

Impact Assessment for Homes for the Future: more affordable, more sustainable



*Impact Assessment for
Homes for the Future:
more affordable,
more sustainable*

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 020 7944 4400
Website: www.communities.gov.uk

© Crown Copyright, 2007

Copyright in the typographical arrangement rests with the Crown.

This publication, excluding logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.

Any other use of the contents of this publication would require a copyright licence. Please apply for a Click-Use Licence for core material at www.opsi.gov.uk/click-use/system/online/pLogin.asp, or by writing to the Office of Public Sector Information, Information Policy Team, St Clements House, 2-16 Colegate, Norwich, NR3 1BQ.
Fax: 01603 723000 or email: HMSOlicensing@cabinet-office.x.gsi.gov.uk

If you require this publication in an alternative format please email alternativeformats@communities.gsi.gov.uk

Communities and Local Government Publications
PO Box 236
Wetherby
West Yorkshire
LS23 7NB
Tel: 08701 226 236
Fax: 08701 226 237
Textphone: 08701 207 405
Email: communities@twoten.com
or online via the Communities and Local Government website: www.communities.gov.uk

75% recycled
This publication is printed
on 75% recycled paper

July 2007

Product Code: 07 HC 04748/g

Contents

Summary: Intervention and Options	5
Summary: Analysis & Evidence	7
A: Housing Supply	7
Impact Assessment of the Government's commitment to increasing housing supply	13
Policy Proposal: Introduction of a new Housing and Planning Delivery Grant	14
B: Higher environmental standards: The Code for Sustainable Homes and zero carbon development including eco-towns	15
C: Planning	17
D: Public sector land use – supporting the delivery of new housing	18
Existing commitments	18
Future developments	18
E: Un-used and under used stock	19
Proposals	19
F: Social housing and delivery vehicles	20
Background	20
Proposals	20
G: UK recognised covered bonds	22
H: Design and quality: The design Quality Assurance scheme	23
What is the problem being addressed?	23
Why is intervention necessary?	24
Specific Impact Tests	
Annex A	
Competition Assessment	26
Small Firms Impact Test	26
Legal Aid	27
Sustainable Development, Carbon Assessment and Other Environmental Assessments	27
Health Impact Assessment	27
Human Rights	29
Rural Proofing	29
Annex B	
Equality Impact Assessment	31
Annex C	
Point of Contact for Enquiries	41

Summary: Intervention and Options

What is the problem under consideration?

Why is government intervention necessary?

Good quality, affordable housing is an essential component of inclusive, prosperous communities. House prices have doubled in real terms over the last 10 years and lower quartile house prices are more than seven times lower quartile earnings. For poorer and vulnerable households there have been particularly acute pressures. Kate Barker, in her 2004 Review of Housing Supply, showed how a growing population and a low housebuilding rate had led to increasing problems of affordability. Government commitment and leadership is needed to deliver a further step change in housing supply.

What are the policy objectives and the intended effects?

To meet these challenges we need to raise our housebuilding ambitions from the current target of 200,000 to 240,000 by 2016. We are clear that these new homes must be delivered in a sustainable way that responds to the challenge of climate change. We will deliver more social housing to meet the estimates of newly arising need, delivering 45,000 new social units per annum by 2010/11.

The intended effects of this policy are to increase the availability of housing, deliver new supply, make all new homes zero-carbon by 2016 and improve the energy efficiency of new homes.

What policy options have been considered? Please justify any preferred option.

Policy options are as follows:

- Delivery through the planning system and Planning Policy Statement 3 (see previous Regulatory Impact Assessment);
- Incentivising growth through a Housing and Planning Delivery Grant (more detailed Impact Assessment to follow);
- New delivery models for social housing (more detailed Impact Assessment to follow);
- A green package of measures to address climate change and carbon efficiency (see accompanying Regulatory Impact Assessments); and
- A design Quality Assurance scheme (more detailed Impact Assessment to follow).

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

Policy reviews will take place at different times depending on the different elements. A general review of the policies which are adopted will take place in 5 years time.

Ministerial Sign-off for consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



.....

Date: 23 July 2007

Yvette Cooper MP

Summary: Analysis & Evidence

Many of the proposals in the Green Paper are at an early stage of development, and it is therefore not possible or meaningful to provide quantification of overall costs and benefits.

Fuller impact assessments will be produced at a later stage where appropriate.

Evidence Base

A: Housing Supply

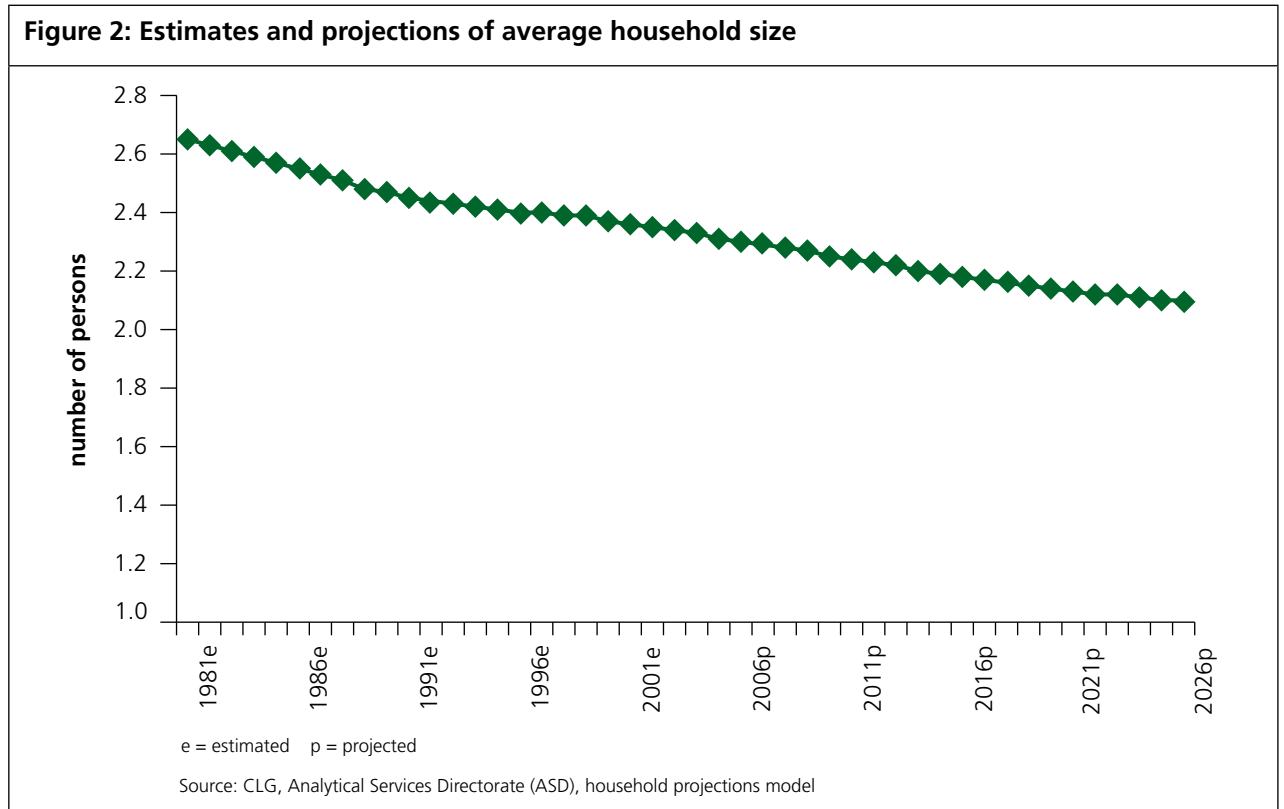
Evidence – the case for an increase in housing supply

1. Although there has been significant progress in addressing housing need and increasing supply, we need to build on these achievements. Estimating the overall need for all forms of housing on a national basis is necessarily a complicated business and it is not possible to rely on a single study or methodology. The new national target of 240,000 net additions per annum is likewise informed by the capacity of Government and all delivery partners to increase on current levels of delivery. Our evidence for coming up with this target therefore derives from a range of sources, including Policy Reviews carried out under the 2007 Comprehensive Spending Review, some of which is outlined below.
2. The population is expected to continue to rise placing increasing pressure on the demand for housing.

Figure 1: Total population in England



3. Falling average household size will also place increasing pressure on demand.



4. Taking population growth and falling average household size into account, the latest (2004-based) household projections indicate that household formation is expected to average 223,000 per year to 2026. Moreover as incomes are expected to continue to rise with economic growth, each household is expected to demand more space. This underlines the urgent need to build more homes for this and future generations.

