

Unlocking the Greater Manchester housing challenge

Home, Community, Commerce

How freeing up brownfield land and using modern construction methods hold the key to realising social, environmental and economic benefits for Manchester

Who is EDAROTH?

The answer is in the name; we believe that **Everybody Deserves A Roof Over Their Head** and everybody should have a place they are proud to call home. A place that is safe, secure and truly affordable. EDAROTH offers a new way to tackle the social and affordable housing challenge.

As a subsidiary of the global design, engineering and project management consultancy Atkins, we have the capability to combine end-to-end development expertise and design excellence with off-site manufacturing techniques. Our aim is to deliver sustainable homes that enhance communities and improve lives.



Foreword

As I write this foreword, we find ourselves in unprecedented times that are set to have a lasting impact on our everyday lives for years to come.

While we wait to fully understand the economic and social impact of the COVID-19 virus, **we must try to prepare as much as possible for the resulting consequences while managing new and existing challenges.** This will include housing key workers in proximity to where they are most needed, often isolating from their own families; while grappling with a housing crisis decades in the making.

The housing crisis has an impact on every community, in every part of the UK, as we continue to experience an undersupply of housing. This is especially evident in low to-median-income households that continue to struggle with inflated house prices and unaffordable rents. This problem increases the risk of homelessness and families being forced into emergency accommodation.

In our first white paper published earlier in 2020 to mark the launch of EDAROTH, we called for a 'social housing first' policy when developing brownfield land across the UK.

This land is often located within existing communities with better than average access to schools, healthcare and economic centres, providing an enduring more positive outcomes for residents and local authority landlords. In this, our second white paper, we are focusing on the Greater Manchester Combined Authority and Manchester City Council. With a population of more than 2.8 million across the 10 local authority districts, there is a rich sense of collaboration and purpose in this area, which is evident.

However, while there is a clear housing strategy, in many areas across the combined authority they are still witnessing growing inequality which may be further exacerbated in the coming months. To overcome this, Greater Manchester Combined Authority will need to **accelerate their plans to provide truly affordable homes where people want to live, work and prosper.**

By adopting modern methods of construction to unlock publicly owned brownfield land where they retain the asset, local authorities will be able to capture long term value while meeting the growing need for new social housing.

As well as highlighting the potential of brownfield land in this paper, we will also draw your attention to a need for Greater Manchester to reimagine existing housing stock to increase quality of living and housing capacity.

Homes have a major impact on our quality of life. They are more than just physical structures. They are places where we need to feel safe, bring up families, protect our possessions, socialise with friends or retreat from the world outside.

At EDAROTH we believe in **'housing as a verb'**, first quoted by John F. C. Turner and something we do to **enhance communities and positively impact the health and wellbeing of families and residents.**

Mark Powell
MANAGING DIRECTOR
EDAROTH



Why local authorities need to build more social housing now

The transfer of council estates across the UK into housing association ownership and the introduction of the 'right to buy' scheme in 1980 have transformed the structure and availability of social housing.

Added to this, **the lack of new social homes being built has fueled an exponential growth in the private rental sector, reducing the number of homes available at a social rent tenure.** This in turn has increased expenditure from the social welfare system to provide homes.

