



# Homes for the North Charter

Rebalancing the Economy: **Building the Northern Homes We Need**



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## Introduction to Homes for the North

Homes for the North is an alliance of 17 of the largest developing housing associations in the North of England. In January 2016, we launched in Parliament, in order to bring the large regional providers together to help develop policy solutions to the housing crisis in the North.

Homes for the North members currently provide a third of all social rented homes in the North and are planning to build over 20,000 new homes over the next three years. This will add to our current stock of around 500,000 homes. Our work and investment provides a significant contribution to local economic growth, adding up to £2.5bn per year to the Northern economy.

However, we are about much more than building homes. Our aim is to build the right homes in the right places at price points to meet the needs of the communities we serve. Our strong social purpose remains at the core of the work we do, with every pound made being reinvested back into communities. Over the last year alone, we have collectively contributed towards helping over 9000 people into work and training and have invested in our communities through social value initiatives ranging from tackling hunger and fuel poverty to helping people to increase their finances and develop skills.

Since our inception, Homes for the North has worked to raise awareness of the housing crisis in the North by regularly producing research and engaging with policy makers. Our focus remains the shortage of affordable housing in the North of England, and making the case for more homes and better places. As our ambitious development plans demonstrate, we are already committed to building the homes we need. But with changes to housing policy and wider policies around economic development and infrastructure, Homes for the North members could build even more.

After three years of working collectively, we have brought our thinking together in a charter, *Rebalancing the Economy: Building the Northern Homes We Need*. The charter focusses on four key themes that will encourage the creation of social and affordable homes, and deliver increased prosperity in the North:

- **Ambition:** a housing target that reflects northern need
- **Alignment:** putting homes at the heart of northern growth
- **Connectivity:** an integrated approach to housing & infrastructure
- **Delivery:** local powers, local deals, local opportunities

# Contents

## Homes for the North charter

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**Ambition:** **4-5**  
housing target that reflects northern need

---

**Alignment:** **6-7**  
putting homes at the heart of northern growth

---

**Connectivity:** **8-9**  
an integrated approach to housing and infrastructure

---

**Delivery:** **10-11**  
local powers, local deals, local opportunities

# **Ambition:**

## **Housing Target That Reflects Northern Need**

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### **The Northern Position**

There is no shortage of housing ambition in the North – only a shortage of new, high-quality homes. The North makes up around a sixth of the country's entire projected housing need, much of that is concentrated around the seven city regions.

Homes for The North commissioned research in 2017 to understand the level of housing need across the North and how future economic-led scenarios would influence the number of new homes needed. The final report, 'Future Housing Requirements for the North', finds that at least 50,000 new homes are needed every year to keep up with demand and support the ambitious scale of economic growth across the North as outlined in the Northern Powerhouse Independent Economic Review<sup>1</sup>. This figure presents a serious challenge as well as an opportunity, particularly as current housebuilding completions are much lower, at 35,560 in 2017/18 across the 72 Northern Local Authority areas<sup>2</sup>.

### **Our Ask**

**The Government should adopt a formal target of at least 50,000 new homes per year in the North, used as a benchmark for assessing housing provision set out in local plans. The use of unambiguous targets will ensure that the North gets the homes it so urgently needs.**

# “Over the next three years we plan to build 21,356 new homes”

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## Potential impact

If the Government is to rebalance the economy, it must do all it can to enable Local Authorities to accurately plan for the homes needed in these areas. Through adopting a benchmark figure of 50,000 new homes per annum in the North, the Government can ensure that Local Authority housing need projections are aligned with economic ambitions driving towards a more balanced UK economy.

An ambitious development target will only be met through partners working closely together at a local and national level to support a positive economic future for the North. Working with the Government to release land, access funding and increase opportunities for the development of new homes, development plans can continue to grow to meet Northern need.

The devolution agenda gives Local and Combined Authorities the opportunity to shape regional housebuilding projections that truly meet the needs of local people as well as creating buoyant economies where people choose to live, work and play. Adopting the 50,000 homes per year target will focus the minds of Local Authority leaders and metro-mayors in respective locations to create thriving communities with the right homes in the right places, boosting economic outputs.