Figure 3: Estimates and projections of the number of households in England

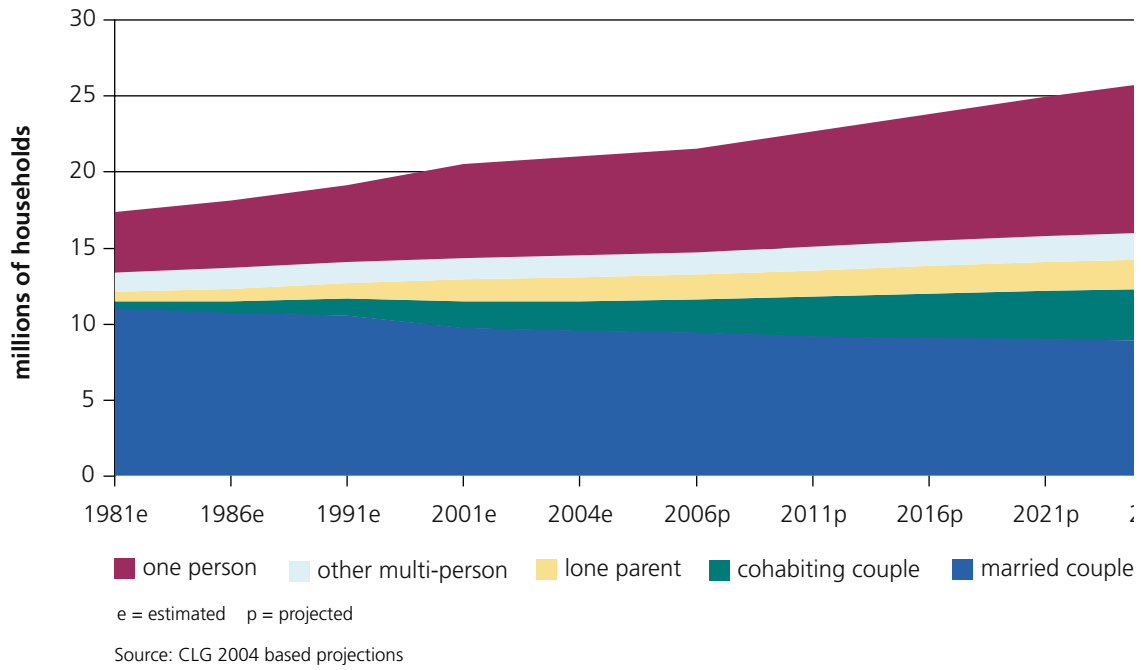
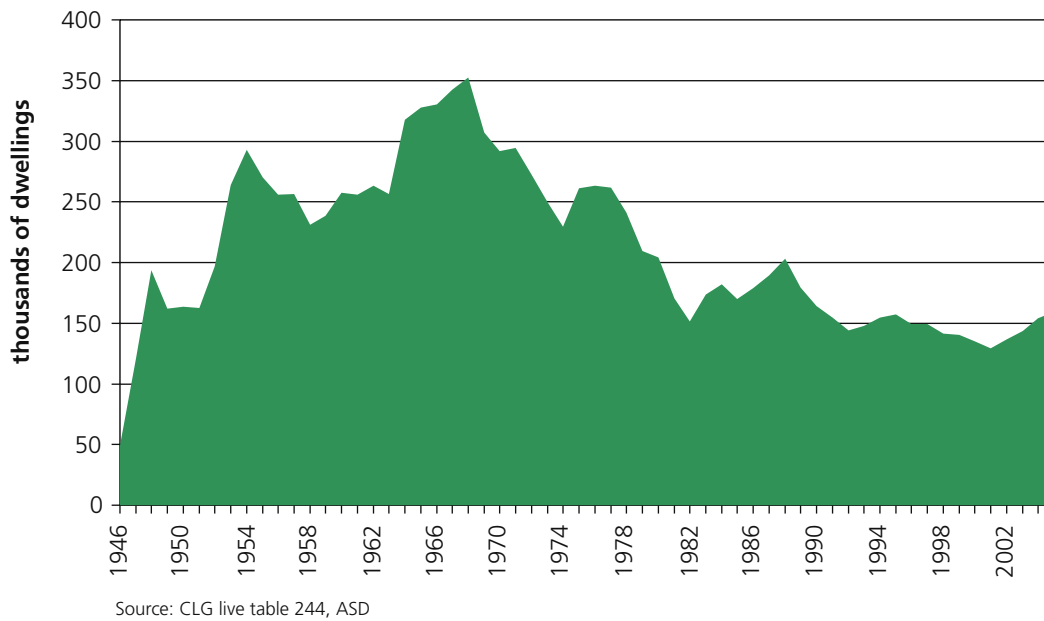
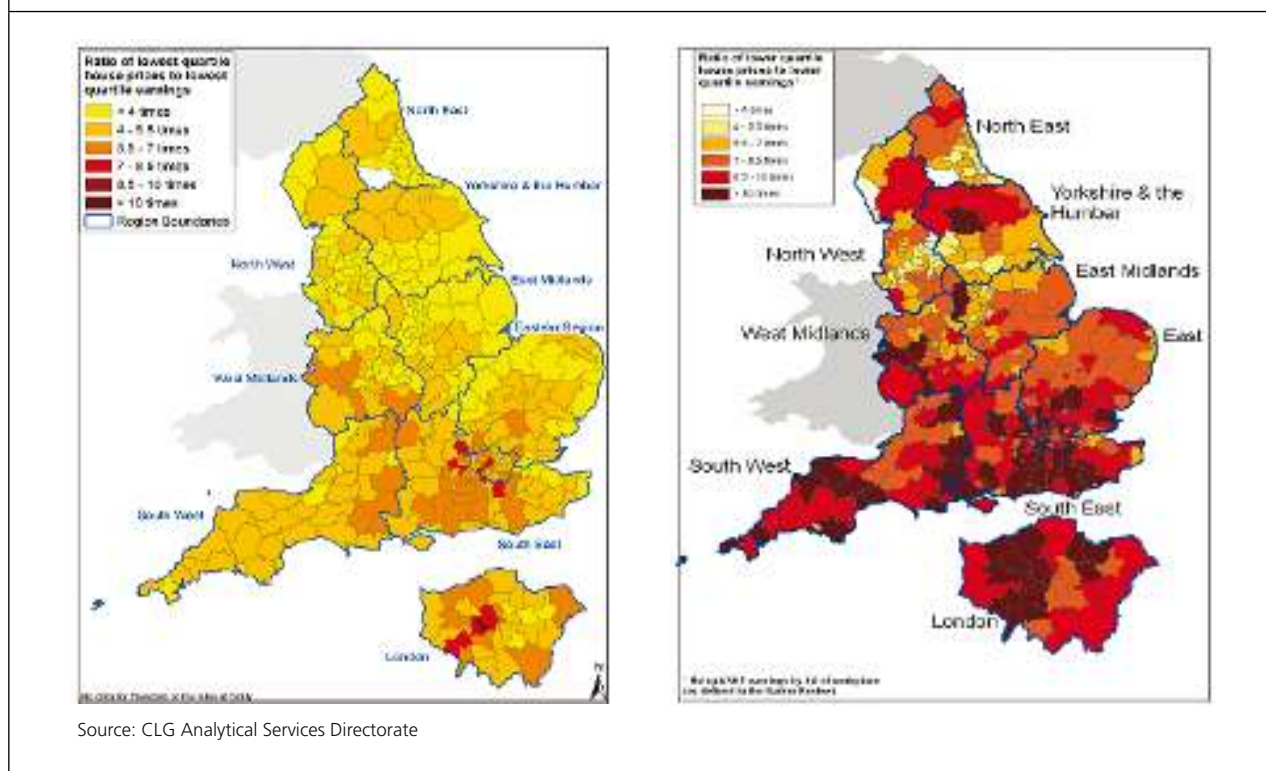


Figure 4: New dwelling completions in England



- The last three decades of the twentieth century saw the number of households in England increasing by about 25%¹ while annual housing supply dropped by about 50%². As a result of demand growing faster than supply, prices have been rising: house prices have doubled in real terms over the last 10 years and nearly trebled in the last twenty years³, making it ever harder for those trying to buy their first home. House prices have risen more quickly than earnings in all regions.

Figure 5: Ratio of house prices to earnings (lower quartile): 1999 and 2006



- Rising house prices continue to create pressure for first-time buyers. On average, lower quartile house prices are now more than seven times lower quartile earnings. Nearly 40% of first-time buyers aged under 30 now depend on help from family to get them started on the housing ladder; in London an assisted young first-time buyer had an average deposit of £57,000 compared to £12,500 for other young first-time buyers⁴. The proportions who can afford to buy in both the social and private rented sectors have subsequently fallen since 1997–98⁵:

¹ Communities and Local Government housing statistics live table 406.

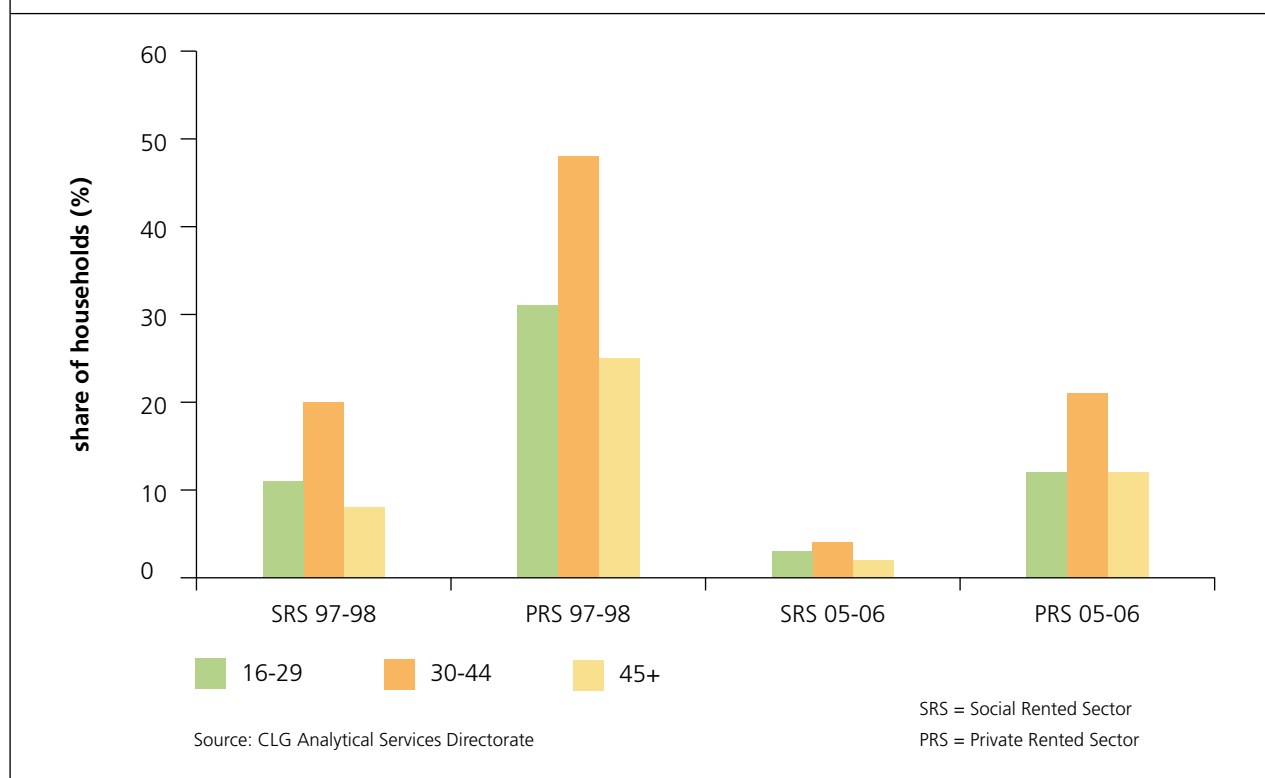
² Communities and Local Government housing statistics live table 244.

³ Communities and Local Government Analytical Services Directorate (ASD), based on CLG housing statistics live table 503.

⁴ Council of Mortgage Lenders (CML), Housing Finance, May 2007.