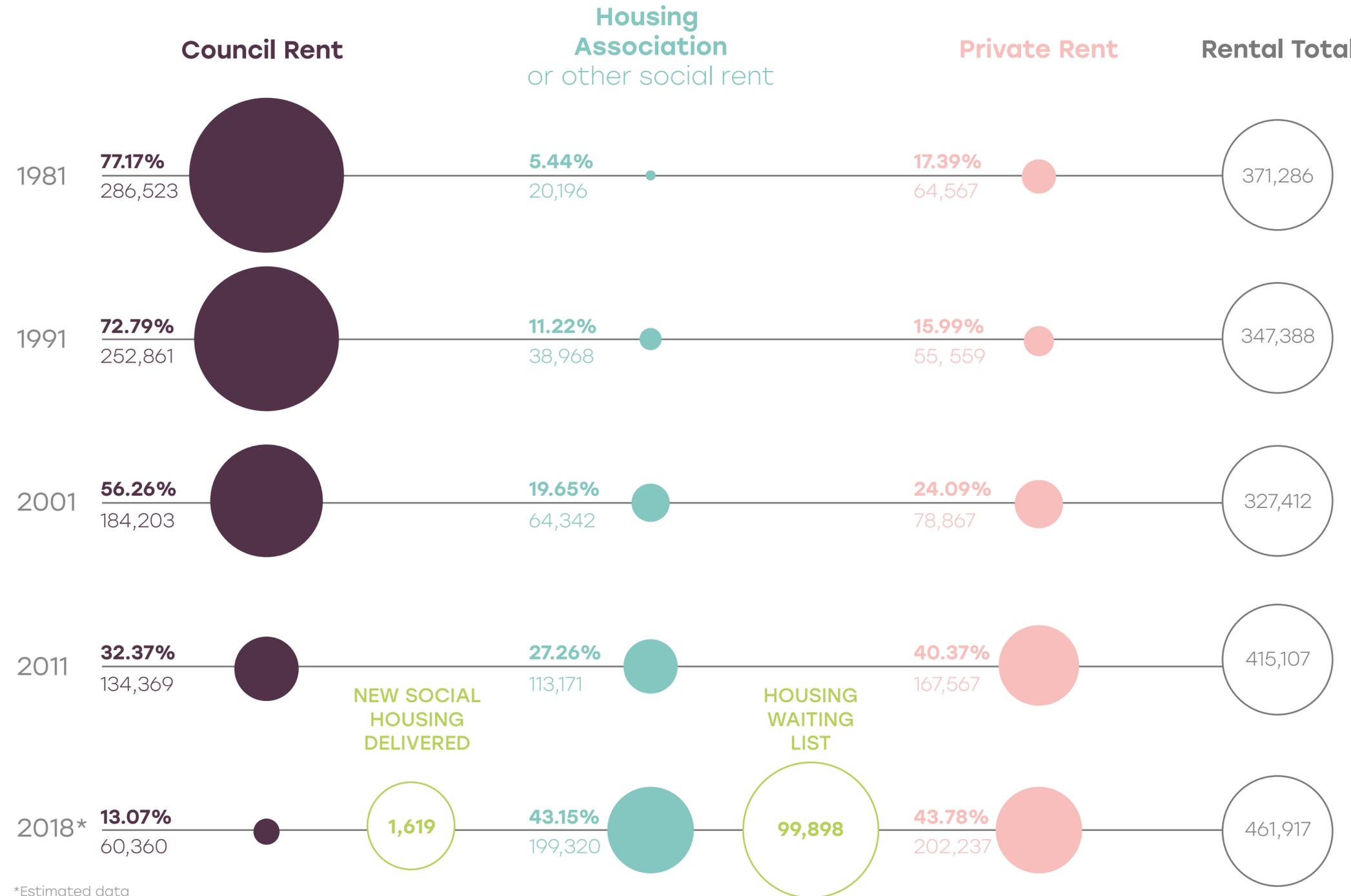
According to the Greater Manchester Strategic Housing Assessment in 2019, one in every five homes are in the social housing sector; of which around 95% are rented at social rent levels. The assessment also stated that despite this, there were 85,639 households on local authority waiting lists in 2016-17, of which almost 26,000 were assessed as having a 'priority need'. Using a new standard methodology from central government, Greater Manchester Combined Authority calculated that it **needs to deliver 10,583 new homes per year to meet local housing need across the 10 local authorities.**

From 2015 the housing waiting lists across Greater Manchester have grown 18.6% from 81,303 in 2015 to 99,898 in 2019. The challenge is growing and becoming more evident. As this paper is published, we are in the midst of the COVID-19 pandemic emergency, the social and economic effects of which we are yet to fully understand. This may exacerbate the social housing crisis as people struggle to cope with the financial consequences of the virus, **driving the need to accelerate the delivery of new, truly affordable homes** to avoid people slipping through the net into high deprivation or homelessness.

To plug the gap, local authorities across Greater Manchester, and indeed the UK, need to return to council house building, to boost the supply of social and truly affordable quality homes.



Scale of social housing transfer to Housing Associations and growth of private, vs depletion of Local Authority owned in Greater Manchester.



So what's the problem?

