



INTERACT
INFORM
INFLUENCE

June 2024

Locally-led Development Corporations

Consultation response from The Housing Forum

Response submitted by:

Anna Clarke, Director of Policy and Public Affairs

On behalf of [The Housing Forum](#), 1 Minster Court, Mincing Lane, London EC3R 7AA

Anna.clarke@housingforum.org.uk or info@housingforum.org.uk. 07442 405513.

About The Housing Forum

The Housing Forum is the UK's cross-sector, industry-wide organisation that represents the entire housing supply chain. Our growing membership drawn from over 150 organisations across the public and private sectors and includes local authorities, housing associations, housebuilders, architects and manufacturers. All share our determination to drive quality in the design, construction and decarbonisation of UK homes. They have a commitment to partnership working and share in our vision of 'A Quality Home for All'.

In order to achieve this, we have advocate for policy change needed for everyone to live in a good quality, sustainable and affordable home. Our key [Housing Solutions](#) set out how we think this can be achieved.

info@
housingforum.org.uk

The Housing Forum Ltd
6 Floor, 1 Minster Court
Mincing Lane
London EC3R 7AA

Registered Company
Number 03785174

Introduction

Our local authority members at The Housing Forum are keen to deliver more housing, especially new affordable homes. We believe that a variety of delivery models can be suited to achieving this. Development Corporations can be particularly useful when there is greenbelt land being released, where there are multiple land owners, and where more than one local authority needs to work together to bring sites forward.

A Development Corporation can support delivery through providing dedicated leadership and focus, providing continuity over a long period of time including when local authorities can see a change in political control. This can be extremely helpful to give confidence to partners including landowners investing in masterplanning and planning applications and ensure that new housing delivery is driven forward over the long timescales required.

We are, however, concerned that by devolving the power to create Development Corporations down to local authority level, there is a risk that changes in local political control could disrupt the focus of the Development Corporation. A long-term, bold vision is required which can be derailed by changes in local politics in a way that prevents a Development Corporation from achieving its ambitions. It is therefore vital that the government continues to drive forward Development Corporations which help fulfil its national ambitions for growth and housebuilding.

We are also concerned that local authorities' funding is current too stretched for them to be able to take on the extra work required to set up a Development Corporation and get it off the ground. It is essential that government puts some upfront funding in to get them going.

**INTERACT
INFORM
INFLUENCE**

info@
housingforum.org.uk

Response to questions

Question 1: Do you support the principles/ objectives of the regulations? If not, are there other considerations you would like us to reflect on?

We agree with the principles of regeneration and consistency between regulations. Development Corporations can be a good mechanism for delivering largescale, long-term, and transformational projects for housing growth. However, such projects are always contentious at the local level, so much so, that in some areas they can tip the outcome of local elections. Big and bold decisions can be made by one administration, but then can then be reversed by an incoming administration as one of their manifesto commitments. One of the key values in establishing a Development Corporation to deliver transformational housing growth projects is that it can de-politicise the project, once the decision has been made for it to happen. It can be delivered over the very long term without risk that it will constantly be up for review or stopped half-way through. Our work with local councils indicates that making the oversight body the local council completely risks undermining this critical aspect of Development Corporations, and may be the wrong way to go in many areas.

We think there is probably more role for locally-led Development Corporations to oversee relatively small-scale projects, within one local authority and in areas where there is a particularly strong political consensus on the direction of the corporation. In other areas, the government should continue to take the lead to ensure that Development Corporations contribute to the government meeting its own national ambitions for growth and housebuilding.

Greater clarity on how the regulations will work for areas that cross local authority boundaries would be helpful.

Question 2: Do you agree that the proposed list of functions to be transferred to the oversight authority is the correct one? If not, please specify which functions you think should or should not be transferred and why.

The required functions to deliver the aims of the specific Development Corporation should be agreed on an individual basis so the powers of transfer should be wide to enable the right remit. Homes England's powers in respect of CPO powers to facilitate development are a function that may be needed.

Question 3: Do you agree that the proposed list of functions of the Secretary of State that may only be exercised with the consent of the oversight authority is the correct one? If not, please specify which other functions you think should or should not be transferred and why.

We agree with not transferring building control functions especially in the light of its new functions in relation to safety of tall buildings. The risks associated with these buildings are not something that varies between areas, so benefits from a nationwide approach. We support a national approach to building regulations as this gives a more consistent and therefore efficient environment for housebuilders, including housing associations.