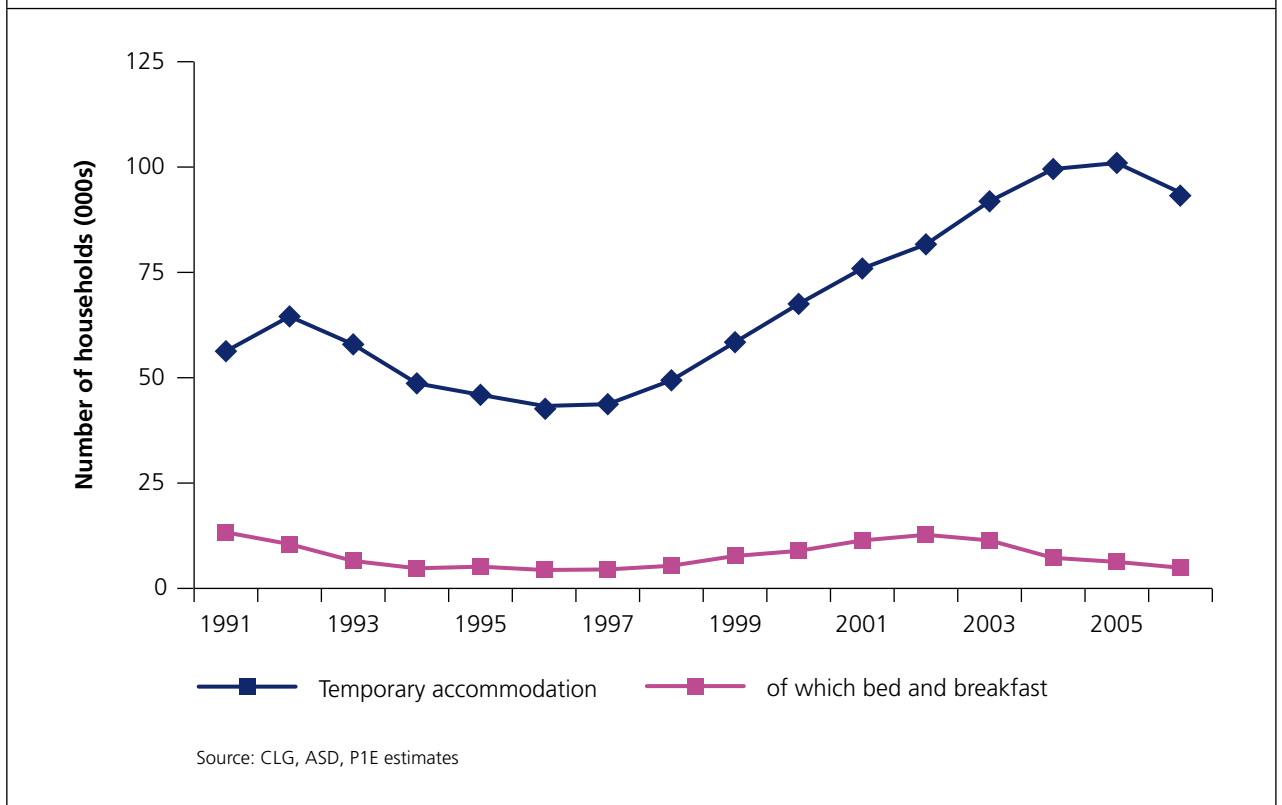
⁵ Based on lower-quartile house prices and affordability defined as mortgage costs not exceeding 25% of gross household income. Assumes mortgage interest rate of 6.25% (97/98) and 5.5% (05/06).

**Figure 6: Proportions of households who can afford to buy by tenure and age:
1997/98 and 2005/06**



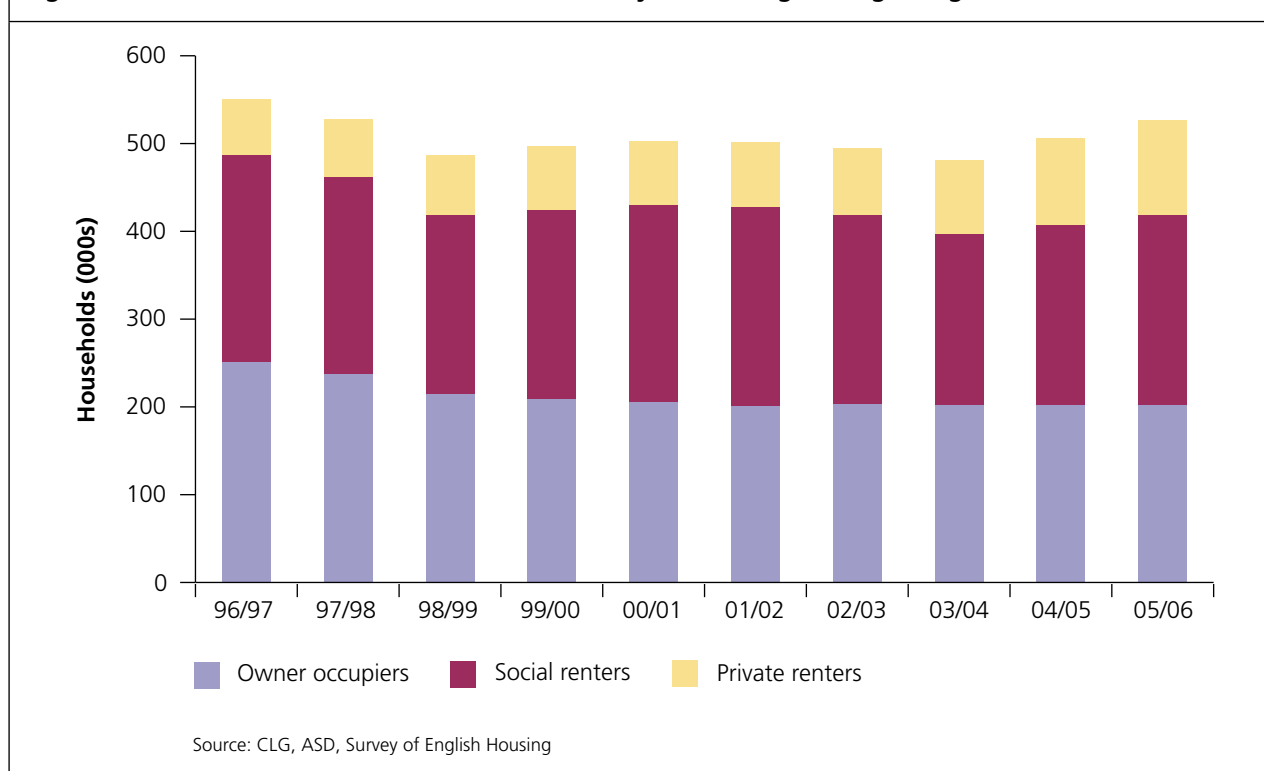
7. For poorer and vulnerable households, there have been particularly acute pressures. This Government recognises the need to provide social housing for those unable to afford to rent or buy a home of their own and estimates there will be a newly arising need for at least 40,000 new social rented properties per annum. This estimate is based on the methodology used by Kate Barker in her 2004 Review of Housing Supply and reflects the latest household projections.
8. In addition, there is a large backlog of unmet need: the two most important components of which are households in temporary accommodation and overcrowded households. Although our policies are having a positive impact and bringing these numbers down, there are 87,000 households living in temporary accommodation, including around 4,000 in bed and breakfast.

Figure 7: Households in Temporary Accommodation and Bed and Breakfast



10. There are currently around 526,000 overcrowded households⁶. The chart below shows that of those households that are overcrowded, 41% are in the Social Rented Sector, 21% in the Private Rented Sector and 38% are owner occupiers.

⁶ three-year moving average for 2005/06, as measured by the Bedroom Standard.

Figure 8: Number of overcrowded households, 3-year moving average: England

11. And since 1997 the number of households on the waiting list for social housing has risen from 1 million to 1.6 million, both as the number of households has grown and as more families have found they cannot afford a home (although not all these are in urgent housing need)⁷.
12. Although the provision of new social housing has increased by 50% in 2007-08 since 2004-05, it remains significantly lower than the 40,000 households which make up newly arising need each year.

Impact Assessment of the Government's commitment to increasing housing supply

13. The new national commitment has been informed by a range of analysis, including a number of policy reviews carried out under the auspices of the 2007 Comprehensive Spending Review, such as the Policy Review into Supporting Housing Growth⁸. It also builds on analysis in the 2004 Barker Review of Housing Supply⁹ as well as the 2003 Sustainable Communities Plan¹⁰.

⁷ The Homelessness Act 2002 removed the statutory duty to maintain a housing register as of 31 January 2003 and opened up the right to apply for social housing to everyone (with limited exceptions). The accuracy of the list depends on the extent to which housing authorities keep the register up-to-date.

⁸ This review was announced in the Pre Budget Report 2005 as part of the Government's response to the Barker Review of Housing Supply:
http://www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr05/press_notices/prebud_pbr05_press04.cfm.

⁹ http://www.hm-treasury.gov.uk/consultations_and_legislation/barker/consult_barker_index.cfm

¹⁰ <http://www.communities.gov.uk/index.asp?id=1139868>

14. One of the biggest impacts of the new national commitment will be on the need for more infrastructure to support the greater housing growth. Successful communities require access to schools, hospitals, roads, public transport, water, energy sources and public spaces. That is why there is cross-government commitment to support this supply of new homes – and the people who live in them – with the necessary infrastructure that will make this growth sustainable in the long-term.
15. How the new national commitment will impact on individual areas, industries, businesses or groups will depend on how it is expressed spatially. It will clearly impact in significant ways on the housing development sector, although the additional capacity required from them could equally be couched in terms of extra opportunities for profits. It will also clearly impact on local authorities, although in ways that will also benefit them in terms of a larger tax base and local economic development.
16. The most important point about how the national commitment will impact spatially is that this will be the subject of detailed analysis at the national, regional and local levels through the statutory planning framework, as set out in Planning Policy Statement 3: Housing. The statutory planning framework centres on the production of Regional Spatial Strategies and, in turn, Local Development Documents, both of which provide for consultation with stakeholders and the community. Some key stakeholders, for example water companies, have a statutory duty to contribute. ***It is at these stages that detailed impact assessments will be carried out on regional and local plans, including specific developments.***

Policy Proposal: introduction of a new Housing and Planning Delivery Grant

17. The Green Paper announces that there will be a Housing and Planning Delivery Grant (HDPG). The new HPDG will provide extra funding to local authorities linked to their progress in delivering their Local Development Frameworks and housing additions. This is additional funding, so there will be no penalty for local authorities who fail to deliver against plans compared to their current funding levels.
18. The precise eligibility and allocation mechanisms for the grant are likely to be the subject of a detailed consultation among local authorities and other stakeholders later in the year. ***A fuller impact assessment will be carried out at that stage.***

B: Higher environmental standards: the Code for Sustainable Homes and zero-carbon development including eco-towns

19. Two separate Regulatory Impact Assessments (RIAs) have been carried out for *The Future of the Code for Sustainable Homes* and *Building a Greener Future*. They are published alongside this document and can be found at <http://www.communities.gov.uk/index.asp?id=1511885> and <http://www.communities.gov.uk/index.asp?id=1511899> respectively.
20. A summary of the high level costs and benefits of these policies, as outlined in the RIAs, can be found below:
 - a. **Introducing a mandatory rating for new homes against the Code for Sustainable Homes.** The Partial RIA compares the do nothing situation (the Code remains as a voluntary standard) to the proposal to make rating against the Code mandatory. The proposal only affects new homes and does not mean that all new homes have to be assessed against the Code. It means that home builders would either: 1) pay to carry out a Code assessment and get a 1-6 rating or, 2) download, at no cost, a zero star certificate/statement of non assessment. It aims to ensure we get the benefit of comparability and improved information for consumers, but in the least regulatory way possible.