To deliver the social homes that are needed, local authorities must overcome major challenges including capacity and the cost of land. **Access to land, the price of land, and its ownership, all present significant challenges.**

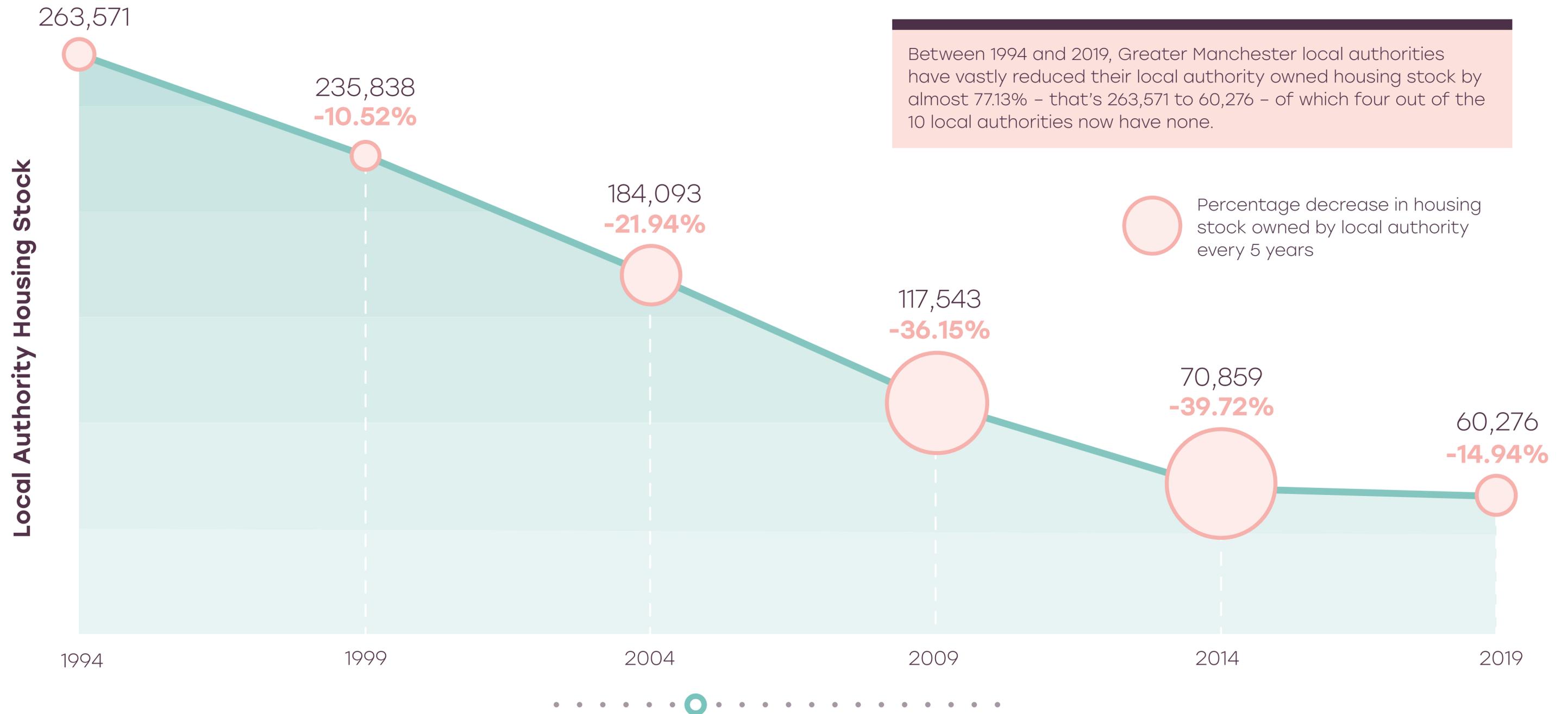
These issues become even more acute when we consider brownfield land and the higher up-front cost of remediation, which may include costly demolition of existing structures and decontamination.

For many traditional developers, this introduces considerable barriers when studying the economic case and potential returns. For local authorities, this inhibits their ability to attract traditional developers, or in some cases extract the number of social homes they need from 106 agreements; and this is particularly difficult in high-density areas where the **only potential is to develop brownfield or previously developed land.**

This is set to be further exacerbated by COVID-19, causing delays in construction and market uncertainty. Greater Manchester Combined Authority, like many local authorities across the UK cannot afford to wait for the property development companies to return to strength if they are to deliver the quality housing that is needed now.

Over the last 40 years, successive governments have withdrawn from social housebuilding, with local authorities transferring their stock to housing associations. This disposed of the need to maintain large housing and development teams and depleted Housing Revenue Accounts (HRA). **Today, more than half of the local authorities across England don't have any housing stock to borrow against for future housing developments.**

Reduction of local authority owned homes across Greater Manchester



The impact of unlocking brownfield land

The Greater Manchester Housing Strategy 2019-2024 announced ambitious plans to deliver 201,000 new homes through a spatial framework, in which 50,000 will be classified as affordable. At least 30,000 of these homes will be made available as social housing.