Homes for the North is already building on this research through further modelling of economic scenarios linked to Transport for the North's strategic plans to 2050. With better connected cities, increased job prospects and a strong housing offer, the North can relieve some of the intense housing pressures facing London and the South East, while at the same time continuing to grow its thriving Northern cities.

<sup>1</sup> Homes for the North (2017) 'Future Housing Requirements for the North'

<sup>2</sup> MHCLG Data Tables 253 permanent dwellings started and completed, by tenure and district

# Alignment:

## Putting Homes At The Heart Of Northern Growth

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### The Northern Position

Across Europe, regional cities are engines of growth that drive productivity. In England, productivity in London and the South East outstrips much of the North. Recognising this, the Government has announced plans to introduce new Local Industrial Strategies designed to drive forward regional economic growth to close the gap.

The Northern Powerhouse Independent Economic Review (NPIER) reveals a 25% GVA per head 'performance gap' between the North and the rest of the country highlighting the need for local strategies aimed at boosting our economies. In line with this, we also need to plan homes that support economic growth. The Government's current standard method of assessing housing need fails to take into account the scale of ambition and growth potential across the North. Our analysis shows that this approach could mean 13,340 fewer homes every year across the North than are needed<sup>1</sup>. That would result in £2.37bn in lost economic output, 16,000 fewer construction jobs and 24,160 fewer supply chain jobs. As Homes for the North highlighted in our submission to the Government's consultation 'Planning for the Right Homes in the Right Places', this is a loss the North cannot afford to take<sup>2</sup>.

### Our Ask

**The Government should enable the North to plan for the homes it needs by requiring local authorities to align their Local Industrial Strategies and housing supply plans, ensuring the methodology for assessing housing need reflects forward looking economic growth scenarios.**

**“We contribute £2.5billion each year (GVA) to the Northern economy.”**

## Potential impact

The NPIER highlights sectoral strengths and specialisms on a pan-Northern scale indicating that building on these strengths through transformational economic scenarios can create a prosperous future for the North. With investment and innovation, and substantial improvements in the skills base and transport connectivity, the North could see:

- a **15% increase in GVA**
- a **4% increase in productivity;**
- and **850,000 new jobs by 2050.**

There is an excellent opportunity to put homes at the heart of the Local Industrial Strategies that can make these figures become reality and capitalise on the already growing industries across the North. This would be a clear sign of economic ambition, and readiness for further growth. Homes for the North are keen to influence the development of Local Industrial Strategies through working with leaders locally and nationally to offer our expertise in planning homes alongside economic growth.



<sup>1</sup>Homes for the North & Lichfields (2018) Economic impact on the North standardised methodology.

<sup>2</sup>Homes for the North (2018) 'Planning for the Right Homes in the Right Places – Response to the Government Consultation'

# Connectivity:

## An Integrated Approach To Housing And Infrastructure

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### The Northern Position

Homes need infrastructure; new infrastructure needs homes to support growth. It works both ways. Yet in a study of twelve of England's fastest growing city regions, the RTPI has recently reported that over half of new homes are still being built in locations that are further than an easy walk or cycle ride from a railway/metro station<sup>1</sup>.

As well as aligning housing policies to Local Industrial Strategies to promote growth, housing and infrastructure investment should be planned in conjunction with each other. We're not alone in making the case for improved connectivity: The National Infrastructure Commission has called for better co-ordination of infrastructure and planning to support growth. Transport for the North's 30-year Strategic Transport Plan will map out a long term future ambition for transport across the North, and while solutions for localities will inevitably differ, it is now time for a similar long term pan-regional strategy to be drawn up around housing.

### Our Ask

The establishment of a powerful pan-northern body as a united voice for the North, charged with ensuring that housing and infrastructure are planned together over the long term and over a wider spatial area. The new cross-sector advisory body would bring together: Transport for the North, Homes England, local authorities, LEPs and housing associations with powers to scrutinise existing plans, issue guidance and make recommendations to Metro Mayors, local authority leaders and Ministers across a range of departments, to ensure that the potential for growth is maximised across the North.

