

Gove threatens to ‘Turbo-boost’ demolitions

News story

Turbo-boost for estate regeneration with major change to the Affordable Homes Programme

Move provides affordable housing sector with significant opportunity to ramp up its regeneration ambitions

From: [Homes England](#)

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Michael Gove's policy speech on 24 July unveiled a 'long-term plan for housing' based on ten principles –but these do NOT include providing a decent secure and affordable home for all.¹ The two big concerns for us are estate demolitions, and the character of the new urban areas which Gove wants to create. Let us look at these in turn.

Estate demolitions

The first of Gove's ten principles, 'the regeneration and renaissance of the hearts of 20 of our most important towns and cities', promotes the densification of urban centres without any appreciation of the social and environmental damage that this causes.

¹ <https://www.gov.uk/government/speeches/long-term-plan-for-housing-secretary-of-states-speech>

Some of the densification is to be delivered through estate demolition schemes. Gove references the government's decision to allow the Affordable Homes Programme [AHP] to fund the demolition of existing social rent homes, announced by the government's funding agency Homes England on 27 June. These damaging subsidies support the demolition of buildings which could in many cases be retained and refurbished. The government is ignoring all the sound advice on 'refurbish don't demolish'. Concerns for the environment are not even considered here.

Then it gets worse - because in cases of demolition, requirements for affordable housing apply to the new build homes only. There is no requirement in national planning policy to reprovide the demolished affordable housing.

The National Planning Policy Framework 2021 (paragraph 64 and footnote 30) says:

To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount – equivalent to the existing gross floorspace of the existing buildings.

The screenshot shows a digital document viewer for the 'National Planning Policy Framework'. The page number is 17 / 75 and the zoom level is 118%. Paragraph 64 states: 'Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount³⁰.' Paragraph 65 states: 'Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to'. Footnote 30 states: 'Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.'

Let's look at a typical example to see what this means in practice. If the local planning policy is 40% affordable housing, with 70:30 affordable housing tenure split between social rent and intermediate; and an estate with 100 homes (30 of them as private

leasehold) is knocked down to build 200 or 300 new homes at higher density; assuming that the floorspace per dwelling does not change; how do things work out?

Worked example showing affordable housing and estate redevelopment according to the National Planning Policy Framework, 2021			
Total homes	Before redevelopment	Redevelopment scenario 1	Redevelopment scenario 2
Social rent / Affordable Rent - number	70	56	84
Social rent / Affordable Rent - per cent	70%	28%	28%
Intermediate affordable - number	0	24	36
Intermediate affordable - per cent	0	12%	12%
Market - number	30	120	180
Market - per cent	30%	60%	60%
Total	100	200	300
Net additional homes (i.e. new homes less demolitions)		Redevelopment scenario 1	Redevelopment scenario 2
Social rent / Affordable Rent - number		minus 14	+14
Intermediate affordable - number		+24	+36
Market - number		+90	+150
Total		+100	+200

Demolition schemes severely restrict the amount of housing that is affordable to those most in need, while the supply of unaffordable homes is prioritised on publicly owned land. There would actually be more affordable housing on a policy compliant private development than on a public housing redevelopment scheme on public land.

There is no national policy preference between the two very different rent regimes of Social Rent and Affordable Rent. If the new homes are Affordable Rent, the rents could be up to 80% of market rent. If the new homes are Social Rent, the new actual rents need bear little relation to the social rents of the homes which were demolished. The new rents could be much higher. There could also be much higher service charges.

Some redevelopment schemes are better than this. But the point is that national policy embeds these negative outcomes.

Redevelopment is presented by Gove as if it was an unqualified improvement to peoples' lives. Yet there is no right to return for the social rent tenants. There is no national provision for ballots on estate redevelopment schemes. This model of redevelopment tends to raise house prices in the surrounding area, raise local market rents, and raise retail costs in the surrounding area, pricing local people out, and embedding processes of gentrification and social cleansing.

The new urban development model

Gove looks towards a 'new town' or 'garden village' development model, creating new urban areas across the country. Gove refers as an example to 'the outstanding Welborne development in Hampshire, championed by my colleague Suella Braverman'. We can prove that this will deliver very little social rent or council housing.

On the worst-case scenario there could be as little as 7.3% affordable housing in this 6,000-home development. Amongst other local objections, Fareham Council's planners ignored a formal objection from the council's own housing service to the poor affordable housing provision in the scheme.

The Section 106 agreement between Fareham Council and developer for 6,000 homes is a model of worst practice.² Only 50% of the affordable housing is to be social/affordable rent, and the choice between Affordable Rent or Social Rent is reserved to the developer – 'as the Owner may decide acting in its sole discretion'. While the developer's 20% return is guaranteed in the Section 106 agreement, it is agreed that the consequence of cost over-runs will be the reduction in affordable housing, as seen below. There is no mention of controlling costs in any other way.

² <https://www.fareham.gov.uk/casetrackerplanning/GetFile.aspx?docref=5ecb7a6c-5d1c-4afd-9baf-6ede0cb2dc7f>

PART G – COST OVER RUNS

1 Percentage Reduction

- 1.1 In the event that Owner is required to pay any part of the Cost Over Run Contribution it shall provide the Borough Council with a Cost Over-Run Notice setting out the exact sum it is required by the Delivery Body to pay towards a Cost Over-Run such notice to include the Cost Over-Run Affordable Housing Calculation and the Percentage Reduction.
- 1.2 The Borough Council shall notify the Owner of its approval or otherwise of the Percentage Reduction within 20 Working Days of receipt of such notice from the Owner in accordance with paragraph 1.1 above and if the Owner and the Borough Council fail to agree the Percentage Reduction either party may refer the matter for determination under Clause 23.
- 1.3 Following the approval or determination of the Percentage Reduction the percentage set out in paragraph 2.1 of Part A of this Schedule 10 shall be reduced by the Percentage Reduction.

2 Reserved Matter Applications and Neighbourhoods

- 2.1 Subject always to paragraphs 2.1 (and the operation of paragraph 1.3 of Part G of this Schedule 10), 5.4 and 5.5 of Part A of this Schedule 10, following the approval or determination of the Percentage Reduction, the Owner may at its discretion reduce the number of Affordable

Conclusions and recommendations

Instead of masterplanning new communities without council housing as in the Fareham example, we need policies based on meeting assessed housing needs, as outlined in the five point plan of Defend Council Housing and the Homes for All campaign.

<http://www.axethehousingact.org.uk/tag/5-point-plan/>

Let's put forward relevant evidence to the Parliamentary Inquiry into the need for council housing investment: <http://www.axethehousingact.org.uk/campaigns/mps-launch-inquiry-into-the-need-to-invest-in-council-homes-share-your-views/>

The demolition of council homes should be avoided because of its negative environmental consequences, and also because of the regressive social engineering practices which are embodied in the National Planning Policy Framework (non-

replacement, less accountable landlords, worse tenancy terms, and higher rents and service charges.

The section of the National Planning Policy Framework on demolition and redevelopment should be revised to require the full reprovision of demolished housing, with the same tenure and rent regime as before, as well as providing additional new housing compliant with local authority affordable housing policy requirements.

There should be mandatory ballots before demolition, with a robust code of conduct so that such ballots reach the standard of a democratic vote which we expect in council or parliamentary elections.

Paul Burnham 06/09/2023 - All comments and feedback are welcome.