Essentially, the cost to society of making Code rating mandatory is the time taken to produce this certificate or statement. As a worst case scenario, if there was no extra take-up of the Code, this is estimated at £1.3m per annum. The partial RIA shows that if we assume costs fall by 2% a year then the average annual cost of the proposal are £5.2m (the costs of construction and assessment), and the average annual benefits (bill savings and some of the environmental benefits) are £4.3m. Under this scenario the policy has a net cost of £0.9m per annum. A net benefit can be achieved if (a) the market works more efficiently than we have assumed, (b) costs fall faster than we expect over time, or (c) the Code is successful as a strong signal to buyers to value sustainability and is reflected in prices. These scenarios have been modelled, leading to a net benefit range of – £1.3m (a cost) to £129m (a benefit). The RIA also discusses the many benefits, for example protecting the ecological value of sites, for which it has not been possible to financially model.

- b. **Confirming our commitment to zero carbon new homes by 2016**, and the intermediate milestones for 2010 and 2013. The results of the RIA show that there will be an overall net cost to the economy under the scenarios modelled. The net cost ranges from around £1.9bn to £12.3bn, depending on the mix of policy interventions and in particular on the degree to which offsetting is allowed within the definition of zero carbon. As new evidence emerges about costs and practicalities, and as technologies develop, we will develop the definition of zero carbon for the purposes of building regulations, after full consultation and within a sensible time-frame that will allow the industry to adjust before the planned changes in 2016.

- c. **Eco-towns**, which will be exemplar “green developments” of between 5-20,000 new homes, and will demonstrate the potential for building to higher levels ahead of building regulations. The schemes will benefit from being able to design in high standards from the start to maximise resource saving, including zerocarbon development (for example micro-local generation), and the benefits of integrated services and transport. We expect these schemes to complete their planning so that they can start within two years. To illustrate the potential additional cost of building to zero carbon on this scale, our estimates for an ‘urban regeneration’ development (of 750 homes) indicated additional construction costs of 14% in 2014, but we can expect this cost to come down due to economies of scale in an eco-town development of at least 10,000 homes.
21. We are also publishing a policy statement on how we intend to take forward our proposals on water efficiency. This will cover our intention to include in amendments to Building Regulations, a whole building performance standard of 125 litres per day for new homes. ***A fuller impact assessment will be carried out when we produce draft regulations and guidance later this year. The Department for Environment, Food and Rural Affairs will also produce an impact assessment when they consult on parallel amendments to the Water Supply (Water Fittings) Regulations 1999.***

C: Planning

22. Identification of land for housing through the planning system plays a crucial part in the delivery of new housing. The Green Paper outlines a number of policies which implement Planning Policy Statement 3, for example the publication of guidance to help Local Planning Authorities meet the requirement to identify a five year supply of potential land for development of housing. A detailed assessment of the impacts of Planning Policy Statement 3 was published in May 2007 and can be found at: <http://www.communities.gov.uk/index.asp?id=1510286>. An Equalities Impact Assessment of the document can be found at: <http://www.communities.gov.uk/index.asp?id=1510282>.

D: Public sector land use – supporting the delivery of new housing

Existing commitments

23. The Chancellor announced in the Pre-Budget Report in December 2006 a revised target of delivering 130,000 new homes on surplus public sector land over the next ten years. This replaces a previous target of 100,000 homes announced in the 2006 Budget statement.
24. The majority of the land will come from central government's surplus sites including the Hospital Sites Portfolio, 96 sites acquired in April 2005 from the Department of Health, as well as Northstowe, a former Defence Estates site. We also hope additional sites will come forward from other public sector bodies such as local authorities or hospital trusts.
25. English Partnerships, the national regeneration agency, has developed a number of housing programmes which will help to deliver housing across a range of tenures on this surplus public land. These include the London Wide Initiative, the First Time Buyers Initiative and the Carbon Challenge and these programmes should deliver up to 9,000 homes.

Future developments

26. A further review of surplus land held by central government departments and organisations is in progress and has identified 550 additional sites with potential for 100,000 new homes. English Partnerships is to develop a Core Sites programme to bring forward this land for development.
27. We need to ensure that these sites, and future surplus land, are released as efficiently as possible to unlock the opportunities for additional homes, including affordable homes. The Register of Surplus Public Sector Land which includes details of sites held by central government departments will be extended to include all central government organisations.
28. As the programmes to bring forward future surplus public sector land develop, ***we will keep the need for a detailed Impact Assessment under review, particularly in relation to the impacts of increased land on the housebuilding industry and on delivery of new supply.***

E: Un-used and under used stock

29. Tackling empty properties and making the best use of existing stock is another important way in which we can increase housing supply.
30. There will be times when a property might be expected to be empty, for example when someone is moving and has been unable to sell their other house. This is part of the churn in the housing market and we respect this. However, when homes are left empty for years, they can undermine communities, be a magnet for crime and a waste of a valuable housing resources. When looking at the need to increase housing supply we are determined to reduce the number of homes that are left empty for long periods of time.
31. There are over half a million empty privately owned residential properties in England and half of these have been out of use for longer than 6 months. Of those 150,000 have been empty for more than two years. On average, owners could be losing £8,000 a year by leaving empty a property that could otherwise be rented out.
32. The best performing authorities such as Manchester City Council show what can be done through a pro-active strategy and targets.
33. We want to help all local authorities to maximise their impact on reducing empty properties. The Empty Homes Agency and LACORS, the council regulatory services body, will continue to support local authority best practice.

Proposals

34. The Green Paper proposes some ideas on how to go further on tackling empty properties and bringing them back into use to help address overall housing supply. These are as follows:
 - a. Local authorities will be expected to do more to bring long term empty homes back into use. We will explore a range of measures including the new Housing and Planning Delivery Grant to facilitate this. The precise eligibility and allocation mechanisms for the grant are likely to be subject of a detailed consultation among local authorities and other stakeholders later in the year. ***A fuller impact assessment will be carried out at that stage.***
 - b. We have strengthened the powers available to local authorities to tackle empty homes. Since 2006, they have been able to issue Empty Dwelling Management Orders (EDMOs). A local authority with housing responsibilities can use a EDMO to take over the management of some residential properties that have been empty for more than six months. For many owners, the threat of an EDMO is sufficient to prompt action. But too many potential homes remain empty. At a time when new supply is a priority local authorities should be working to ensure these properties are being occupied as homes and not remaining empty. A Regulatory Impact Assessment was carried out when EDMOs were introduced and can be found at <http://www.communities.gov.uk/index.asp?id=1164413>

F: Social housing and delivery vehicles

Background

35. We have encouraged local authorities to develop models for Special Venture Vehicles (SVVs) – which could hold new dwellings outside of the redistribution systems for housing revenue and capital. The focus of these vehicles has been to deliver additional social rented or shared ownership housing using assets held in the Housing Revenue Account (HRA) to support the development. Where local authorities have an Arms Length Management Organisation (ALMO) these can fulfil the same role. These models normally take the form of a local authority company, wholly owned by the local authority and classified as public sector for spending and borrowing purposes.
36. In the context of setting up a new homes agency which brings together the Housing Corporation and English Partnerships¹¹, we are exploring the need for and potential of other local authority special venture vehicles and public private partnership joint venture vehicle models as enablers and deliverers of new housing supply and services. This could include brownfield and greenfield development, estate and wider area regeneration, and provision of other related social infrastructure to help shape places for communities.
37. Over the last 7 years, councils have built on average a total of 156 social rented homes within the HRA each year. Local authorities do not build on a larger scale because the housing finance system acts as a major disincentive. No capital subsidy has been available for investment in new build by councils. And, if a local authority invests its own resources in new properties, the surplus rents of the additional homes – after allowances are made for the costs of managing and maintaining the homes – are taken from the council and recycled through the HRA subsidy system. Moreover, if the additional homes are subsequently sold under Right to Buy, 75% of the capital receipt is pooled and redistributed nationally. Policy options are therefore designed either to provide more resources to councils to build, or enable councils to retain more of the income and capital receipts of their own investment.

Proposals

39. The options being consulted on are:
 - a. **To increase access to Social Housing Grant (SHG) by councils with strongly performing ALMOs or SVVs**¹². We have recently removed regulatory barriers which had prevented ALMOs and SVVs from bidding for SHG. As a result 10 such vehicles have pre-qualified as eligible for bidding for SHG in the next round. Any bids will be considered on their merits; any which are successful will allow us to assess further the value for money and other implications of increasing local authority development, such as benefits from increased release of local authority land.

¹¹ This refers to the government's new delivery body for housing and regeneration, currently being consulted on as Communities England, in 'Delivering housing and regeneration: Communities England and the future of social housing regulation.'

¹² Units built through such vehicles are held outside the HRA and therefore not subject to the rules about redistributing surplus rents or pooling capital receipts.

- b. **To change the rules which currently pool and redistribute revenue and capital from new build properties within the HRA.** Options include allowing councils to keep the full rental income of rents from new homes that they build with local resources and to retain the full discounted sale price of homes bought under Right to Buy provided this is reinvested in affordable housing. We are also seeking views on whether councils building within the HRA should have access to social housing grant.
- c. **Self-financing, which would allow selected councils, in effect, to leave the HRA subsidy system.** Self-financing authorities would have a one-off adjustment to their HRA¹³. The councils would then retain the full rental incomes from new build properties. Modelling work over the last year with a group of councils shows potentially significant benefits from long-term planning and more active asset management, with the scope to lever in more private sector investment to support estate transformation, mixed communities and an increase in supply. Further work is needed to establish the affordability and viability of self-financing schemes. Subject to this being demonstrated, the next stage would be a live pilot of the self financing approach.

Further assessments of the impacts of these options are as follows:

- a. We propose to expand the categories of ALMO which could bid for Social Housing Grant. The changes simply allow more bodies to bid for grant within an established value for money process. We would not expect to consult again on this narrow issue before making changes.

When the first bids from ALMOs are submitted and assessed by the Housing Corporation in the autumn, we will use this evidence to do our own more detailed assessment of the costs and benefits of delivering through this route. This will be used to inform the bidding process in future years.

- b. We would expect to consult on detailed proposals and regulations before making any changes.
- c. If we decide to take forward the self-financing proposals following the Green Paper consultation, we would expect to publish evidence from the modelling work and consult on the framework and process for implementation.

¹³ Based on the net present value of anticipated future payments into or out of the HRA subsidy system.

