.gov.uk). The Government are inviting formal responses to the Green Paper by 15 October 2007.

2.6 The ideas of the Green Paper need to be seen in the context of other recent policy initiatives announced by the Government such as localisation and increased influence of tenants in managing their homes and neighbourhoods. Major reviews including the “Hills”, “Cave” and “Barker” Reports also play a significant role in shaping the proposals contained within the Green Paper.

2.7 This summary briefing is intended to provide an overview of the key points of the Green Paper and some initial commentary on the proposals to help inform the Councils response to the consultation.

2.8 The key points of each of the main chapters of the Green Paper are now explored in a little more detail:

### 3. Housing Green Paper - Section 1: Challenges

3.1 The Green Paper restates the Governments vision for housing:

- **“We want everyone to have access to a decent home at a price they can afford, in a place where they want to live and work.”**

3.2 The Green Paper recognises the need to develop a new national strategy towards housing as a result of fast-rising house prices, demographic change and environmental challenges.

3.3 The new strategy envisages levels of additional housing not seen for 40 years in order to meet growing demands. The paper recognises the growing affordability problem measured by the ratio of lower quartile house prices to earnings. In the East Midlands region in 2006 the ratio is was 8 times income.
3.4 **Officer Commentary:** From the perspective of both a housing and planning authority the Council should welcome the recognition in Section 1 of the Green Paper of the need to develop a new national housing strategy to address the growing housing crisis and in particular the need to address the affordability problem in the owner-occupied sector and the importance of the strategic housing role of local authorities. A new national housing strategy backed by sufficient resources is essential to tackling the current problems in the housing market.

4. **Housing Green Paper - Section 2: More Homes to Meet Growing Demand**

4.1 **Growth Points:** In October 2006 29 local authorities and partnerships in 45 towns and cities were named as New Growth Points - Lincoln and the Lincoln Policy Area amongst them. The Green Paper proposes that those towns and cities will be eligible for additional support including access to a £300 million Community Infrastructure Fund.

**Officer Commentary:** As a designated Growth Point in the East Midlands the Council should welcome the proposals (paragraph 9 of Chapter 1) for increased infrastructure support funding for Growth Points which will be doubled by 2010/11. This funding will be vital to ensure that the Growth Delivery Plan for the Lincoln Policy Area can be delivered and the necessary infrastructure (transportation, flood mitigation, community facilities) is in place in tandem with new housing in order to ensure communities remain sustainable. Such funding will be essential to ensure that housing growth has a positive impact on existing communities and the proper integration of major urban extensions such as that planned for the City’s Western Growth Corridor.

4.2 **Eco-Towns:** Alongside the publication of the Green Paper the Government has launched invitations for local authorities and developers to propose 5 new eco-towns – entirely new towns that will be exemplar “green developments”. The Green Paper refers to 2 prototype schemes at Cranbrook outside Exeter and Northstowe in Cambridgeshire.

**Officer Commentary:** This proposal is to be welcomed but the invitation and criteria for approving bids for Eco-Towns should also include major urban extensions in order to provide exemplars of how green developments can provide a positive impact on existing towns and cities. The Council has an aspiration to ensure that development of the Western Growth Corridor will be an exemplar development and will be a zero carbon development.

The City Council should consider the potential for developing the planned major urban extension in the Western Growth Corridor on eco-town principals although we understand that as the proposals in the Green Paper currently stand the development would not meet the criteria for a successful bid against the resources allocated for Eco-Towns.

The role of planning will be to provide incentives to deliver housing supply and to ensure that the planning policy for housing (as set out in PPS3) is effectively implemented.

The Government see the key to faster delivery of more housing as the availability of more land and local authorities Planning Policies as key to this.

There will be a move to improve Regional Planning and a move to a **Single Regional Strategy** – responsibility for which will lie with the Regional Development Agency. Local authorities will be expected to draw up and feed proposals into the Regional Strategy based on evidence and objectives in their Sustainable Community Strategy.