**“We own over 500,000 houses,  
homes to over 1million people”**

## Potential impact

A pan-Northern body advocating for the needs of the North across Government departments will ensure the North’s potential is recognised as a whole, whilst providing a framework for localities to plan to meet the specific needs of their communities.

It would also be in a position to influence Government priorities over the allocation of investment, to support the delivery of the North’s economic growth targets. For example it could highlight the negative impact of the recent Government announcement regarding the geographical targeting of five Homes England funding streams. This will see 80% of available investment allocated to areas of ‘highest affordability pressure’, defined by the ratio of house prices to household incomes. This backward looking measure will allocate investment on the basis of the historic imbalance between supply and demand, rather than strategic planning for growth informed by the Industrial Strategy. Initial analysis carried out by Key Cities finds that this will skew investment, with only 4 out of 72 Northern Local Authorities able to access the 80% of funding, the rest attempting to access the remaining 20%<sup>2</sup>. This could undermine the delivery of ambitious transport strategies for the North, such as the Northern Powerhouse Rail and HS2, as well as Local Industrial Strategies for LEP areas.



<sup>1</sup>RTPI (2018) ‘Location of Development’

<sup>2</sup>Key Cities (2018) ‘The Geographical Spread of Recent Homes England Grants’

# Delivery:

## Local Powers, Local Deals, Local Opportunities

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### The Northern Position

The challenges for many urban areas in the North can be quite different to those in the South. Whilst there is a similar need for decent, affordable new homes and thriving businesses, many areas still struggle to tackle the legacy of their industrial pasts: this can include poor housing conditions, Victorian infrastructure, fragmented land ownership and contaminated land. This often results in developers and housing associations seeing few short-term economic incentives to develop, without first unlocking the potential through substantial investment. Furthermore, the Government's proposed methodology for geographical targeting of a number of its housing programmes, focussed on areas of highest affordability pressure, will skew funding allocation away from many of our cities and could further disadvantage the Northern position.'

Over the past 30 – 40 years there has been a succession of national programmes and tools designed to support area based renewal. These have now largely disappeared. The result has been piecemeal renewal, often focused on growing city centres or peripheral areas, with limited 'trickle-down' of prosperity to adjacent inner-urban locations where multiple deprivation is still rife, and life chances limited for too many. This is holding our cities back.

### Our Ask

The renaissance of area-based renewal, underpinned by a new type of 'deal' between Government, combined/local authorities and housing associations. This 'renewal deal' would focus on a single place, and integrate existing investment streams in housing, transport and local economic development. In addition, locally led partnerships would have access to more effective compulsory purchase powers and fiscal incentives for housing and business growth. These could include stamp duty holidays, VAT exemption on refurbishment costs, and business rate relief.

# “We have helped over 9,000 people into employment and training”

## Potential impact

Unlocking potential through ‘renewal deals’ is central to our success in growing our great Northern cities. Our research in 2016 ‘Brain Gain: The Role Of Homes And Place Making In Attracting Graduates To The North Of England’ found that the North of England has a significant qualification deficit compared to the rest of England and that 7,500 highly qualified British residents had been lost from the Northern Powerhouse workforce per year. While availability of jobs is obviously a huge driving force behind where graduates choose to live, our research also found that the cost and quality of housing has a significant impact<sup>1</sup>.

Locally led partnerships and renewal deals offer a new approach to tackling these issues by creating solutions with their roots in communities. Through this approach, communities and local leaders have the power to drive forward change and create opportunities. Different policy solutions are needed for different places to deliver outcomes that work for local people. But whilst delivery needs to be driven locally, this will only be effective if Government puts in place a national framework which ensures appropriate levels of housing and infrastructure investment can be targeted spatially, supported by new legal and fiscal powers.



<sup>1</sup>Homes for the North (2016) ‘Brain Gain: The Role of Homes and Place Making In Attracting Graduates to the North of England’



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## Get in touch

For more information please contact Rebecca Simpson.

Call **0127 425 7037**

Email **[Rebecca.simpson@incommunities.co.uk](mailto:Rebecca.simpson@incommunities.co.uk)**