According to the latest data supplied to the 'brownfield land register' by the 10 local authorities' districts, **Greater Manchester has the capacity to deliver a minimum of 60%, that's 119,379, of the housing target** outlined in the report. This exceeds both the social housing target and 2019 housing waiting list of 99,898.

Adopting modern methods of construction (MMC) delivers the capacity to overcome the complexities associated with brownfield land development for housing. Utilising offsite manufacturing techniques will also eliminate delays caused by bad weather and simplify construction.

This reduces build time, costs and overall disruption to the surrounding environment. **By unlocking the potential of brownfield land largely ignored by traditional developers, local authorities will have the opportunity to accelerate the delivery of social housing** in addition to current measures. In the Greater Manchester Combined Authority Land Availability Assessment, they have identified that they have the capacity to build 87% of their housing on brownfield land in the planning period up to 2037. Modern methods of construction (MMC), will need to play a crucial role in delivering homes if Greater Manchester are to fully unlock brownfield land and realise their housing ambitions.

With the exception of Manchester City Council, due to unknown ownership of land, further analysis reveals that of the 1,580 brownfield sites listed across the remaining nine local authorities 84 sites are listed as public sector or local authority owned. This releases the capacity to provide a minimum of 4,938 homes and deliver 16.46% of the 30,000 social housing planned within the spatial framework.

While a significant amount of 'low hanging' brownfield sites have been snapped up by private developers or languish in private ownership, it remains clear that **publicly owned land still has the capacity to significantly impact housing targets** across Greater Manchester.

Disposal of land will generate short-term capital receipts; however, it removes the opportunity for local authorities to develop longer-term incomes. By retaining the land and housing assets local authorities can control the build rate, remove land costs from the development and boost their Housing Revenue Accounts (HRA); enabling increased borrowing to deliver more homes in the future.



Why think brownfield first for social housing

While Greater Manchester is recognised as one of the fastest-growing economies in the UK, it has also witnessed growing inequalities.

Every new social home built generates an additional



£108,000
to the economy
& creates
2.3 jobs

According to figures reported in the Greater Manchester Housing Strategy it has been estimated that **more than 3,400 households were accepted as 'homeless' and 'in priority need'**.

We believe that **making brownfield land available for social housing will promote inclusivity, diversity, and social mobility.** It will also deliver positive health and wellbeing outcomes that benefit residents and surrounding communities.

Situated within existing communities, Greater Manchester's brownfield sites are often linked to existing infrastructure and utilities with access to education, healthcare, local transport and economic centres.

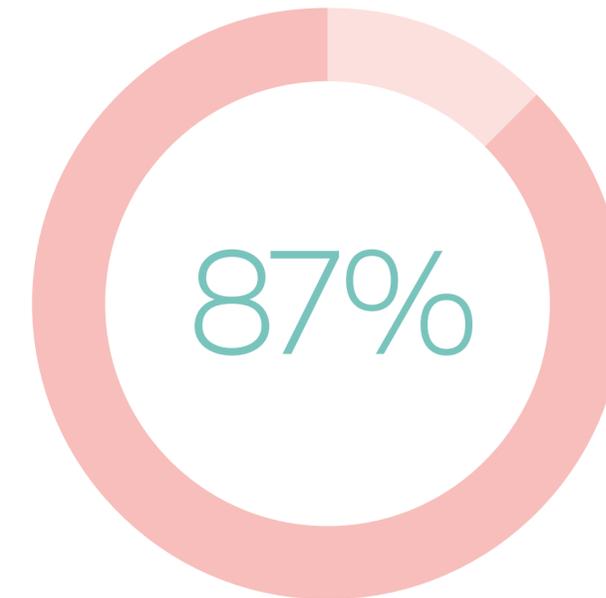
New social housing delivers real social value and opportunity: the National Housing Federation, which represents the country's social housing providers, has previously estimated that every new social home built generates an additional £108,000 to the economy and creates 2.3 jobs.