There will be a new **Housing & Planning Delivery Grant** that will replace the existing Planning Delivery Grant. The new grant will be paid to those Councils that meet agreed development timetables for new housing, based on PPS3. The housing supply element will be targeted at areas where housing growth is a priority.

The Green Paper stresses that the Secretary of State “will not hesitate to use her powers to recover planning appeals and take decisions herself in order to reinforce land supply policies” and where councils have not identified enough land and do not grant sufficient planning permissions “Planning Inspectors will be more likely to overturn their decisions and give housing applications the go ahead at the appeal stage”

In addition:

- New Practice Guidance is to be published to support councils identifying 5-15 year land supply for housing in their area
- There will be mini-reviews of the Regional Spatial Strategy (RSS) to increase regional & local housing targets and the RSS will be revised in whole or part by 2011.
- There will be consultation on revised guidance & regulations on the Local Development Framework (LDF)
- The Government will look to strengthen the requirement on developers to start development or lose planning permissions and look at what can be done to encourage the disclosure of land holdings.

**Officer Commentary:** The proposals to introduce a new Housing & Planning Delivery Grant should be welcomed but may have financial implications for the Council given the change of emphasis from the existing Planning Delivery Grant. The proposed outline criteria for access to funding through the new Housing & Planning Delivery Grant places heavy emphasis on housing delivery and whilst this is welcomed in principle there is concern that overall funding (relative to that received via the existing Planning Delivery Grant) may be reduced if housing targets are not met through circumstances beyond the local authorities control.
From a planning perspective the Council would have some difficulty in supporting increases in housing targets above and beyond those identified in the draft Regional Spatial Strategy (RSS). The Councils evidence base shows no spare capacity within the city to accommodate further increases in housing targets above the levels identified in the draft RSS. The Council will however be shortly commissioning a Strategic Housing Land Availability Assessment and any revised targets and the resultant implications for the Lincoln Policy Area Strategy will need to be reviewed within this context.

4.4 **Use of Public Sector Land:** The Green Paper includes proposals for unlocking surplus public sector land for additional new and affordable housing.

The Government believe that central government holds surplus land with potential for 100,000 new homes and that local authorities hold surplus land with potential for a further 60,000. However a **new target for the number of homes to be delivered on surplus public sector land is set at 200,000 by 2016**. English Partnerships will take the central role on disposals of Central Government sites for housing.

The Green Paper heralds the launch of a new approach to use of vacant Council land by the establishment of **Local Housing Companies (LHC)** by Councils with partner developers with a national support programme from English Partnerships to develop new market and affordable housing. Councils will invest public land in the LHC and will be able to keep a stake in the land and receive benefits from rising land values with the LHC acting as master developer providing at least 50% affordable housing in the development area.

14 Local Housing Companies are to be created this year and English Partnerships are currently working with Councils in Leeds, Sheffield, Nottingham and other named Councils to set up the first of the LHCs.

**Officer Commentary:** The Government clearly see the involvement of private developers and incorporation of private finance as key to delivery of their housing policy and targets. It is not clear to what extent the policy on use of council land will be compulsory. The City Council relies heavily in its 5 year Medium Term Financial Strategy on capital receipts and there is the risk that the overall financial strategy may be put at risk if the Council is required to put land into a Local Housing Company rather than realise the full capital receipt to underpin the Medium Term Financial Strategy.

The proposals to require a target of 50% affordable housing on public land should be considered in a wider context as it could have a negative impact on the property portfolio and the public bodies Asset Management Strategy and potentially affect the yield available for other infrastructure/ Section 106 priorities – particularly in large scale developments.
It is vital that the Government give Councils the flexibility and freedom to decide for themselves whether Local Housing Companies are the most appropriate vehicle for local delivery and the extent of surplus land that would be put into any such vehicle.

The proposals for Local Housing Companies may however prove a potential vehicle for taking forward the major urban extension in the Western Growth Corridor – this would merit further investigation as guidance on the new LHC’s becomes available.

