

Submission of Evidence Form – National Development Framework

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Title of evidence

More | Better: an evaluation of the potential of alternative approaches to inform housing delivery in Wales

Summary of evidence

There is a clear need in Wales for diverse, high quality housing that is not being met. This need is not likely to be met through volume house-building methods. There are also clear and emerging drivers for change, which should prompt legislators and commissioners of housing to engage in a national / international debate on the nature of new housing. This debate should inform future land use, housing and environmental strategies, emerging housing standards, and the ways in which we measure performance, affordability and value in the future.

The More | Better report is the product of an evaluation of alternative approaches to housing delivery, conducted by Cardiff University between April of 2016 and January of 2017 and funded by Welsh Government's Homes and Places Division. The evaluation was a wide ranging exploration of various approaches currently being employed in the delivery of housing at a range of scales – predominantly in the UK, but also overseas. The report assesses different considerations in the selection of alternative approaches to housing delivery and explores the potential for wider benefits. It brings together analysis of fourteen 'live' case studies (projects that have delivered, or propose to deliver, affordable housing using existing or emerging alternative approaches), combined with informed commentary from expert contributors in the form of thirteen themed essays. Alternative approaches considered were *delivery pathways* (eg development partnership, community-led, self-build) or *construction techniques* (eg timber frame, offsite, modular). The report concludes that there is no single 'silver bullet', but that there is potential for more, better housing through a combination of innovative delivery pathways and alternative construction techniques.

Link: <http://orca.cf.ac.uk/98055/>

Summary of key issues/conclusions

The Welsh construction industry has access to innovative alternative construction techniques. Alone, these techniques cannot 'solve' the affordable housing crisis. However, combined with similar innovation in housing delivery, they could produce **more** housing that meets the above aspirations, in terms of building sustainable communities and making **better** quality homes accessible to households that are currently excluded from them.

This report concludes that there is *no single silver bullet* to 'solve' the housing crisis. A range of approaches were evaluated. Each could deliver different benefits. Some benefits relate to project delivery (eg. affordability, reduced site time, fewer defects). Others relate to the development 'in use' (eg. reduced fuel bills, lower carbon footprint, energy generation). Other benefits impact on the wider context (eg support for local supply chain, community socio-economic benefits). Such considerations should inform choice of approach.

The private sector, public/private partnerships, custom build, cooperative housing and self-build all have a part to play in the delivery of affordable housing. Quality design is needed, to ensure that homes are fit for future generations and a more consumer-oriented market.

Pathways that encourage households or communities to build their own homes result in new homes being delivered *in addition* to homes delivered through conventional routes, not in place of them. These pathways could make a meaningful contribution to housing supply. Community-centred initiatives are already happening in Wales.

Within the report, recommendations are made for both local authorities and for Welsh Government, in order to inform future decision making around housing delivery. Diagrams graphically explain key benefits and limitations of alternative approaches, and describe the potential implications of a step change in housing delivery across Wales.

Land use is a particularly critical factor in housing delivery, and it is crucial that those involved in national scale strategic decision-making affecting land use understand the benefits and limitations of alternative approaches.

Why have you submitted this evidence?

This evidence has been submitted because it has the potential to inform decisions that affect 'housing', an area of national importance, and to affect the way in which our communities grow (with sustainable objectives in mind) and any infrastructure that is planned around medium or long term growth.

The research was conducted with the explicit aim of informing decision making by policy makers and commissioners of housing in Wales, including those involved in the production of regional Strategic Development Plans and local authority Local Development Plans.

The potential benefits of alternative approaches to housing supply (whether they be delivery pathways or construction techniques) are varied, and cut across a wide range of domains including environment, ecology, health and socio-economic benefit. However, the limitations are also real, and must be

considered in key decision-making processes.

Each technique has different potential benefits. Some reduce specialist skills, increasing their applicability. Others lend themselves to densification of existing neighbourhoods. Some alternative approaches support greater levels of flexibility and adaptability, while others can deliver higher quality, even zero-defect, building. Pop-up factories establish opportunities for local training, and promote the use of local materials and resources. Some approaches would put development directly into the hands of communities.

However, for these approaches to make a meaningful difference to the quality and quantity of housing in Wales, they must be employed in an holistic, integrated fashion. Land use is one of the biggest barriers to housing delivery, and it is critical that decisions around land use are made in an informed manner, taking into account implications for housing delivery, and for the wider benefits that could result. It is essential that informed decisions are made at the highest strategic levels, and the ongoing work we are doing around More | Better housing should be considered as evidence for the NDF.

How should this evidence inform the development of the NDF?

This evidence would help deliver WG objectives by providing a clear pathway to deliver on the seven goals enshrined in the WFGA.