Scale of ambition

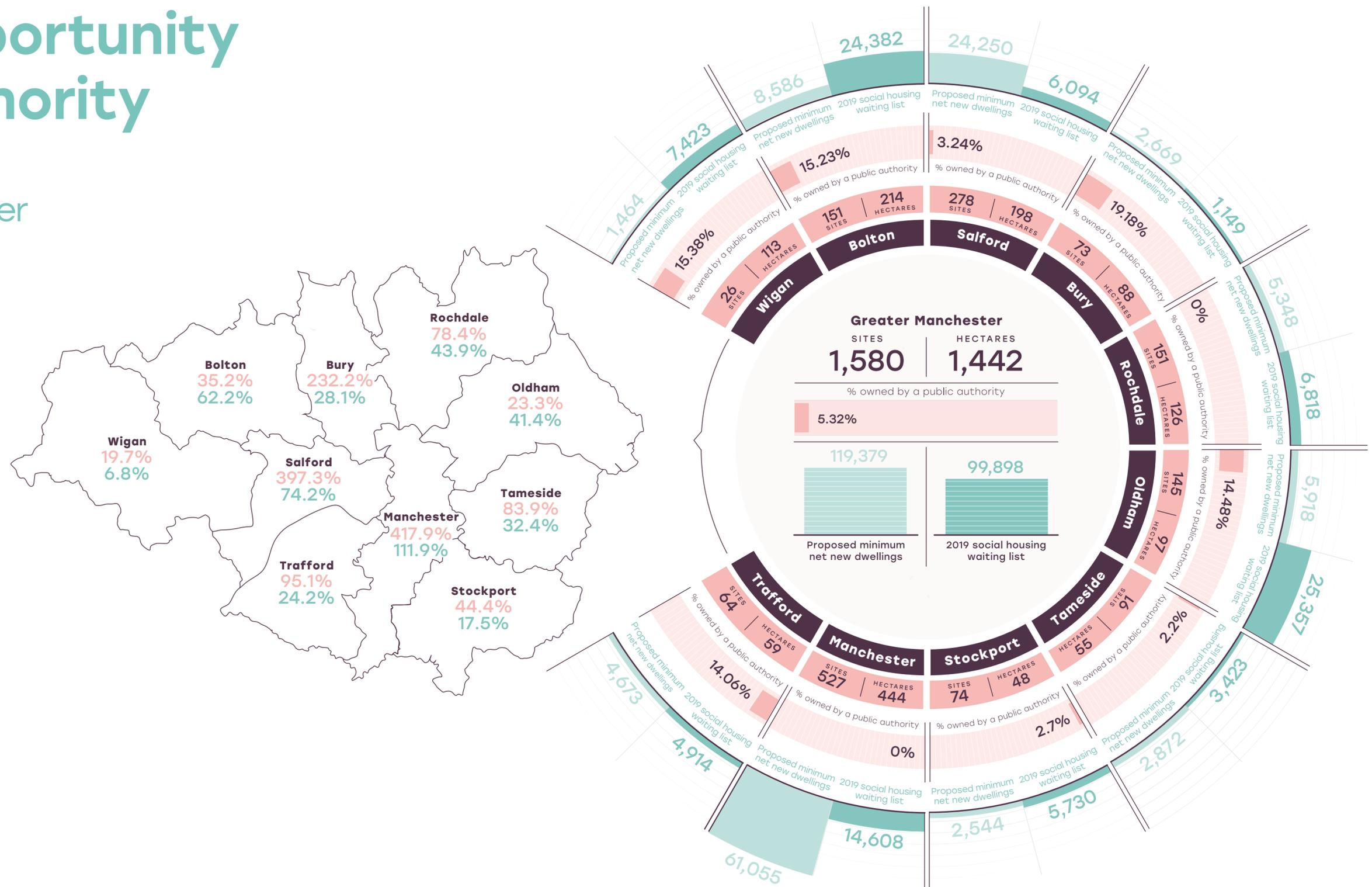
Between 2018 and 2037, the Greater Manchester Strategic Land Availability Assessment, which was prepared as part of the spatial framework, identified that 87% of housing will be delivered on brownfield land within urban areas.



of housing will be delivered on brownfield land within urban areas.

Scale of opportunity by local authority

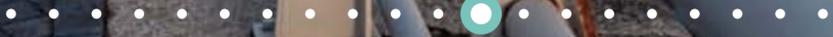
By fully utilising all brownfield land, Greater Manchester have the capacity to meet and exceed housing need.



