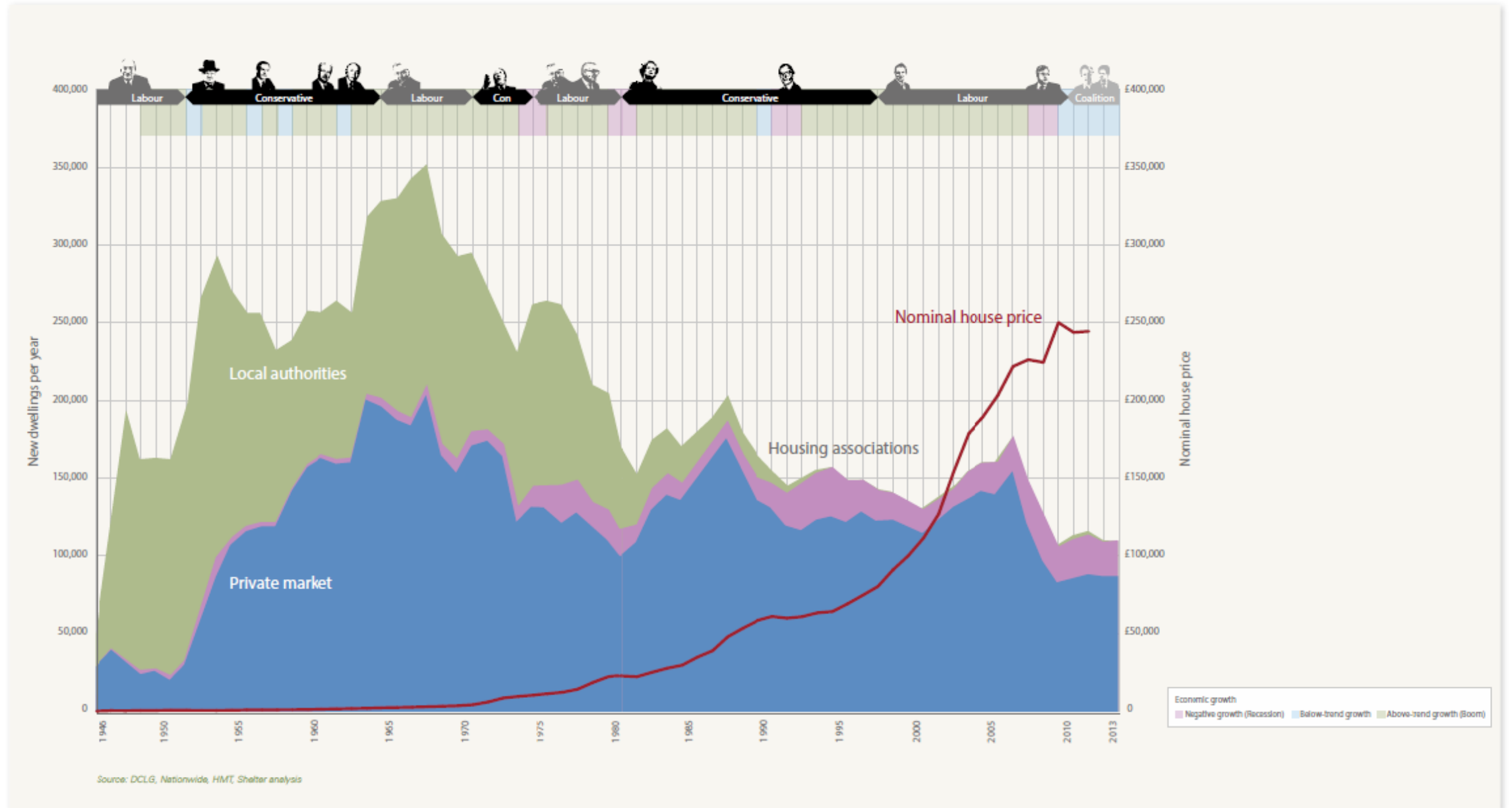
A photograph of the Manchester skyline at sunset, with a large white circle overlaid on the right side containing text. The sky is a warm orange color, and the buildings are silhouetted against it. A prominent tall building is on the right, and several construction cranes are visible in the middle ground.