4.5 Recycling Homes & Land: The Green Paper re-emphasises the use of Brownfield sites for development and retains the existing target of at least 60% of homes being built on brownfield sites. English Partnerships will be tasked with helping local authorities to develop robust local brownfield strategies and identifying new training programmes to help councils develop sites.

The new Housing & Planning Delivery Grant will be used to support Councils in bringing long term empty homes back into use.

Officer Commentary: Bringing back long term empty property into use is resource intensive and the allocation of resources through the new Housing & Planning Delivery Grant to support implementation of Empty Homes Strategies and “on the ground” work with owners to bring empty property back into use is to be welcomed.

Retention of the existing target of 60% new homes being provided on brownfield sites is welcomed. The Council should recognise the importance to our wider regeneration strategy of housing development on brownfield sites as well as sustainable urban extensions and supports the protection of this approach within the Green Paper. However as the overall housing target is to be increased to 2 million homes by 2016 this means an increased number of those homes will need to be built on brownfield sites if the 60% target is to be met. This equates to some 1.2 million homes. As brownfield sites are usually smaller and more difficult and costly to develop the Government will need to recognise the increased build costs and the extent to which additional subsidy may be required to bring the sites forward for development – particularly for affordable housing. Proposals for additional support and training through English Partnerships in bringing forward such sites for development is to be welcomed.

5. Housing Green Paper – Section 3: Creating places and homes people want to live in

5.1 This section of the Green Paper sets out how the government will ensure that the increased supply of housing will be “Greener”, will be supported by good infrastructure and good local amenities.
5.2 **Infrastructure:** The Green Paper acknowledges the need for new housing provision to be supported by the provision of the necessary infrastructure. The Green Paper is not particularly clear about the detail of how central government will ensure that the necessary infrastructure is put in place but commits to a more co-ordinated cross government approach to housing growth using the 2007 Comprehensive Spending Review (CSR07) and the CSR07 Policy Review into Supporting Housing Growth.

The government propose to provide funding for infrastructure development in Growth Areas, New Growth Points and Eco-Towns by providing £300million through the **Community Infrastructure Fund**.

**Officer Commentary:** The commitment to a better cross government co-ordinated approach is to be welcomed but the proposals are somewhat vague in terms of how this will be achieved. The paper acknowledges the position of local authorities and their role in preparing Sustainable Communities Strategies and negotiating Local Area Agreements as a means of ensuring a co-ordinated approach to creating the necessary infrastructure to deliver housing growth at a local level. However both are in their infancy and a major step change will be necessary to ensure that the necessary infrastructure is in place and funded to support the substantial housing growth proposed in the Green Paper.

5.3 **Planning Gain:** The Green Paper re-states the value of planning permissions in generating additional infrastructure funding (currently via Section 106 agreements) and unlocking housing growth. The Green Paper re-states the proposal to publish a **Planning-gain Supplement (PGS) Bill** but state that any PGS would not be introduced earlier than 2009.

Proposals for introduction of a Planning Gain Supplement have been subject to previous consultation and strong opposition from the development industry. Crucially the Green Paper says that “if a better way is identified before this years Pre-Budget Report of ensuring local communities receive significantly more of the benefit from planning gain, including investment in necessary infrastructure and transport, and it is demonstrated that it is a better alternative the government will be prepared to defer next sessions legislation”

The Green Paper sets out possible alternative approaches:
- Lower rate PGS
- PGS limited to Greenfield sites
- Charging based on expanded planning obligations
- Statutory planning charges
**Officer Commentary:** The Government has been faced with considerable opposition to how a Planning Gain Supplement might work and is seeking to open up the debate. However the present uncertainty is not helpful and the government should be urged to resolve their approach to PGS as quickly as possible. There is the inevitable concern that in requiring significantly more of the costs of providing infrastructure and affordable housing to be funded out of the development through the planning system, this may in turn only serve to fuel house price inflation as developers seek to recover those costs through higher house prices. Whatever mechanism is introduced needs to guard against this eventuality otherwise the affordability problem will continue and potentially be exacerbated.