G: UK recognised covered bonds

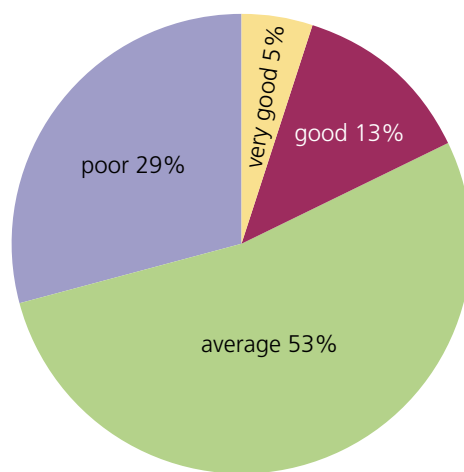
40. HM Treasury has developed, in close consultation with the Financial Services Authority (FSA) and industry, a legislative framework for UK recognised covered bonds. HM Treasury has published a consultation on the draft legislation that will establish the new framework, and also an impact assessment of the proposals alongside the Green Paper. This is available at: http://www.hm-treasury.gov.uk/consultations_and_legislation/ukrec_covbonds/consult_ukrec_covbonds.cfm

H: Design and quality: The Design Quality Assurance Scheme

What is the problem being addressed?

41. Commission for Architecture and the Built Environment (CABE) Housing Audits are showing that despite having a strong policy framework in place, over 80% of new housing schemes coming through the system are still failing to reach good or very good quality standards.

Figure 11: CABE National Housing Audit of new housing developments completed between 2001 and 2006



Note:

Definition of score:

- **very good:** an overall score of 80 per cent or more
- **good:** an overall score of 70 per cent or more
- **average:** an overall score of 50 per cent or more
- **poor:** an overall score of less than 50 per cent.

“Good” means the benchmark established by government and the industry: it is the minimum standard set for new housing in the Thames Gateway by Communities and Local Government, and the minimum standard set by English Partnerships for every one of its sites. It is important to note that “average” is not good enough – it falls below the benchmark established by the industry.

CABE National Housing Audit
www.cabe.org.uk

42. Standards are slightly better for Registered Social Landlords and public sector projects, which are subject to more checks and balances on quality issues. This adds to concerns as an increasing amount of social housing is provided through the market for example via section 106 schemes.
43. There is also a significant issue that schemes are not being built out as planned – as small changes post planning permission often have negative knock-on impacts on design.

44. The reforms that have been made to the planning system in terms of quality make it simpler for authorities to identify and reject the extremely poor schemes. Mechanisms, policy guidance and tools such as the Design and Access Statements also allow for an iterative process during pre and post-application discussions so that mediocre schemes can be improved as they progress through the system. Authorities are also able to ask for schemes to be submitted to the Commission for Architecture and the Built Environment (CABE) Design Review panel for expert opinion.
45. However, without significantly increased burdens on both local authorities and developers there is a limit to their ability to improve mediocre proposals once they have reached the stage of starting pre-application discussions. The core aim of this proposal is to explore options to influence quality at an earlier stage in the process – increasing the efficiency of the various inputs. All schemes have to be designed, and the question is whether one does this well or poorly. If it is done well first time round the costs are little different. However, reworking poor schemes endlessly will have increased costs to all parties.
46. There are also concerns about the skills capability and capacity of the housing construction industry. Nationally only 25% of firms are engaged in training, and the safety record of the industry is poor. The Department for Innovation, Universities and Skills are encouraging every employer in the housing construction industry to signal their commitment to their workforce by making a Skills Pledge – a voluntary agreement to train their staff.

Why is intervention necessary?

47. This state of affairs is wasting time and resource, with needless reworking of schemes, and too many appeals on design grounds. For example in the 6 months to 31 January 2005, 5,617 appeals were decided on design issues (only 35% of these were allowed). This is out of a total of 8,408 in that 6 month period.¹⁴ Many local authorities are developing their own approaches which is increasing inconsistency and making it more burdensome for the development industry to have to respond to these variations.
48. The reforms to the planning system are aimed at increasing speed – and will do so if the applications that come to local authorities are of decent quality. However, we believe that additional speed benefits will accrue if we can explore options to ensure that the poor and mediocre schemes are addressed before reaching the statutory system.
49. Previous consultations with industry have thrown up a concern that there is no incentive for them to put more effort into quality issues, especially since the market in its current state does not differentiate between marginal and good quality, and consumers are ill-informed. Discussion has indicated that they would welcome further exploration of quality assurance approaches, either through independent scrutiny or self assessment.
50. We have, at this stage, rejected the idea of setting up an independent scrutiny body. The Commission for Architecture and the Built Environment (CABE), who are a statutory body with a remit to promote good design (but not a statutory consultee) exist already. Options to make more effective use of CABE will be examined as part of the light-touch review agreed between Communities and Local Government and the Department for Culture Media and Sport.

¹⁴ Planning Inspectorate Data

Potential implications of the proposal

51. The proposal is to work with a sample of local authorities and developers (large and small) to see whether we can develop a model Quality Assurance scheme that codifies and articulates what is current good practice. **The idea is at an early stage of development, but the intention is that it would become a voluntary self assessment approach.**
52. The benefits to this would be
 - a) reducing the number of poor quality schemes that enter the system, therefore allowing more efficient use of resource;
 - b) increasing planning officers' confidence levels in the applications they receive, reducing the amount of time they have to spend in scrutiny and allowing discussion time to be devoted to the most significant issues rather than matters of detail; and
 - c) increasing the probability of schemes being built out as planned, which could also help reduce enforcement burden.
53. We anticipate trying to develop a model framework that is agreed by all parties, and which has some scope to be varied at a local authority level to meet local circumstances. However, it could not be varied at a site level to set the bar higher where local authorities might be resistant to development.
54. It is not the intention of this approach that local authorities would be able to place new burdens on the industry but would instead be a way of increasing confidence in all parties that those involved are equipped to deliver already established policies. For example, it is entirely legitimate that if a developer proposes to build homes in an area subject to flood risk they should be able to demonstrate that they have the technical competence to do this.
55. **Part of the pilot process would be to test the costs and benefits of such an approach. It would then be trialed in sample areas to ensure that it delivers the intended benefits.**
56. ***A more detailed Impact Assessment will be produced once these proposals have been further developed.***

Specific Impact Tests

Annex A

Competition Assessment

1. In assessing the proposals outlined in this Impact Assessment which accompanies the Green Paper we have looked at the Office of Fair Trading's (OFT) competition filter, and answered the four questions outlined. The proposals do not change the way the market works to directly or indirectly limit the number or range of suppliers. Nor do they change the ability of suppliers to compete or reduce their ability to compete vigorously.
2. However, this does not necessarily mean that the housing market is fully functioning and that there are no concerns around competition in the existing arrangements. The OFT is currently undertaking a market study into house building in the UK which will focus on the potential competition and consumer concerns within the market. The OFT study concentrates on two particular areas:
 - **Delivery of housing** – whether land which is suitable for development is being effectively brought through to the planning approval stage and whether land with planning permission is being converted effectively into homes; and
 - **Customer satisfaction** – the homebuyer's satisfaction with the properties available.
3. Specifically in relation to competition, the study will be assessing the extent of competition in housebuilding and barriers to entry and expansion including whether available land is being effectively brought through the planning process in a timely manner, scarcity of key inputs, and the effects of landbanks and option agreements.
4. This market study has been set up in response to the recommendation in the Barker Review of Housing Supply which said that the OFT should intervene if the industry did not significantly increase levels of customer satisfaction and introduce a code of conduct. The study is expected to report in summer 2008.¹⁵

Small Firms Impact Test

5. Other than as noted below, we do not believe the proposals assessed in this Impact Assessment will significantly impact on small firms working in housing as they do not change the way the housing market works or regulate to change building standards. However, as stated above the OFT is currently undertaking a market study into house building in the UK which will focus on the potential competition and consumer concerns within the market, and will look at barriers to entry into the market.
6. In particular, the measures put forward to improve quality shouldn't have a negative impact on small businesses as the quality assurance proposal won't introduce a new layer of bureaucracy, or a new set of standards that developers will be required to meet. It will be about developers demonstrating competence in key areas that the local authority identifies as important and if any developer, *regardless of size*, wants to develop such a site, they should have the right skills on-board to ensure that they do so in the right way. This proposal is simply about identifying the competence and track

¹⁵ Further information can be found on the OFT website at <http://www.of.t.gov.uk/news/press/2007/90-07>

record of the developer up-front and making best use of the pre-application period to inform scheme content and increase the possibility of lighter-touch scrutiny as a result.

7. The impact on small firms of changing environmental standards for new build outlined in the Green Paper are assessed in the Regulatory Impact Assessments on *Building a Greener Future – our strategy and timetable for achieving zero carbon homes* and *The Future of the Code for Sustainable Homes*. These can be found at <http://www.communities.gov.uk/index.asp?id=1511899> and at <http://www.communities.gov.uk/index.asp?id=1511884> respectively.

Legal Aid

8. These proposals do not have an impact on legal aid.

Sustainable Development, Carbon Assessment and Other Environmental Assessments

9. We have made a commitment that all new homes built after 2016 will be zero-carbon. We have also set intermediate targets: by 2010, new homes will emit 20% less than they do currently. The target for 2013 is 44% less. The document *Building a Greener Future* provides more detail on the target and our strategy for achieving it. We are also committed to making homes more energy efficient, and more information on this can be found in *The Future of the Code for Sustainable Homes*. These documents can be found, along with accompanying Regulatory Impact Assessments on the Communities and Local Government website: www.communities.gov.uk
10. We recognise that *inappropriate* development can exacerbate flood risks and that planning has a crucial role to play in addressing the flood risks of new development. A robust planning policy which incorporates the latest climate change predictions should enable the risks to be managed without preventing development that has wider significant social and economic benefits. In December 2006, we published 'Planning Policy Statement 25: Development and Flood Risk' (PPS25) which will inform future house building siting and development. Later this year we will publish a Good Practice Guidance companion to PPS25.
11. We acknowledge that water use in buildings needs to be reduced to maintain an acceptable and sustainable balance of demand and supply. Results from a consultation exercise have shown that there is support for setting minimum standards for water efficiency. This is why we are publishing a policy statement on how we intend to take this forward. This will include our intention to set in building regulations a standard for overall daily water use in new homes.