# Affordable housing policy in Manchester

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Richard Goulding

# House building since 1946



Source: DCLG, Nationwide, HMT, Shelter analysis

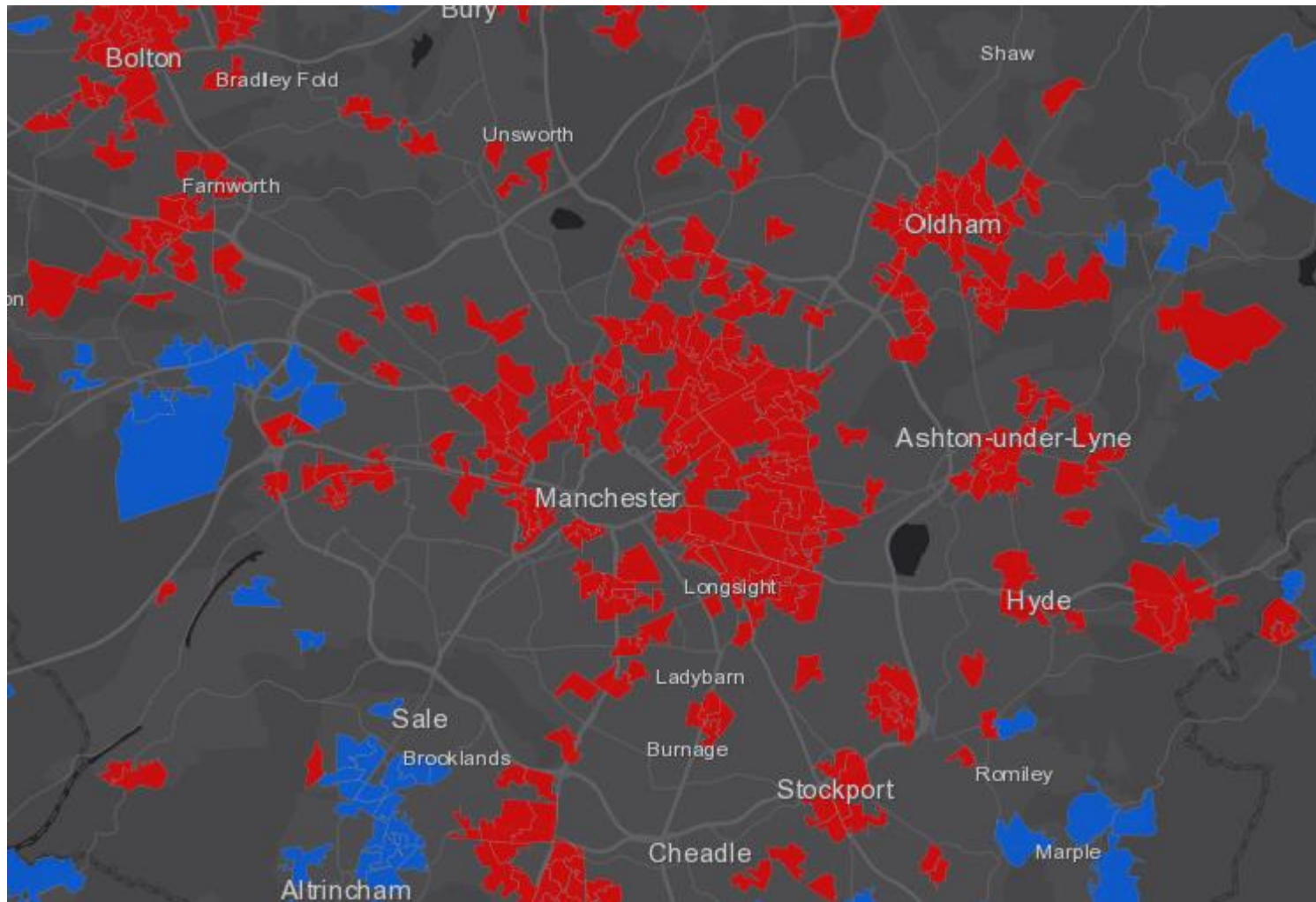
# Housing in Manchester

- 20<sup>th</sup> Century industrial city: suburbanisation, 'slum clearance' and mass council housebuilding.
- 1970s - 1980s crisis:
  - Long-term poverty and unemployment due to loss of manufacturing base.
  - Privatisation of up to one third of council housing through 'Right to Buy'.
- Property-led regeneration as urban strategy 1990s-2000s.
  - 2002 Commonwealth Games and city centre living.
  - Favourable planning policies for private developers.
  - 20% population growth 2001-2011...
  - But net loss of 12,007 social homes from 1994-2019.