Map legend

- Percentage of 2019 waiting list impact
- Percentage of housing target impact 2018-2037

Manchester case study



Manchester City Council – case study

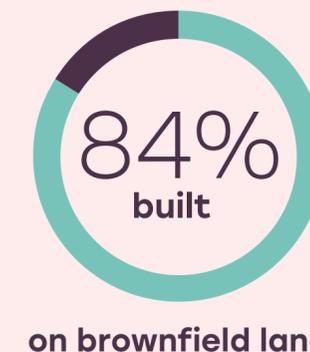
Manchester City Council is set to play a pivotal role in the delivery of housing for the Greater Manchester Area. According to Manchester City Council's Strategic Housing Land Availability Assessment in March 2019 there were 21,218 homes in the planning system.

In addition, they also identified the **capacity to deliver an additional 44,454 homes**, bringing the total to 65,672 dwellings. The assessment also estimates that Manchester can deliver 55,503 homes by 2037 within the plan period, with 24,684 built in the first five years. Of that figure, **84% will be built on brownfield land.**

When we **compare this to Manchester City Council's housing targets and availability of brownfield land, there seems to be no question as to availability and capacity to meet housing targets.** On further analysis it's not clear what proportion of this provision will be made available for social and affordable housing.

However, in a report published in September 2019 Manchester City Council went on to promise **at least 6,400 new affordable homes by 2025**, against the reality of delivering only 12 new social homes that year. They stated that the homes will be split equally between social, affordable, and shared ownership properties, which threatens to fall short of the priority need for housing at a social rent tenure increasing reliance on private social landlords.

Manchester can deliver:



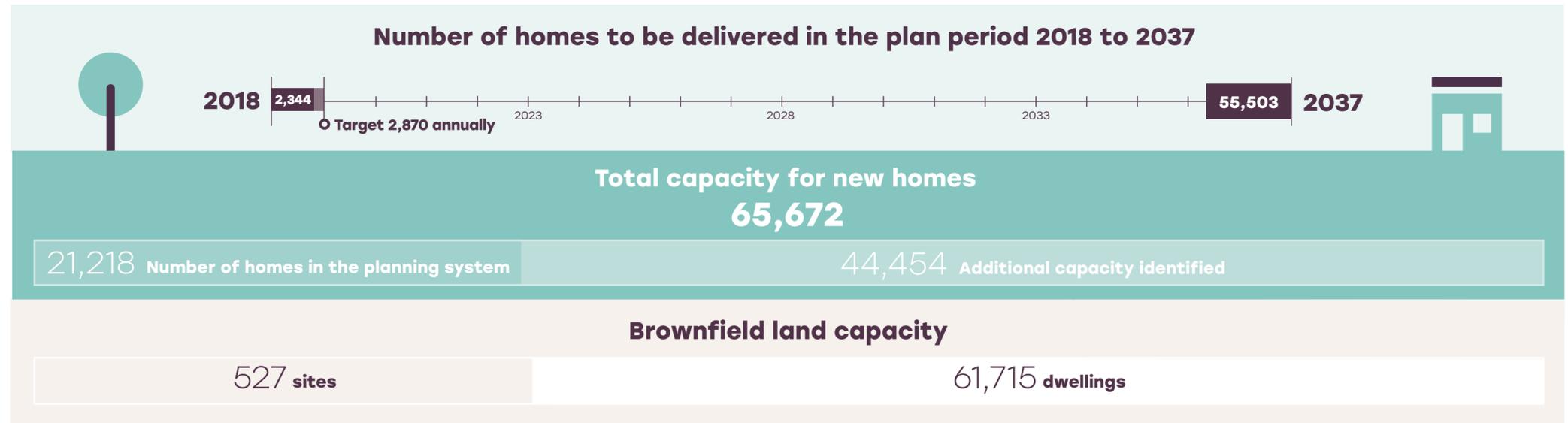
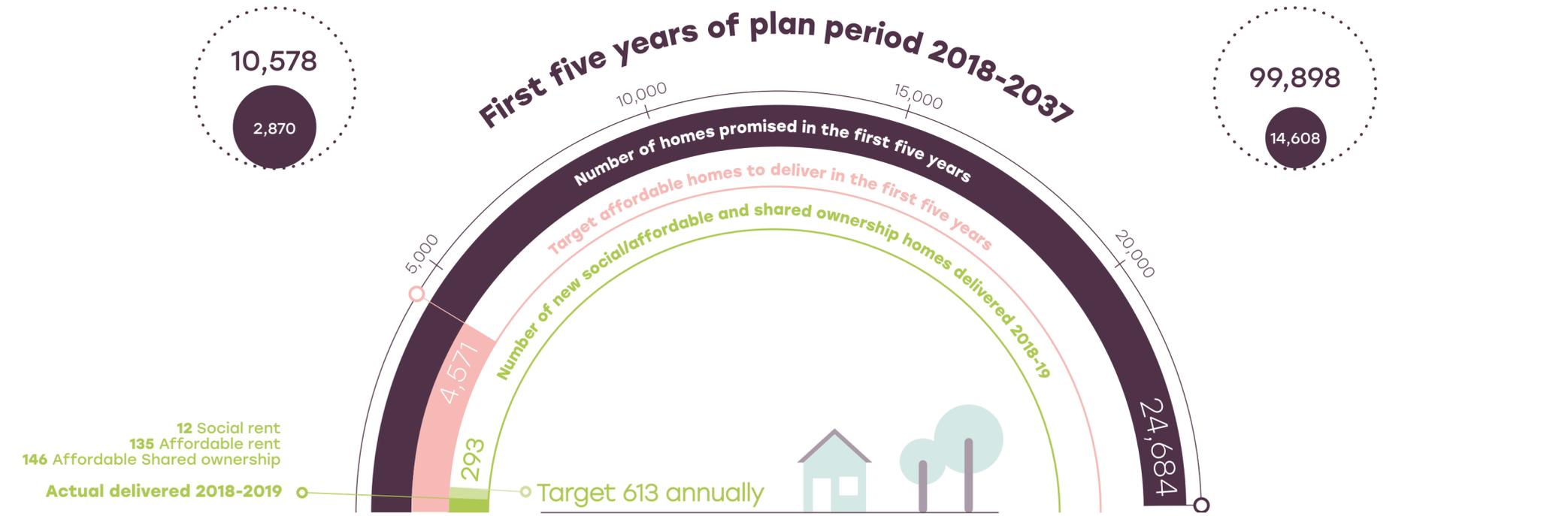
Total capacity for new homes in Manchester