Health Impact Assessment

12. We have answered the three screening questions for the health impact assessment and our responses are as follows:

1. Will your policy have a significant impact on human health by virtue of its effects on the following wider determinants of health?

e.g. Income, Crime, Environment, Transport, Housing, Education, Employment, Agriculture, Social cohesion

13. Research carried out by Shelter has clearly shown that poor housing has a detrimental affect on health. For example, in their study, *Chance of A Lifetime – The Impact of Bad Housing on Children's Lives*¹⁶, Shelter found that a child living in overcrowded housing is up to 10 times more likely to contract meningitis, and that bad housing increases the risk of a child suffering severe ill health and disability by up to 25%. The report also found that children living in damp homes are between one and a half and three times more prone to coughing and wheezing – symptoms of asthma and other respiratory conditions – than children living in dry homes.
14. We recognise the important role that housing policy can play in improving public health. Our policies to increase the supply of social and private housing will enable more people to live in good quality housing and will help to tackle overcrowding. Our policy proposals will increase the supply of private housing by 240,000 per year by 2016, and of social housing by 45,000 per year. This will help to address some of the negative health impacts caused by bad housing.
15. Overcrowded housing conditions cause health problems, as Shelter stated in their report *Crowded Houses: Cramped Living in England's Housing*¹⁷: “Living in cramped conditions can have a detrimental affect on children’s health, education, and general well-being.” To help tackle overcrowding in the social rented sector and address the health problems associated with it, the Housing Corporation has set a target that for its whole programme 25% of social homes completed between 2006-08 should be of three or more bedrooms. Overcrowding is most severe in London, with 11% of households in the social rented sector overcrowded.¹⁸ In 2006, following extensive discussions at the London regional housing board, a specific target for larger homes was set in the London Housing Strategy, that 35% of new social rented homes entering the programme in London should have three or more bedrooms. The Housing Corporation have adopted this target and are on course to meet it.

2. Will there be a significant impact on any of the following lifestyle related variables?

e.g. Physical activity, Diet, Smoking, drugs, or alcohol use, Sexual behaviour and Accidents

16. There is no significant impact on lifestyle related variables.

¹⁶ Chance of A Lifetime – The Impact of Bad Housing on Children's Lives, Sept 2006, Shelter.

¹⁷ Crowded House: Cramped Living in England's Housing, Oct 2004, Shelter.

¹⁸ Survey of English Housing.

3. Is there likely to be a significant demand on any of the following health and social care services?
17. There is no significant impact on health and social care services from these policies, other than the need for the provision of infrastructure to support new housing growth. This will be addressed as part of wider work with the Department of Health on infrastructure provision.
18. A full health impact assessment is therefore not required.

Human Rights

19. The wider human rights implications of housing delivery will depend on how the policies are implemented, and are not directly affected by the proposals put forward in the Green Paper.
20. For example, there are always issues to consider under Article 8: the right to respect for private and family life, and Article 1 of the First Protocol of the European Court of Human Rights: the right to peaceful enjoyment of property, if compulsory purchase powers are used to acquire land, for example to develop housing. When deciding whether to confirm a compulsory purchase order the decision maker has to balance the interests of the individual owners of the land and the public interest. A compulsory purchase order will only be confirmed where the Secretary of State is satisfied that there is a compelling need in the public interest for the scheme to proceed. Compensation will be available to the land owner. The policies launched in the Green Paper do not change this.

Rural proofing

21. The delivery of increased housing supply has a clear spatial dimension and ensuring that we recognize the specific housing challenges in rural areas is crucial in delivering that new supply. Almost a fifth of England's population lives in rural settlements.¹⁹ Many rural areas face a significant shortage of affordable housing. While there are regional differences, in Great Britain more than 50% of local authorities with the highest house price to income ratio are in rural areas.²⁰ Moreover, only 12% of homes in rural areas are social housing for rent, compared to 21% in urban areas.²¹ Despite higher average incomes than urban households,²² almost 32% of rural households have incomes of less than 60% of the English median.²³ Rural district authorities receive a proportionate share of affordable housing investment. However, most of the investment goes into the towns in the area rather than villages.

¹⁹ The State of the Countryside (SOTC) 2007, Commission for Rural Communities, p.9, rural settlements are defined by the ONS as those with 10,000 people or fewer.

²⁰ Affordable Rural Housing Commission Final Report, p.15 (figures relate to Great Britain).

²¹ SOTC 2007, p.33 (figures from 2001 Census).

²² SOTC 2007, p.67.

²³ SOTC 2007, p.68.

22. In 2005 we set up the Affordable Rural Housing Commission to inquire into the scale, nature and implications of the shortage of affordable housing for rural communities in England.²⁴ The Commission recognized that, in population terms rural districts were receiving a proportionate share of affordable housing investment, but nonetheless identified continuing barriers to delivery, especially in smaller settlements. Its work was invaluable in helping our objective to improve access to decent accommodation at an affordable price for those living and working in rural areas.
23. Our recent Planning Policy Statement 3 (PPS3) gave rural planning authorities real powers to deliver, was strongly informed by the Commission's work. PPS3 has helped local authorities to positively address the need and demand for housing in rural areas. They can require affordable housing in the sort of smaller developments likely to be built in smaller towns. Sites can also be earmarked solely for affordable housing in rural areas where there is evidence of need and it is practical and viable to do so. This is in addition to housing delivered through the rural exceptions site policy.²⁵ A Regulatory Impact Assessment on PPS3 can be found at <http://communities.gov.uk/index.asp?id=1510286>
24. Following the Commission's report, we have also established a Rural Housing Advisory Group within the Housing Corporation to consider further innovative and efficient ways of delivering more rural affordable housing. The Group is also looking at how we can better meet the particular challenges faced by rural communities. The Group is identifying new schemes to increase rural housing supply and finance affordable housing. As part of this, seven pilot Community Land Trusts²⁶ are being established in rural areas.
25. The Housing Corporation is planning to invest £230 million across 2006-08 to deliver around 6,300 homes in small towns and villages with populations under 10,000. Investment in affordable housing must be based on proper evidence of need and in the context of a wider strategy for the area, which is why we have invited the Regional Assemblies to advise on appropriate levels of rural investment across 2008-11. In the autumn we will be announcing a target over the 2007 Comprehensive Spending Review period, 2008-11, for the Housing Corporation to seek bids for developments involving affordable housing in rural areas informed by that advice.

²⁴ <http://www.defra.gov.uk/rural/housing/commission/default.htm>. The Affordable Rural Housing Commission was set up in July 2005 by the Department for Environment, Food and Rural Affairs and the then Office of the Deputy Prime Minister.

²⁵ This policy allows planning permission to be granted in exceptional circumstances, where the housing is for local and long-standing residents, and that could not otherwise be provided.

²⁶ A Community Land Trust is a mechanism for the democratic ownership of land by the local community. Land is taken out of the market and separated from its productive use so that the impact of land appreciation is removed, enabling long-term affordable and sustainable local development.

Annex B

Equality Impact Assessment

Introduction

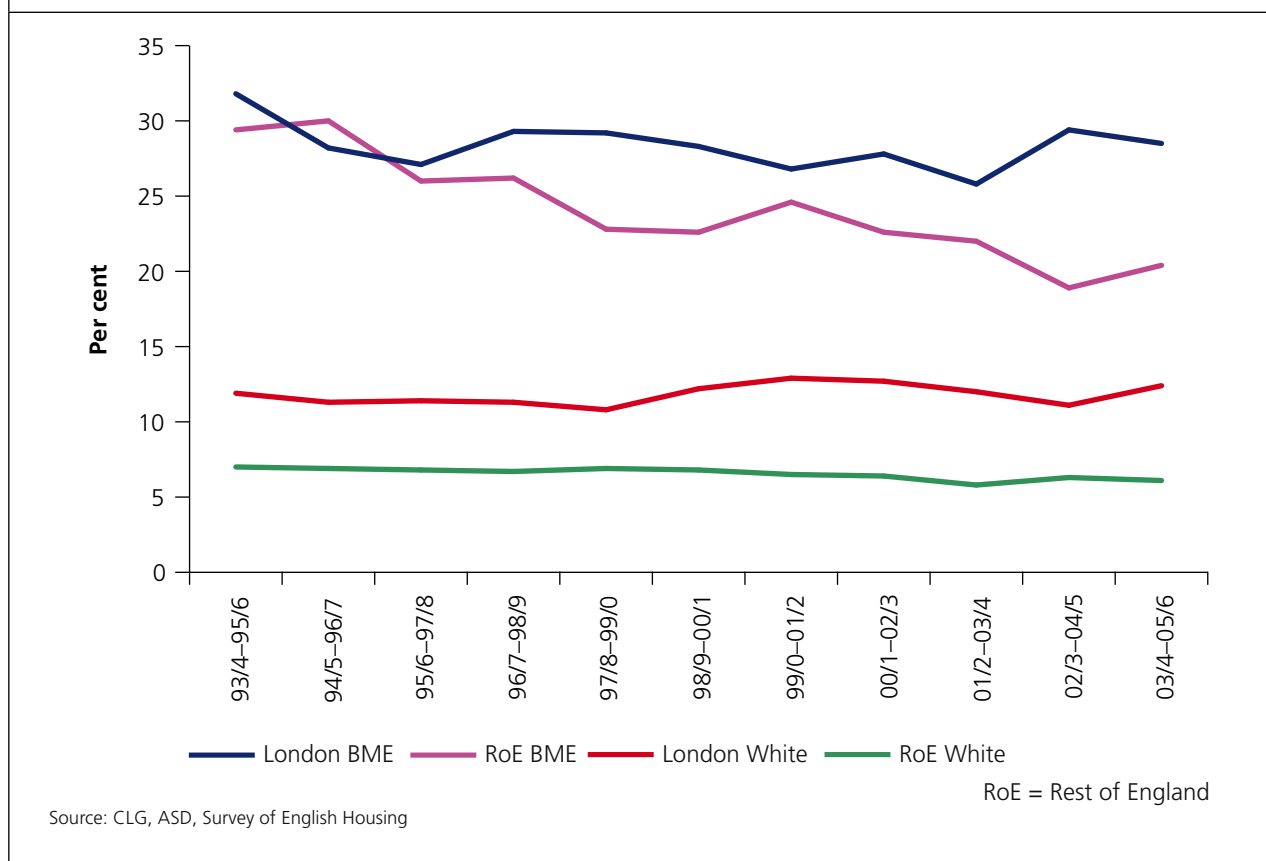
1. The Green Paper impacts on the equalities agenda in three ways:
 - a) **Housing Supply:** Ensuring that the uplift in supply of housing addresses issues of disadvantage, and increases cohesion and improves choice for all;
 - b) **Employment and skills:** Ensuring that the increased employment opportunities resulting from this uplift in housing are open and accessible to all, whether in the construction industry or development professions; and
 - c) **Housing and development design:** Ensuring that the design of the resulting housing and wider developments takes full account of issues of inclusivity, addressing the needs of an ageing society, of families, women and young people, the disabled and of different ethnic groups.
2. Communities and Local Government has recently consulted with individuals and wide ranging representative groups on how to ensure that housing policy can better promote equality. For example as part of the National Strategy for Housing in an Ageing Society focus groups have been held with older people, including Black and Minority Ethnic (BME), Lesbian, Gay, Bisexual, and Transgender (LGBT), and disabled older groups. The Steering Group includes older people and the major representative bodies. Many older people and disability groups have written consultation responses. Key messages have included further promoting the Lifetime Homes Standards, ensuring planning is responsive to older and disabled people and ensuring that specialist housing is considered.