Question 4: Do you agree that the aims of the oversight authority included in the draft Regulations promote and support high quality developments, with

INTERACT
INFORM
INFLUENCE

info@
housingforum.org.uk

The Housing Forum Ltd
6 Floor, 1 Minster Court
Mincing Lane
London EC3R 7AA

Registered Company
Number 03785174

sustainability and community at its heart? If not, are there additional aims or should they include less prescription?

We support the ambitions for creating places that are high quality, sustainable, well-designed and futureproof for thriving and diverse communities. In addition, local authorities need – collectively – to create plans that build sufficient new homes and sufficient new affordable housing across the country. There is a risk that by transferring powers to local authorities, that the collective decisions made at a local level do not add up to the total amount of new housing that is required at a national (or at least regional) level. We would therefore recommend that the move to locally-led Development Corporations is accompanied by a strong framework for deciding where in the country new housing is to be built, with local authorities clear on their required contribution towards this total. Up-to-date Local Plans should be a pre-condition of approval for a Development Corporation.

Question 5: Should the powers on the disposal of land be equalised across Locally-led Development Corporations so that all LUDCs can gift land with consent? If so, please provide reasoning.

Such powers should be in pursuit of viable developments meeting planning policy requirements for Affordable Housing.

Question 6: Do you agree with the proposals for board membership set out in the draft Regulations? If not, how should these be changed and why?

Yes

Question 7: Do you agree with the financial controls are set at the right level? If not, what should be changed?

Public sector funding is often the best way to start to unlock delivery, to be matched by private sector funding, and this is at the heart of Development Corporations, However, we are concerned that the proposals for councils/oversight authorities to fund the set up and running of Development Corporations are unrealistic. Financial support from central government is required to enable the establishment and running of these vehicles in the early days. The private sector need confidence to invest in bringing forward masterplans and planning applications.

Question 8: Do you agree that the Secretary of State should retain the function of dissolving the LUDC without consent from the oversight authority?

We would agree with this in principle, to allow the Secretary of State to dissolve a LUDC that is failing to deliver. This should have regard to the financial contributions made by oversight authority and partners. The ability to dissolve Corporations – for example linked to political cycles - is likely to weaken confidence in investment.

Question 9: Do you agree with the removal of redundant regulations that are covered by LURA? If not, please provide reasoning?

Yes

Question 10: Do you agree with the proposed changes to reflect proposals for the oversight of Locally-led Urban Development Corporations?

**INTERACT
INFORM
INFLUENCE**

info@
housingforum.org.uk

The Housing Forum Ltd
6 Floor, 1 Minster Court
Mincing Lane
London EC3R 7AA

Registered Company
Number 03785174

Yes

Question 11: Are there any issues not picked up in the questions above you would like to raise? If so, please set these out.

Our local authority members at The Housing Forum are keen to deliver more housing, especially new affordable homes. Their experience shows that a variety of delivery models can be suited to achieving this, and have supported the work of academics at UCL in their recent study into local authority involvement housebuilding: https://www.ucl.ac.uk/bartlett/planning/sites/bartlett_planning/files/local_authority_direct_provision_of_housing_iv_report.pdf

Development Corporations can be particularly useful when there is significant development sites coming forward through Local Plans which could include greenbelt land being released, where there are multiple land owners, and where more than one local authority needs to work together to bring sites forward. They can also help where there is a need for significant investment in transport infrastructure to ensure development is viable and sustainable.

A Development Corporation can support delivery through providing dedicated leadership and focus, providing continuity over a long period of time including when local authorities can see a change in political control.

The Centre for London is undertaking some research into what has worked with past Development Corporations and models for the future which suit the London context. We support this work and are interested in models that would work in an individual local authority area.

Question 12: Do you have any views on the Public Sector Equality Duty in relation to any of the questions above?

A failure to delivery sufficient housing will disproportionately affect those on lower incomes, young people, women, single parents, larger families and most BME groups. Increased delivery in urban areas, which is particularly likely to result from the activities of Development Corporations, will conversely benefit all these groups. It will particularly benefit those who rely on public transport (such as older people, children and disabled people) because higher density urban areas tend to be better served by public transport.

Conclusion

We are pleased to see the government looking to identify the best routes for local authorities to work together and with the range of partners required to champion bringing forward much-needed new homes.

We look forward to working with Government at The Housing Forum to help take forward the ambition of 300,000 new homes a year, and work towards our ambition of a **Quality Home for All**. Our key [Housing Solutions](#) set out how we think this can be achieved.

INTERACT
INFORM
INFLUENCE

info@
housingforum.org.uk

The Housing Forum Ltd
6 Floor, 1 Minster Court
Mincing Lane
London EC3R 7AA

Registered Company
Number 03785174