The evidence relates specifically to 'housing', an area of national importance. The evidence, as described above, would clearly help to support the delivery of future projects and initiatives in an informed manner, as part of a joined up and co-ordinated plan. However, achieving these aims requires coordinated consideration of the evidence contained in the report and implementation of strategic decision making at high level, and could not be effectively implemented solely at a regional or local level.

The evidence within the report would assist in ensuring that the NDF maximises opportunities arising from new housing development, and would enable the planning system to support the delivery of key strategic objectives – specifically objectives that are centred around facilitating more / better housing, and implementation of the seven WFGA goals.

The evidence within the report should inform national economic, environmental, housing, energy and cultural strategies. It should be reviewed on a regular basis, as the report will be updated as a live resource, to capture best practice in terms of both 'live' case studies and wider implications, as it emerges.

The evidence would also contribute to the NDF's role in shaping regional Strategic Development Plans and local authority Local Development Plans, by informing decisions around the siting, nature, type, construction and delivery of future housing across Wales. Future decisions around housing delivery in Wales should be made with a clear understanding of the potential for wider environmental, ecological, and socio-economic benefits, as described by the More | Better report.

How does this evidence and any actions it recommends help achieve the 7 well-being goals?

The seven well-being 'goals' enshrined in the Well-being of Future Generations (Wales) Act 2015 fundamentally informed the research objectives for this piece of work. By acting on the evidence contained within the report, future housing development in Wales has the potential to deliver on the seven well-being 'goals' enshrined in the Act as follows:

A globally responsible Wales	Setting higher standards – reduced carbon footprints and energy-positive communities
A prosperous Wales	Developing an integrated all-Wales supply chain using local resources and a sustainable economy
A resilient Wales	Future proofing with long term flexibility, adaptability, ecological value, climate resilience
A healthier Wales	Reduced pressure on the health service through homes that promote physical and mental wellbeing
A more equal Wales	Eliminating household poverty by delivering affordable housing for all
A Wales of cohesive communities	Stronger neighbourhoods that support co-housing, self-build and cohesive communities
A Wales of thriving culture and language	Promoting diversity through Wales' unique cultural heritage, context and landscape

These aspirations underpin the More | Better research, and provide a framework for the findings, and for future work.

Why is the evidence of national significance?

The **national** housing crisis in Wales is well documented (PPIW - Future Need and Demand for Housing in Wales (2015), and Meeting the Housing Needs of an Ageing Population in Wales (2015)), as are the key underlying factors that limit the supply of new homes - availability of land and the value attributed to it, the cost of building new homes to contemporary standards, and the methodologies adopted by a relatively small number of national housebuilders, who dominate the supply of new housing in the UK, and more specifically in Wales.

What is less well documented is the range of alternative approaches to house-building in Wales, some established and others emerging. Some of these alternative approaches relate to alternative methods of construction, while others are related to alternative pathways – and to commissioning or procurement. Some of these approaches have the potential to impact on the cost of building new homes, others could improve the performance and quality of these homes. Yet more have the potential to encourage individuals, organisations and communities to develop and build for themselves, or to do so more economically, or more appropriately. Some may unlock land previously considered undevelopable. Many also provide opportunities for capital expenditure to stay in Wales. Together, these implications could

significantly increase our **national capacity** to build more homes, better.

According to BCIS data, the cost of new housing in the UK is among the most expensive in Europe, at around £1050/m². For lower income communities in Wales, the prospect of purchasing new housing at these costs is unrealistic. Wales also has the highest percentage of households suffering from fuel poverty in the UK. Alternative approaches are needed, that deliver 'better' affordable housing without untenable cost increases.

It is important to distinguish between cost and value. Alternative approaches can deliver better value than traditional approaches, through wider benefits such as reduced pressure on local systems (including environmental systems and healthcare), skills provision, increased local employment, and benefits to the local economy.

Developing appropriate technologies in Wales would build capacity for local construction. An all-Wales supply chain would keep much of the expenditure within Wales, reinvest capital in Welsh industries and, longer term, and develop expertise and products for export.

Three of the projects generate significant income through renewables. In the right context, renewables provide a means by which housing delivery can be re-considered as an income stream, offsetting rentals to deliver more affordable housing. However, in order to be successful, energy generation must be properly integrated into the projects – in terms of design, construction and operational / maintenance programmes.

If Wales is to rise to the challenge of the national housing crisis by constructing a legacy of homes that future generations consider to be a blessing and not a burden, the correct standards, incentives and monitoring must be put in place to encourage *all* existing pathways, along with some that do not yet exist, to produce more, better housing.

Do you agree for your evidence to be made public? (Only evidence that can be made public will inform the development of the NDF)

The report is already in the public domain (see link: <http://orca.cf.ac.uk/98055/>). Further work will be made public periodically.