# Housing need in Manchester

- Stalling national home ownership by 2004 as housing costs rise.
- Financial crisis in 2008: banks pull back from mortgage lending.
- Welfare cuts pull away safety net:
  - Universal credit, housing benefit and the bedroom tax.
- Homelessness and housing need:
  - 2010 – 2017: statutory homelessness in Manchester up 158%.
  - Highest rate of homelessness in northern England in 2018 (Shelter).
  - Households in private temporary accommodation up from 150 in 2014 to 1,350 in 2018.
  - 13,000 people on housing register (5,000 in ‘priority need’).
- Covid, rent arrears and illegal evictions.

# Poverty in Manchester



- Red = 10% most 'deprived'
- Blue = 10% least 'deprived'

Based on English and Scottish multiple indices of deprivation.

Source:

<https://esriukeducation.maps.arcgis.com/apps/Style/index.html?appid=3f6e035f83a64316944e8ce836b7199a> (Accessed 25/02/19)

# Meeting housing need

- ‘Affordable housing’ means multiple things:
  - Social housing (about 60% of market rate).
  - Affordable Rent (up to 80% of market rate).
  - Shared ownership/help to buy.
- National funding cuts for social housing from 2012.
- Reliance on borrowing to ‘top up’ grants means that rents for new social housing can also be expensive for some groups.
- Social landlords more likely to carry out affordability and credit checks following post-2013 welfare cuts.

# Manchester's affordable housing policy

- Two main policy levers:
  1. Affordable housing programme
  2. Planning system
- Affordable housing programme:
  - Manchester City Council co-ordinates bids with housing associations to the government to fund new housebuilding.
  - Official target for 20% of new homes in the city to be affordable.
  - Total new housebuilding predicted to hit 32,000 from 2015-2025.
- Planning system:
  - 'Section 106' payments for infrastructure and affordable housing.
  - Negotiation with developers as part of receiving planning permission.
  - Developers officially expected to contribute towards 20% target.

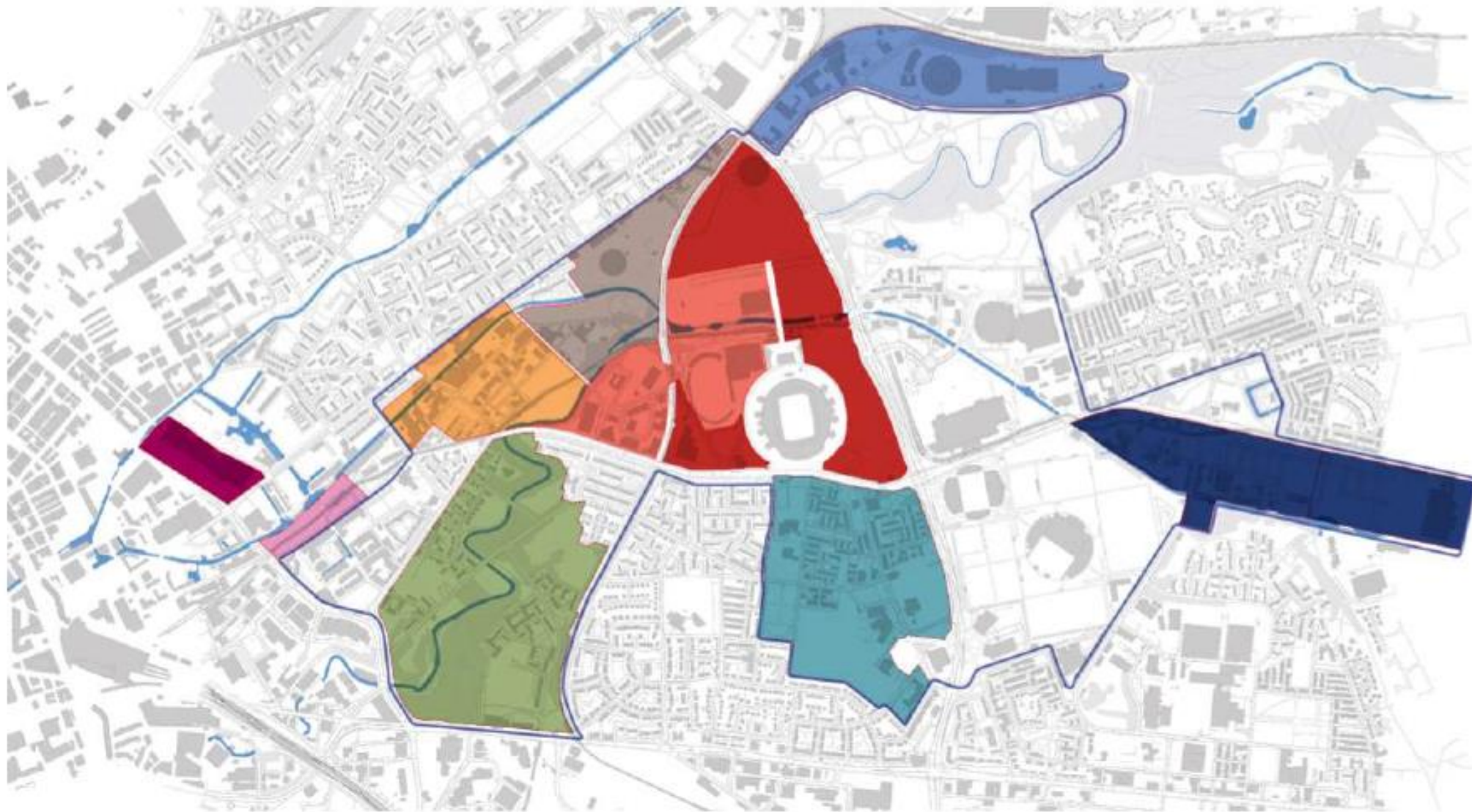
# Manchester's affordable housing programme 2015/16 – 2022/23