A: Housing Supply

Race Equality

3. Black and Minority Ethnic (BME) households are disproportionately found in overcrowded households. As the chart below shows, in London, nearly 30% of children in BME households and over 10% of children in white households live in overcrowded conditions:

Figure 12: Percentage of children in overcrowded households: all tenures by London/ Rest of England and White/BME



4. Our policy proposals will increase the supply of private housing by 240,000 per year by 2016, and of social housing by 45,000 per year. As outlined in the health impact assessment in Annex A, our targets for larger homes will help to address overcrowding in the social sector, which will have a positive impact on BME communities.
5. The increase in the supply of social housing will help to address community cohesion issues as well, as public attitudes research for the Commission on Integration and Cohesion²⁷ found that more than half of people (56%) feel that some groups in Britain get unfair priority when it comes to public services like housing, health services and schools. Increasing the supply of social housing will help to alleviate the pressure on allocations to social housing. The Commission recognised this, stating “Government has acknowledged that more needs to be done to increase supply of housing, and we welcome the ambitious targets expressed.”²⁸

Gender Equality

6. There are no specific gender impacts of the increase in the supply of new housing itself, although the way in which this new supply is delivered on the ground will be important in ensuring that women feel safe and secure in any new developments. This is important as British Crime Survey data shows that women feeling unsafe in their local areas outnumber men by 6:1.

²⁷ <http://www.communities.gov.uk/index.asp?id=1501520>

²⁸ Commission on Integration and Cohesion, p 123.

Disability Equality

7. It is important that the new supply of housing is delivered in a way which is accessible and meets the accommodation requirements of specific groups. Planning Policy Statement 3 (PPS3) requires local planning authorities and regional planning authorities to carry out Strategic Housing Market Assessments as part of their planning for new housing. Following consultation with stakeholders including the Diversity and Planning Sounding board, which includes members from various groups, such as the Disabled Persons Transport Advisory Committee and the Disability Rights Commission. PPS3 requires that these assessments should identify the needs of specific groups, including disabled people.²⁹
8. In addition, disabled people are twice as likely to be social housing tenants³⁰, less likely to own their own homes and more likely to live in 'non-decent' homes. Of the 76,860 new cases of statutory homelessness in 2006, 7% were households who were vulnerable as a result of mental illness, and 5% as a result of physical disability.³¹
9. In the Housing Corporation's 2006/08 Affordable Housing Programme over £200m was allocated to Supported Housing schemes. This is just over 8% of the rental programme. The Corporation have said in their pre prospectus that they want to maintain this level for the next programme which runs from 2008 to 2011.³² So, the increase in supply of social units will also ensure that there is an increase in supply of supported accommodation for those that need it.

Older People

10. Older people are expected to make up 48% of the net growth in households up to 2026, and this is set to rise further, which has important implications for housing and planning. The South East region will have by far the biggest growth in actual numbers of older households. At a more local level, in some local authorities older households will make up almost all of projected growth.

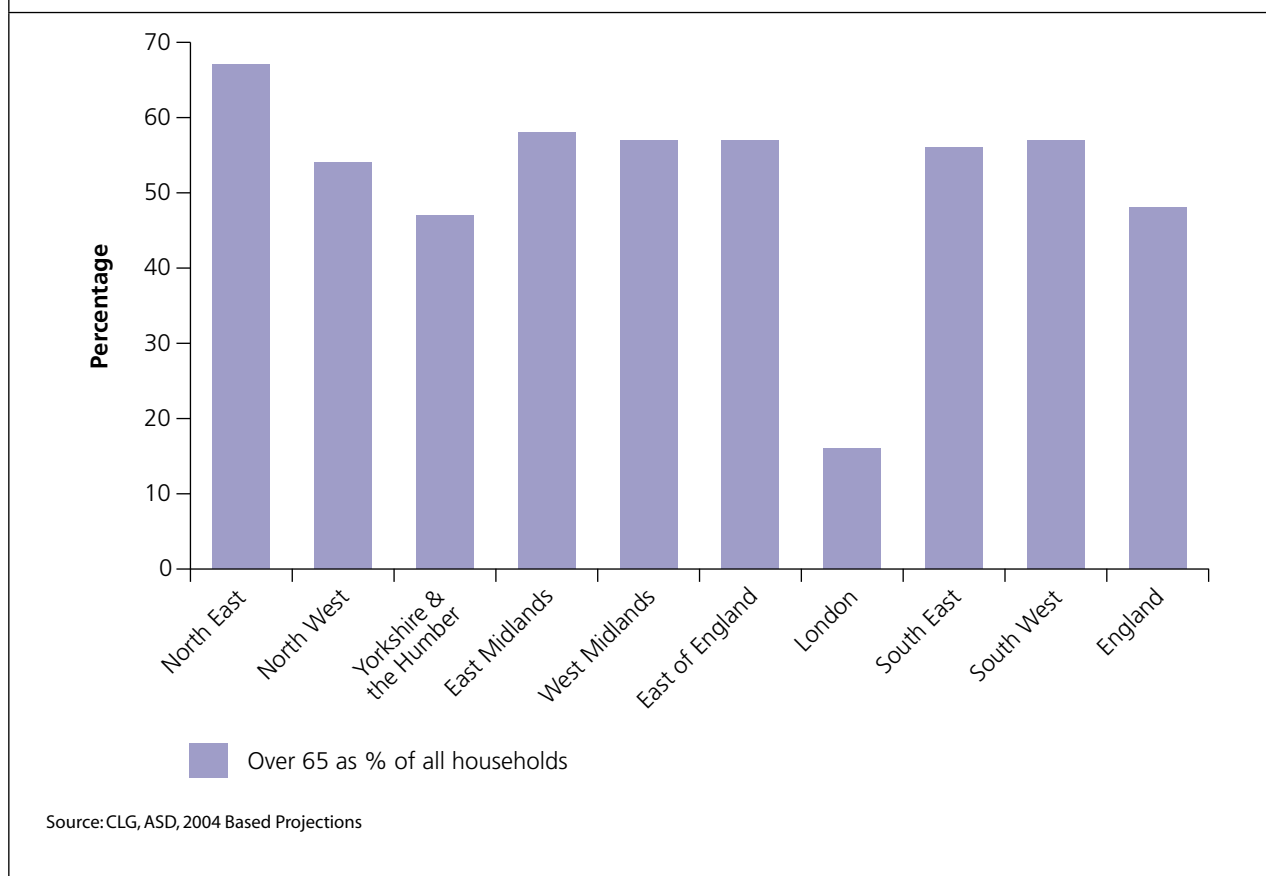
²⁹ For more information see <http://www.communities.gov.uk/index.asp?id=1510282>

³⁰ English House Condition Survey, 2005..

³¹ Data from the quarterly P1E Homelessness Return.

³² <http://www.housingcorp.gov.uk/upload/pdf/NAHP0811v5.pdf>

Figure 13: Over 65 as % of all household growth



11. A disproportionate number of older people also live in housing that does not meet thermal and safety standards and is expensive to adapt, with major spending implications for health, housing and care services. To address these challenges we are making further announcements on this in *The Future of the Code for Sustainable Homes* launched alongside the Green Paper³³, and are currently consulting on our *National Strategy for Housing in an Ageing Society* which is due to be published in the Autumn.³⁴
12. In relation to planning the delivery of new supply by local authorities, we have taken steps through Planning Policy Statement 3 (PPS3) to ensure that the housing needs of older people will be taken into account. Further details on this can be found in the Equality Impact Assessment on PPS3:
<http://www.communities.gov.uk/index.asp?id=1510282>

B. Employment and skills

13. The two main sectors of the workforce concerned with this agenda are construction workers and built environmental professionals. The (then) Department for Education and Skills recently published an equalities impact assessment across all adult skills policies (including Sector Skills Councils' work). This set out a commitment to produce an Action Plan by the end of 2007 taking into account any further developments coming out of the Leitch Implementation Plan. This will be highly relevant to assessing and identifying opportunities for further action needed as a result of uplift in activities emerging from this Green Paper.

³³ <http://www.communities.gov.uk/index.asp?id=1511885>

³⁴ <http://www.communities.gov.uk/index.asp?id=1510252>

Race Equality

14. In terms of composition 7.9% of UK workforce, but only 2.8% of built environment professionals, are from BME groups. It is expected that BMEs will make up 50% of the growth in the working age population between 1999 and 2009, but only 17.3% of students studying built environment subjects are from BME backgrounds. There is variation within this figure: for example a much higher proportion of BME students are reading electrical and electronic engineering (27.8%) than landscape architecture (4.1%).³⁵
15. In addition 51% of white students studying architecture, building and planning subjects went into construction and related occupations (compared to 35% of BME students). A white student of architecture was four times more likely to obtain a first class degree than a BME student and representation of BMEs within Architecture courses decreases over time. The research indicated that in Part I it was 21%; Part II 16%; Part III 9% (to note: figures not from same cohort).³⁶
16. Communities and Local Government funding for the Commission for Architecture and the Built Environment (CABE) aids in supporting them to champion wider representation through the Minority Ethnic Representation in the Built Environment Professions campaign.

Gender Equality

17. The make-up of the Construction industry is predominantly male. Detailed analyses have been compiled and are available from CITB-ConstructionSkills. The latest reports show, for example, that less than 1% of women are engaged in craft and trade areas, which rises to 12% in design and management. Conversely, 87% of the secretarial support workers are female.³⁷
18. Between 1990 and 2002 there was a steady increase in the percentage of women studying architecture, from 27% to 38% of the total architecture student population. In recent years drop out rates of women students during the Part 1, Part 2 and Part 3 stages of the course have steadily reduced, so that they were, until recently, on a par with their male counterparts. More recently, Royal Institute of British Architecture (RIBA) education statistics have indicated a slight decline in this parity.³⁸ According to recent RIBA and Architects Registration Board statistics, once they qualify, the percentage of women falls from being around 38% of the student population to only 13% of the architectural profession.³⁹ This compares poorly with law and medicine where women now make up almost half of the active profession. A report carried out by RIBA in 2003 entitled "Why do Women leave Architecture?" explores the reasons why women who have qualified as architects, are leaving architecture as a career. The report can be found at <http://www.riba.org/fileLibrary/pdf/WWLAFinalreportJune03.pdf>

³⁵ Source: DCMS seminar on diversity in the built environment professions, RIBA, 7 February 2007.

³⁶ Sources: Minority ethnic students and practitioners in architecture 2002 <http://www.cabe.org.uk/AssetLibrary/2266.pdf>
Architecture and race, 2004 <http://www.cabe.org.uk/AssetLibrary/1258.pdf>

Minority ethnic students in the built environment professions 2005 <http://www.cabe.org.uk/AssetLibrary/1723.pdf>

³⁷ CITB_ConstructionSkills 2006.