The Council has previously written in support of proposed changes to planning obligations as outlined in the earlier consultation document on Planning-gain Supplement and did suggest changes relating to public/community buildings being included within the scope of the proposals and the proportion and suggesting that the condition of land on which affordable housing would be built should be outlined with the necessary infrastructure in place.

5.4 **Design Criteria and Greener Homes:** The Green Paper sets clear targets for greener homes with more green spaces:

- All new homes to emit 25% less carbon from 2010
- All new homes to emit 44% less carbon from 2013
- All new homes to be Zero carbon by 2016
- Water use to be cut by 20%

These are ambitious targets.

The Green Paper also proposes a better mix of housing with more family homes alongside provision of housing for an ageing population.

**Officer Commentary:** The commitment on greener homes is welcome but will represent a substantial challenge to the construction industry and to local authorities. There may well be short term costs for long term gain and it will be necessary to balance the drive for substantially more homes against the potential increased costs in providing greener homes. The Council is already embracing this challenge in a number of ways for example through the Green Design Guide and the Housing Energy Strategy Group. The Council has also supported policies in the draft Regional Spatial Strategy and have aspirations to achieve zero carbon development on the Western Growth Corridor. The Directorate of Development and Environmental Sustainability have recently commissioned an energy study for Lincoln.

The proposal in the Green Paper to provide additional high quality green spaces on new housing development should be welcomed but the ongoing revenue cost of maintaining green spaces to a high standard should not be underestimated.
The emphasis on design is also key and it is not clear how the construction industry will rise to this challenge in mass provision of housing given the current approach to standard house-types and developers approach to cost and risk. It is also unclear what appetite the general house-buyer might have for innovative design and the move away from the current house-types provided by the mass house-building industry.

6. Housing Green Paper- Section 4: “More Affordable Homes”.

6.1 This section of the Green Paper sets out targets and proposals for increased investment in affordable housing.

6.2 More Social Housing & Review of the role and regulation of social housing: The Green Paper proposes increased investment in social rented homes through housing associations and the private sector:

- £6.5 billion investment through the Housing Corporation and New Homes Agency
- 45,000 new social housing a year by 2010/11
- A goal of 50,000 new social housing a year in the next Comprehensive spending Review.
- 25,000 new shared ownership/shared equity homes each year mainly through the Housing corporation

The Green Paper also endorses the approach to housing associations using the asset value in their existing stock to fund new housing through borrowing against their asset and achievement of £850 million savings through greater efficiencies and asset management linked to better regulation. The Government intend to set out proposals to take forward the “Hills” and “Cave” reports on the review and regulation of social housing.

Reference is made to both the Hills and Cave reports and the wider role of housing as a hub of successful communities. The CLG paper Tenant Empowerment (June 2007) also provides an important part of this jigsaw in that it signals increased tenant involvement in shaping and delivering new homes and communities and an increased role for tenant management of the stock.

The Cave Report focused on regulation and extends to the role of housing organisations in shaping communities with a stronger voice for tenants including a national tenants’ organisation.

Some of the Hills Report main messages are that people need jobs and money in order to make communities work and that mixed tenure neighbourhoods have more chance of success are reflected in the proposals in the Green Paper. The proposals in the Green Paper should therefore be seen in the context of the major reviews and other CLG policy initiatives around localism and empowerment of communities.
The recommendations of the Hills Report are echoed in the desire that councils should have a major strategic housing and enabling role in “creating a better mix of quality, type, distribution and tenure of housing in localities, to give people greater choice should the wish to change homes but stay in the locality.”

**Officer Commentary:** The increased targets for social housing and in particular social housing for rent are key to addressing the growing needs of people in temporary accommodation and the numbers on the housing register. The indicative increase in resources for social housing is also welcomed but on the basis that the current level of subsidy needed to provide 1 additional social rented home is currently in the order of £45k per unit, delivery of the target of 45,000 new social homes per year by 2010 will require innovative new approaches to delivery.

