

The Government's initial response to the Elphicke-House report 'From statutory provider to housing delivery enabler: Review into the local authority role in housing supply'

Introduction

1. Autumn Statement 2013 announced an independent review into the role that councils can play in supporting housing supply. In January 2014, Natalie Elphicke and Councillor Keith House were appointed to lead the review.
2. The reviewers' report: "From statutory provider to housing delivery enabler: Review into the local authority role in housing supply" contained thirty recommendations: seventeen for the government and thirteen for local government, including the Local Government Association.

Overview

3. The government welcomes the report, and accepts the core recommendations that, whilst much has been achieved, local authorities could do more to play a central role in supporting the provision of new homes, across all housing tenures. Government will consider all of the recommendations and is pleased to be able to confirm those which it can accept straight away. Others need to be worked through in more detail, and with other organisations.
4. Increasing the supply of new homes is a key government priority, and the government has introduced a number of measures to help local authorities to increase supply – either directly or in collaboration with partners. For example, in 2012, it introduced the local authority self-financing system providing councils with flexibility to manage their own housing businesses. The review found that self financing had been successful in achieving local responsibility for housing investment.

Recommendations being accepted immediately

5. As set out in last year's Autumn Statement, the government is fully behind the core recommendation that councils should become housing delivery enablers. By being more active in creating housing opportunities, using their own assets, and working closely with partners, councils can deliver more homes and help to build strong and sustainable communities.
6. The Government also accepted the review's recommendation that it should consult on extending the Transparency Code to cover all Housing Revenue Account land. This important reform will facilitate improved transparency about all councils' land holdings.
7. The government is pleased now to further accept the reviewers' recommendations that:
 - The government monitors its schemes to support small builders and considers further support to help expand this sector; and

- The government should consider strengthening advice to encourage more councils to pro-actively support neighbourhood planning.
8. The review also makes a number of promising proposals for local authorities involving the pro-active use of existing powers, levers and opportunities. Local authorities and local councillors will be able to consider how best to take forward these recommendations using their existing resources. We are particularly supportive of the recommendations that councils periodically test the value for money of their contracts.
 9. We also interested in working with the Local Government Association in relation to the proposal encouraging councils to fulfil more of the role of housing delivery enablers, including through its peer challenge processes.

Recommendations requiring further exploration

10. One of the review's key recommendations is that a new independent organisation is established to bring together local government and the finance sectors to unlock opportunities, boost skills and support increased capacity for new development. The government recognises the benefits of sharing information between councils and between sectors, especially where this leads to increased private investment in housing and more housing development. The importance of this coming together of different sectors is made well by the reviewers. The government accepts in principle the importance of greater support to unlock financing opportunities. The government will explore with the local government sector how the intention behind this recommendation might be delivered in a way that secures value for money without creating unnecessary bureaucracy.
11. The review makes a number of recommendations that the government considers interesting including some recommendations that need further detailed consideration, with partners as appropriate. The government is in particular supportive in principle of the recommendation for councils to take responsibility to work with developers, local businesses, agencies and others to ensure that sites with planning permission are taken forward in a timely manner and the possible need for new guidance on development panels. The government will consider these proposals separately, in due course.
12. The government values transparency of public information and so supports, in principle, the recommendation that there should be greater transparency over data on all forms of public sector land. We will therefore take forward an assessment – with others – on what further steps are needed in order to inform a decision on this recommendation.
13. Additionally, the government also supports some key messages in the report regarding the importance of sharing information between all parties, support for small builders, and the importance of partnership working to housing delivery.
14. Finally, the government would like to thank Natalie Elphicke and Councillor Keith House for their work on the review. They have engaged widely, and published a positive and helpful report in accordance with the terms of reference for the review.