³⁸ Mirza and Nacey 2001.

³⁹ Mirza and Nacey 2002.

19. ConstructionSkills, the Sector Skills Council for the construction industry is working with other Sector Skills Councils (SSCs) as part of the Government's Women & Work programme. They have recently launched a two-year scheme which aims to help up to 10,000 women find new careers or progress their careers in sectors where they are currently under-represented. From school leavers to those returning to work after a career break, women will have the chance to test out new recruitment and career opportunities that have previously been considered the preserve of men. ConstructionSkills, which already runs the Positive Image campaign to encourage women and ethnic minorities into the industry, will run a variety of new projects to provide women with the skills and confidence they will need to succeed in the industry, including training for a new career; personal development programmes to help in progressing to supervisory and managerial level, and also into self employment; mentoring schemes for female employees; and female-only bursaries for technical qualifications.

Disability Equality

20. A series of publications⁴⁰ by Peter Farrell and Rosie Middlemass of the University of Bolton gives guidance to students, higher education institutions, employers and professional bodies about removing barriers to disabled people entering built environment professions, making a number of recommendations.

Policies to address the equality impacts outlined above

21. There is a considerable amount of activity underway across the Department for Innovation, Universities and Skills, the Department for Business, Enterprise and Regulatory Reform and Communities and Local Government to put in place measures to address equality impacts in these core sectors, as set out in the example below related to the construction sector.
22. In terms of the built environment professional sector, Communities and Local Government's Academy for Sustainable Communities (ASC) works to attract and retain people in key professions. It is considering what equalities issues currently exist in recruitment, retention and learning, and will reflect any differences and address disparities in the shaping and delivery of its programmes.

⁴⁰ Guidance to potential and current disabled students in the built environment: removing barriers to qualification
<http://data.bolton.ac.uk/be//documents/Student%20guide.pdf>

Guidance to Higher Education Institutions: removing barriers and anticipating reasonable adjustments for disabled students in built environment degree programmes
<http://data.bolton.ac.uk/be//documents/HEI%20guide.pdf>

Guidance to built environment employers: removing barriers to disabled people becoming professionally qualified through graduate training programmes
<http://data.bolton.ac.uk/be//documents/Employer%27s%20guide.pdf>

Guidance to Built Environment Professional Bodies
<http://data.bolton.ac.uk/be/documents/Professional%20body%20guide.pdf>

23. ASC learning programmes are required to collect beneficiary information for age, race, gender and disability data for all the participants on courses it runs or supports, which will assist in monitoring take-up, while the ASC is beginning to establish a baseline and to identify scope for future joint working on this issue, by asking key partners to provide a breakdown of their membership by gender, ethnicity and disability. Commission for Architecture and the Built Environment (CABE) is also championing wider representation through the Minority Ethnic Representation in the Built Environment Professions campaign.
24. Communities and Local Government, working through the Academy for Sustainable Communities (ASC), is taking action to promote best practice examples of schemes working improve opportunities for all, such as the recent winner of the 2007 ASC awards (see box below for further details).

CASE STUDY

In 2002, the Accent Community Group recognised the need for investment to support communities in Bradford. Despite significant investment in city regeneration, construction companies were importing skills from outside Bradford, even though the city has one of the highest unemployment rates in the country. They worked with the district council, training bodies, the local college, employers and investors to set up Accent Community Partnerships to help local people develop the skills needed to meet local needs.

The Accent Group's own investment in the project has been used to obtain extra funding from other sources to regenerate the area and improve skills. Funding now comes from eight different bodies, including the Learning and Skills Council, the European Social Fund, the Construction Industry Training Board and Fair Cities. They converted an old building, located in an area of high unemployment and social deprivation, into a dedicated training unit. There are now plans to redevelop this site to provide 18 managed workspace units for new construction companies. They will also have a 5,000 sq ft dedicated space as an office and training centre.

The strength and success of the project comes from its mentors, who are recruited from local communities, enabling Accent to follow and look after each individual from initial recruitment, through their training and into the first year in employment. By identifying the skills shortages in local communities and listening to local people, Accent has created a project around individuals and their needs rather than taking a 'one size fits all' approach. Accent has successfully involved users at every stage of development to evaluate and adapt the project in line with its commitment to creating sustainable communities. **The project is gaining international acclaim and recognition and is seen throughout Bradford as vital to encouraging local people, particularly from ethnic minority and disadvantaged communities, to take part in skills training and education.**

25. The Green Paper proposes increased joint working between Communities and Local Government, the Department for Innovation, Universities and Skills, the Department for Business, Enterprise and Regulatory Reform and the Department for Children Schools and Families to explore improvements to the delivery skills base to support housing growth, whilst also supporting local people's skills needs. **This will, for example, explore whether there is sufficient joining up of these initiatives or whether more could be done to make opportunities available to all.**

3. Housing and development design

26. At the macro level the location and size of housing being offered will often matter more to tenants and purchasers than how well it is designed and built, e.g. availability of public transport, nearby shops and schools, places for children to play. However, at a more detailed level the quality of the design will make a significant difference to how the homes function and how well the place operates as a community. For example, are you able to find a home big enough to maintain kinship networks? Is the layout suitable to maintain religious observance, such as some separate space for men and for women? And is the house suitable for those in a wheelchair? Getting the quality issues right will have a significant impact on the equality impacts of this increased supply of housing.
27. We are currently working with the Commission for Architecture and the Built Environment (CABE) to drive forward action on inclusive design. Inclusive design is about making places everyone can use. It aims to reduce barriers that create undue effort and separation. CABE, working with the Inclusive Environments Group (IEG) have developed a set of five principles of inclusive design that:
- place people at the heart of the design process
 - acknowledge diversity and difference
 - offer a choice where a single design solution cannot accommodate all users
 - provide flexibility in use
 - provide buildings and environments that are convenient and enjoyable for use by everyone
28. CABE's work is now focusing on ensuring that inclusive design is integrated across its programmes in order to effectively influence practice on the ground. This work is informed by the expert advice of the Inclusive Environments Group, which it hosts and which allows for the input of a broad range of expert interests in informing its programmes and activities. CABE last year published *The Principles of Inclusive Design* and work is now underway to disseminate this guidance, supporting its existing guidance to assist in the preparation of Design and Access Statements. Alongside its research and publication activity, CABE is also providing training on access and design issues to key groups. **To ensure that the equalities impacts of housing design are fully addressed we will look at refining the membership of the IEG to provide the breadth of expertise necessary, and improve the evidence base to exemplify the socio-economic costs of design which unnecessarily excludes certain users.**

Race Equality

29. There are no specific design issues which will have an impact on race equality. However it is important for designers to have knowledge of different house forms in order to provide a suitable range of accommodation. For example, a number of traditional patterns of living for different groups are based on access to a courtyard, and this can be reflected by use of patios and balconies. In addition, demographic characteristics, such as the number of children under 10 and the spread of household

sizes, have design implications which need to be reflected in local strategies. The average household size is 2.3 for all households, but this rises to 3.8 for Pakistani households and to 4.0 for Bangladeshi households. Over 50% of Bangladeshi and Pakistani households are of 4 or more people, compared with under 20% of White households.⁴¹

30. As an example of the actions underway to address these issues, Communities and Local Government has been working with English Partnerships to test the concept of 'super-flexible housing' – housing that can accommodate diverse needs and trends and accommodate future requirements that are not necessarily foreseeable. This could include changing live:work patterns or the needs of specific ethnic groups. Super-flexible homes are built to allow for easy extension or adaptation over time.

Gender Equality

31. The British Crime Survey data shows that women feeling unsafe in their local areas outnumber men by 6:1. Guidance contained in *Safer Places: The Planning System and Crime Prevention*⁴² sets out how to address these issues, for example it is clear about the need to maximise overlooking of public spaces by active frontages. This sense of natural surveillance helps to deter potential criminals and makes people feel safer.
32. Secured by Design is a police initiative to encourage the building industry to adopt crime prevention measures in the design of developments to assist in reducing the opportunity for crime and the fear of crime, creating a safer and more secure environment. It is owned by the Association of Chief Police Officers (ACPO) and has the support of the Home Office and Communities and Local Government.
33. The reduction of crime and the fear of crime are key objectives of Secured by Design. Busy movement routes provide informal control by citizens and a heightened sense of safety. In particular, clear and direct routes through an area for all forms of movement are desirable. However, these should not undermine defensible space and the sense of ownership and responsibility inherent in well-designed neighbourhoods. Secured by Design seeks to promote routes that are active and self-policing, and where leisure routes are less busy, to ensure that the design approach responds accordingly. The creation of underused and lonely movement routes is to be avoided.
34. Continuing to work with other organisations such as the Home Office, ACPO and CABE will see the continued implementation of these simple urban design measures, which help to both reduce crime and the fear of crime.
35. In addition, the Academy of Sustainable Communities is working to improve the way that sustainable community professionals take Inclusive Design principles and community safety into account at an early stage of the planning and implementation of new housing developments.

⁴¹ Survey of English Housing, 2004/05 and 2005/06 combined.

⁴² <http://www.crime-reduction.gov.uk/activecommunities/activecommunities61.htm>

Accessibility issues: Disability Equality and Older People

36. There is action underway to address the accessibility issues raised by housing for disabled and older people, particularly through our agencies and the inclusive design agenda, and through promotion of the Lifetime Homes standard in *The Future of the Code for Sustainable Homes*⁴³. Through this we want to take progressive steps towards encouraging all housing to be built to the Lifetime Homes standard.

Lifetime Homes standard

The aim of the Lifetime Homes standard is to ensure that households, when faced with a sudden crisis such as an incapacitating accident, injury or illness besetting a member, are able to make short-term adaptations to allow time to consider future needs, and longer-term adaptations should their wish be to remain in the family home. The measure will benefit people on first becoming disabled, or becoming progressively frail, since they will have real choices available to them.

37. In addition, the British Standards Institution, with support from Communities and Local Government, is producing guidance on Accessible Housing. This will bring the Lifetime Homes standard up to date, and provide new guidance on issues such as provision of lifts in apartment blocks.
38. **In terms of the impacts in this area of the Green Paper proposals, we will explore with the relevant partners whether there is an increased need for more momentum in these areas. And, if so, what mechanisms might be appropriate.**

⁴³ <http://www.communities.gov.uk/index.asp?id=1511885>

Annex C

Point of Contact for Enquiries

If you have any questions about the contents of this Impact Assessment please send them to:

Housing Green Paper Team
Communities and Local Government
Zone 2, J9
Eland House
Bressenden Place
London SW1E 5DU
Fax: 020 7944 3647

Or if you would like to contact us by email please include the words 'Impact Assessment' in the subject or title and send it to:
housinggreenpaper@communities.gsi.gov.uk

To note: the Consultation period for the Housing Green Paper runs until 15 October 2007.