The Council should welcome the Government’s recognition of the need to increase housing supply and in particular the number of affordable housing units across the country - particularly the Government’s commitment to substantially increase the amount of finance available through the Affordable Housing Programme to assist with this increase in supply.

**6.3 A Renewed Role for Local Authorities:** The role of local authorities is summed up in three main roles. The last of these is quite a shift from the position in the past two decades:

- Enabling new affordable supply to be built
- Influencing the decisions that are made
- Having a direct role in the building of new homes where it provides value for money

The Green Paper also sets out the Government expectation for “joint working, in sub-regional groups of local authorities to be the norm” This potentially links to the shared service agenda for the strategic housing & enabling role linked to Housing Market Assessments (HMA’s). The paper cross-references this to proposals in the Sub-National Review promoting Multi-Area Agreements (MMA) and the setting up of statutory sub-regional bodies.

**Officer Commentary:** The emphasis in the Green Paper on the renewed role for local authorities in facilitating the supply of affordable housing is to be welcomed and reflects the investment the Council has begun to put into its strategic housing and enabling role. The proposals for increased sub-regional working gives rise to questions about the role of LASPJAC and promotion of the Lincoln Policy Area linked to the Central Lincolnshire HMA as a potential MMA that in turn would underpin our longer term goal for a Unitary Lincoln.
6.4 **New Council House Building inside the Housing Revenue Account:** The Government is looking at how councils could build within the Housing Revenue Account by enabling councils to use their own resources for new build without setting up a Local Housing Company. The Green Paper however makes it clear that councils could undertake direct development “only where it offers better value for money than other options”

Where councils choose to invest in new council housing the Green Paper says that councils should be able to keep the income and any capital returns arising from those new homes. The government are seeking views on the practicalities of making these changes and the potential they may give for encouraging investment in new housing.

The proposal might lead to extension of access to Social Housing Grant to stock retaining authorities as well as to councils developing through an ALMO or Local Housing Company but states that the government would have to “establish rigorous criteria for selecting potential local authority developers.”

**Officers Commentary:** The Council should welcome the opportunity to consider new building within the HRA to supplement the national affordable housing programme. However demonstrating value for money in direct provision through the HRA proposals may be difficult given the ability of existing delivery mechanisms to pull in large amounts of private finance to help stretch limited public resources. However, where areas of existing Council housing require redevelopment the potential for direct provision to provide a higher number of homes but with rents being kept on the balance sheet will make these mechanism more attractive to local authorities and therefore contribute towards an increased supply of affordable housing and wider regeneration objectives.

The criteria for selecting potential “in-house” local authority developers should be consistent with that used to select those Arms Length Management Organisations that will be allowed to develop.

6.5 **Reform of the HRA:** As well as proposing potential changes that would allow council house building within the HRA the government has been piloting a more fundamental system of “self-financing” that would allow some councils to in effect leave the national HRA subsidy system and retain their rental income. This has potential attractions for the City Council as we are now in “negative subsidy” i.e. our Business Plan forecasts show that we anticipate to be paying a net sum of £1.3million of our rental income into the national HRA subsidy by 2009/10 - increasing thereafter. However the Green Paper sets out a requirement for any council’s taking this route to have a “one off adjustment” to their HRA. In the City Council’s case this is likely to mean paying a “dowry” to buy us out of the national HRA subsidy system.

A group of authorities are currently working with the DCLG and the treasury on a “self-financing pilot” scheme to model this approach and following the outcome of these pilots the government will be carrying out further work to establish the affordability of self-financing schemes both to councils and the government.
The Green Paper makes no new announcements on funding for continuing the Decent Homes Programme other than to state that “the vast majority of councils and housing associations will continue with their original plans.” And “We expect councils to complete their stock transfers, take their PFI projects to completion and get their ALMO’s up and running”. There is therefore no so called “fourth option” or any additional resources for stock retaining authorities to deliver Decent Homes and wider regeneration initiatives (other than the potential of self-financing outside the HRA). The Green Paper does however state that at least £2 billion will be made available over the CSR period for ALMO’s.

