

Lyons Review – headline summary

The [Lyons Housing Review](#) published on 16 October is the most comprehensive blueprint for tackling the housing crisis since Barker in 2004. Chronic undersupply has left us with a dysfunctional housing market, pricing out whole swaths of people up and down the country. In this context, Labour's pledge to deliver 200,000 homes a year by 2020 if elected will be a step in the right direction, although latest estimates put the need at closer to 260,000 a year. The 180-page strong report provides a detailed roadmap of how this is to be achieved. This short note provides a summary of the headline messages.

Strong National Leadership

Government is to provide long-term leadership with the decisions about how and where homes should be built devolved to local communities. To make this happen, a cross-government task force to support Ministers is proposed, with an independent commission providing scrutiny and evaluation of progress, alongside the creation of a housing observatory to produce a robust evidence base. The housing ministerial role will be given cabinet status once again. The HCA's role is to be confined to that of delivery agent and attracting private investment. Current funding programmes for housing should be consolidated and devolved to local authorities in city and county regions.

Land Supply

There will be a renewed focus on bringing forward land for development. Councils are compelled to identify sufficient land, with the new powers given to the Secretary of State to ensure that councils cooperate across boundaries to meet needs in a housing market area. Councils should be given 'use it or lose it' powers to incentivise faster development, giving them the ability to levy council tax on plots allocated for housing in plans where homes are not built within reasonable timescales.

Place Shaping at Local Level

Decision over where housing is to be built should lie with local communities, giving local authorities greater place-shaping powers through Housing Growth Areas. So-called New Homes Corporations led by local authorities are to act as delivery agencies, working across housing market areas with a particular focus on development in Housing Growth Areas, bringing together various partners including housing associations to deliver the homes needed in an area. Revolving Infrastructure Funds will pool central and local funds, and will be able to attract private investment in infrastructure to support new homes.

Diversifying the House Building Industry

Whilst private developers are seen as the lynchpin of delivering the ambitious target set out in the Review, it is recognised that they can't do this on their own (they are expected to build half of the 200,000 homes in 2013 and increase output by 50 per cent on 2013 levels), but this requires the likes of housing associations, local authorities, small builders, custom builders, and private rental developers to at least doubling the number of homes they provide. It is acknowledged that policy stability and adequate

land supply, coupled with greater risk sharing and collaboration with the public sector is key to encouraging volume house builders to step up supply. Also proposed is a package of support for SMEs to reduce the risk of developing smaller sites and provide government guarantee for accessing finance. Support should further be provided for self and custom build, as well as community-led housing initiatives. There are prospects for increasing the use of off-site manufacturing and modern methods of constructions.

Housing Choice

The Review recognises the importance of greater choice of housing options, tailored to the needs and financial circumstances of consumers. Whilst grant funding is to be continued, any increases will depend on the overall fiscal position at the time. The recognition of housing associations as highly entrepreneurial and dynamic businesses in delivering housing at scale is welcomed. In this context, proposals to require HAs make use of their surpluses and headroom are not new, as policy makers look for new ways of unlocking further supply. It will be important though that this is considered within the overall financial profile of individual organisations, as it impacts on the cost of lending and ability to remain long-term sustainable businesses. Whilst councils are encouraged to build more homes themselves, borrowing rules will remain unchanged.

Garden Cities, Infrastructure Investment and Environmental Considerations

The development of new Garden Cities and Suburbs, together with remodelled towns is said to help with the delivery of up to 500,000 homes. Allowing Garden Cities to retain 100 per cent of business rates for a 30 year period are designed to stifle any 'nimbyism'. Effective ways of generating infrastructure investment are proposed, including reforming compulsory purchase legislation as a way of incentivising landowners to invest in land partnerships, ensuring that the infrastructure can be funded from the land value uplift. The Review reiterates a Labour Government's commitment to zero-

carbon, minimum standards for new build, the streamlining of housing standards, and good quality building design, based on environmentally sustainable principles.

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