Tenure	Built	Under Construction	In Pipeline	Total
Social rent	221	337	919	1,477
Affordable rent	586	84	923	1,593
Shared ownership	499	220	569	1,288
Other	208	45	197	450
Total	1,514	686	2,608	4,808

- Target for 6,400 affordable homes by 2025.
- Behind schedule: only 4,808 affordable homes in pipeline or built.
  - 2,974 homes built in Manchester in 2017/18
  - 28 were for social rent.



- Etihad Campus: Sports and Innovation Zone
- Etihad Campus: Commercial Zone
- Holt Town Central
- Holt Town East
- Lower Medlock Valley
- Beawick
- The Croft Street Triangle and Eccleshall Street
- Pollard Street / New Islington Metrolink
- Central Retail Park
- Phillips Park / Riverpark Road



# 'Section 106' developer payments

- Developers in Manchester city centre have built very little affordable housing since 2012.
  - Total new homes built: **24,329.**
  - Total new affordable homes: **151.**
- Developers have also paid very little towards new affordable housing.
  - Estimated value of 95 developments: **£8.7 billion.**
  - Total paid in s106 contributions: **£21.1 million** (0.26% of total).
  - Total paid for affordable housing: **£9.5 million.**



# Can developers pay more?

- National barriers to social housing.
  - Funding cuts.
  - ‘Viability assessments’.
  - Easier for councils to borrow but land is still expensive.
- There are nonetheless ‘get out’ clauses in Manchester’s 2012 Local Plan that make it easier for developers to avoid payments.
  - 20% target only specified as a ‘starting point’ for negotiation.
  - Exemptions for areas where there are already high levels of affordable housing.
  - Exemptions for where affordable housing would ‘prejudice’ other regeneration objectives.
  - Exemptions for when affordable housing would ‘financially undermine significant development proposals’.



# Opportunities for change

- Manchester City Council exploring how to set up its own development company.
- Local Plan redraft: ongoing consultation.
- Council housing in north Manchester ('Northwards') being taken back in-house.
- Need for robust assessment of social housing need in the different neighbourhoods of Manchester.

# Questions...

1. How is Manchester City Council planning to assess social housing need in the city?
2. Who is the council speaking to when deciding its new Local Plan? How will this shape its policies?
3. Where is the council planning to build new affordable housing?
4. What types of housing will there be and how will they relate to wider neighbourhoods and the city as a whole?
5. At what stage are communities brought in, if at all, to affect decisions?
6. Are there any ways in which communities could identify public land for their own use?