**Officers Commentary:** The Council should welcome the Government’s commitment to review the existing HRA subsidy system. As a negative subsidy Council ourselves, Lincoln’s council tenants will be contributing an increasing amount per annum to the national housing pot from our own rent debit. We do not believe this level of contribution is sustainable in the long term if we are to continuously improve services to our tenants and leaseholders and the link between what tenants pay in rent locally to the level of service and the level of investment in their homes needs to be re-instatement.

6.6 **Models For Local Authority Delivery of New Social Housing outside the HRA:** The Green Paper refers to the ability of local authorities to set up and become partners to a wide range of programmes and models which could deliver affordable housing including Local Housing Companies. For stock retaining authorities like Lincoln this could potentially involve the setting up of a “new build ALMO” as a local Housing Company utilising the councils housing land assets to facilitate new build and access to Social Housing Grant. Chapter 12 of the green Paper sets out a range of potential delivery vehicles such as:

- Local Authority Owned companies & ALMO’s
- Community Land Trusts
- Local Housing Companies
- Limited Liability Partnerships
- Strategic Housing & Regeneration Partnerships

The Green Paper seeks views on the range of models that might be used.

**Officer Commentary:** The Council should welcome the Government’s proposals to increase the number of supply mechanisms available to develop new affordable housing. Local authorities currently play an important part in delivering new homes in their areas either through the planning system or by working together with our housing association partners. The Council should also support the acknowledgement in the Green Paper that there will be circumstances where direct Council provision outside of the HRA may be appropriate and that we can develop the expertise and capability to undertake such projects in the future. Enabling such direct provision to be accounted for outside of the current HRA Subsidy system will increase the chances of making such developments meet value for money criteria.
However if local authorities are to develop the expertise and capacity to deliver local mechanisms there will be a need for clarity and advice on the range of models to deliver new social housing outside the HRA. Otherwise much resource will be wasted on use of consultants and the models may hit the problems beset by Housing PFI Schemes to the extent that local authorities are put off by the sheer complexity of the model.

6.7 **Help For First Time Buyers & Improving the Mortgage Market:** The last 2 Chapters in Section 4 of the Green Paper set out the governments approach to helping first time buyers and improving the way the mortgage market works including:

- Support for councils to build additional shared ownership homes on public sector land without grant.
- Providing at least 25,000 more shared ownership and shared equity homes through the Housing Corporation.
- Increasing opportunities for tenants to purchase a share in their home with further proposals later in the year.
- Expanding the Open Market HomeBuy Scheme to offer a 17.5% government equity loan which can be used in conjunction with a mortgage to help first time buyers.
- Treasury consultation on new legislative proposals for a covered bond regime to assist mortgage firms finance more longer term fixed rate mortgage products.

**Officer Commentary:** The proposals for help for first time buyers should be welcomed and the proposals to provide government equity loans welcomed. However the criteria for access to such equity loans should be consistent across all areas and regions relative to the affordability gap. Furthermore funding for assistance to first time buyers should not be to the detriment of resources for the most vulnerable allocated through the affordable housing programme.

7. **Housing Green Paper – Section 5: “Delivery, how we make it happen”**

7.1 Section 5 of the Green Paper sets out the role of central government, local government and other partners in delivering the Governments new housing agenda and the proposals set out in the Green Paper.

7.2 **Skills & Construction:** The Green Paper recognises the need for appropriately skilled workers to deliver the new building targets and other proposals in the Green Paper. The need to build capacity and capability in the various sectors including construction workers, architects and local authority planning staff as well as other built environment professionals is recognised. The paper acknowledges that only 25% of construction firms currently offer apprenticeships and commits to improve the number of apprenticeships offered.

The Green Paper also acknowledges the need to promote greater efficiency, innovation and sustainability in the construction sector.
**Officer Commentary:** The commitments in the Green Paper to building capacity and capability in the construction industry are welcomed however it is unlikely that the capacity and capability can be geared up in the short term and the government should recognise the risks associated with this especially when other initiatives such as the 2012 Olympics will also be drawing on the capacity of the construction industry. Specific resources should be made available to support the recruitment and training of local labour to underpin the national housing building programme.

7.3 **The Local Authority Strategic Role:** The Green Paper emphasises the need for local authorities to ensure that addressing housing need is sufficiently prioritised in their strategic decisions and documents such as the Sustainable Community Strategy, Local Development Framework and the Local Area Agreement.

The Green Paper reinforces the views set out in the Local Government white paper which placed housing at the heart of the local authority “place-shaping role” and the need for the local authority strategic housing role to be “at the heart of achieving the social, economic and environmental objectives that shape a community and create a sense of place”

The government propose an improvement and efficiency strategy to support local authorities to help them in their place shaping role and the delivery of Local Area Agreements. In addition specific housing related issues will be addressed to assist local authorities in identifying and making available surplus land, tackling problems of empty properties and identifying the right vehicle for regeneration. Lessons from the national competition to build homes for a construction cost of £60,000 or less will be disseminated to allow councils to run similar competitions on their own land.

The New Homes Agency will bring together English Partnerships, investment functions from the Housing Corporation and key delivery roles from DCLG to create a key partner for local government in delivering the objectives set out in the Green Paper.

**Officer Commentary:** The recognition of the local authority strategic housing & enabling role is to be welcomed and the Government should consider utilising the new Housing & Planning Delivery Grant to assist local authorities in improving the capacity and capability of their strategic housing function.
8. **Summary**

8.1 The new Brown Government see housing and in particular a step change in the supply of new affordable housing as a key priority and the Council needs to formulate its response to the Governments proposals and what opportunities (and threats) this major government policy drive will have for the City Council and the city as a whole.

8.2 It is clear that Ministers see new housing development by ALMO’s and Local Authority Housing Companies as equivalent to Council Housing getting the most out of development without directly affecting the amount of public sector borrowing but utilising Council land assets.

8.3 This may present an opportunity to the Council in terms of new developments on Council owned land – most notably the Western Growth Corridor. It may also provide a vehicle for redevelopment in the long term of less popular housing which meets Decent Homes Standards but which because of it’s historic design provides the wrong mix of accommodation and/or poor environment and will in the longer term be unsustainable. There may however be a threat to the Councils Medium Term Financial Strategy which relies on achieving a certain level of capital receipt particularly if the Council is to be compelled to give up it’s land holdings to increase the supply of affordable housing.

9. **Responses To Consultation**

9.1 Responses and comments on the proposals in the Green Paper are required to be submitted to DCLG by 15 October 2007.

9.2 An “all member seminar” on the Green Paper has been arranged for 8 October 2007 immediately preceding the next Executive Committee Meeting to enable all members of Council to receive a briefing on the Green Paper.

9.3 Executive Committee is asked to consider and endorse, add to or detract from the officer’s commentary set out in this report as a basis for the Council’s response to the Green Paper.

10. **Legal Implications**

10.1 There are no specific legal implications arising from the proposals set out in the Green Paper although as legislation is enacted the legal implications will need to be fully assessed.

11. **Financial Implications**

11.1 There are no specific financial implications arising at this stage but the proposals as set out in the Green Paper, if enacted, would have potentially significant financial implications for the Council. It is difficult to fully assess those implications at this stage and a more detailed financial impact assessment will be necessary in due course as the legislative proposals become clear.
12. **Recommendations**

12.1 Executive is asked to:

i) Note the proposals set out in the Green Paper
ii) Approve the holding of a members seminar on 8 October 2007 to brief all members of Council on the Green Paper
iii) Endorse, add to or detract from the officer's commentary set out in this report as a basis for the Council's response to the Green Paper.
iv) Receive a further report at the Executive Committee meeting on 8 October with a proposed response to the Green Paper, taking into account comments from the proposed member seminar.

**List of Background Papers:**

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