Manchester City Council clearly has the capacity to meet housing demand. However, to fully realise their ambition to deliver inclusive and diverse communities, they must accelerate the delivery of truly affordable homes.

Average annual overall housing target Manchester vs Greater Manchester



Housing waiting list Manchester vs Greater Manchester



A unique social geography?

Manchester's current social housing situation is the result of an industrial past when housing developments grew in proximity to jobs and industries.

While the city centre has gone through a transformation resulting in a growth of population from 6,000 in 1981 to more than 60,000 today, **the surrounding area of housing has remained comparatively undeveloped.**

Manchester City Council currently has more than 26.4% of Greater Manchester's overall social housing provision spanning local authority, private sector and housing association ownership.

While some may consider this as a failure to expand wealth generation, on further analysis it may instead be considered as **an unintentional triumph of social engineering.**

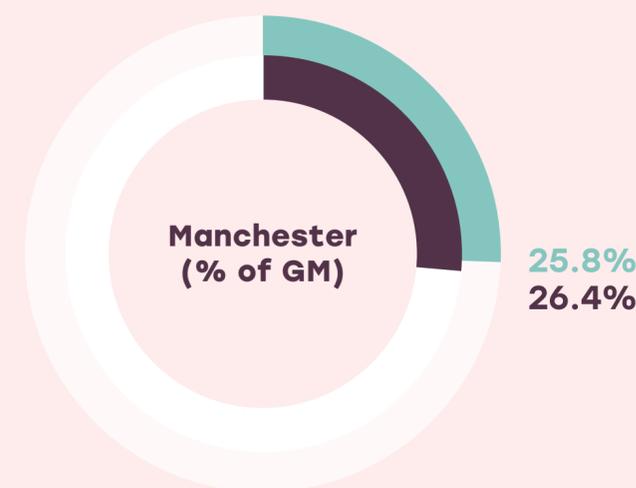
Thanks to the close proximity of social housing to Manchester's City centre, it has been possible for people in a lower-income bracket, working in the public sector, healthcare, education and service industries to maintain good connectivity, which links directly to health and wellbeing.

As outlined in the Manchester Housing Strategy, it will be important to establish and maintain mixed communities to promote inclusivity and opportunity. By maintaining and improving existing social housing stock, **Manchester can further strengthen the social fabric while increasing housing capacity and reducing overcrowding.**

Housing Stock with Local Authorities



Local Authority (including owned by other LAs) Housing Association



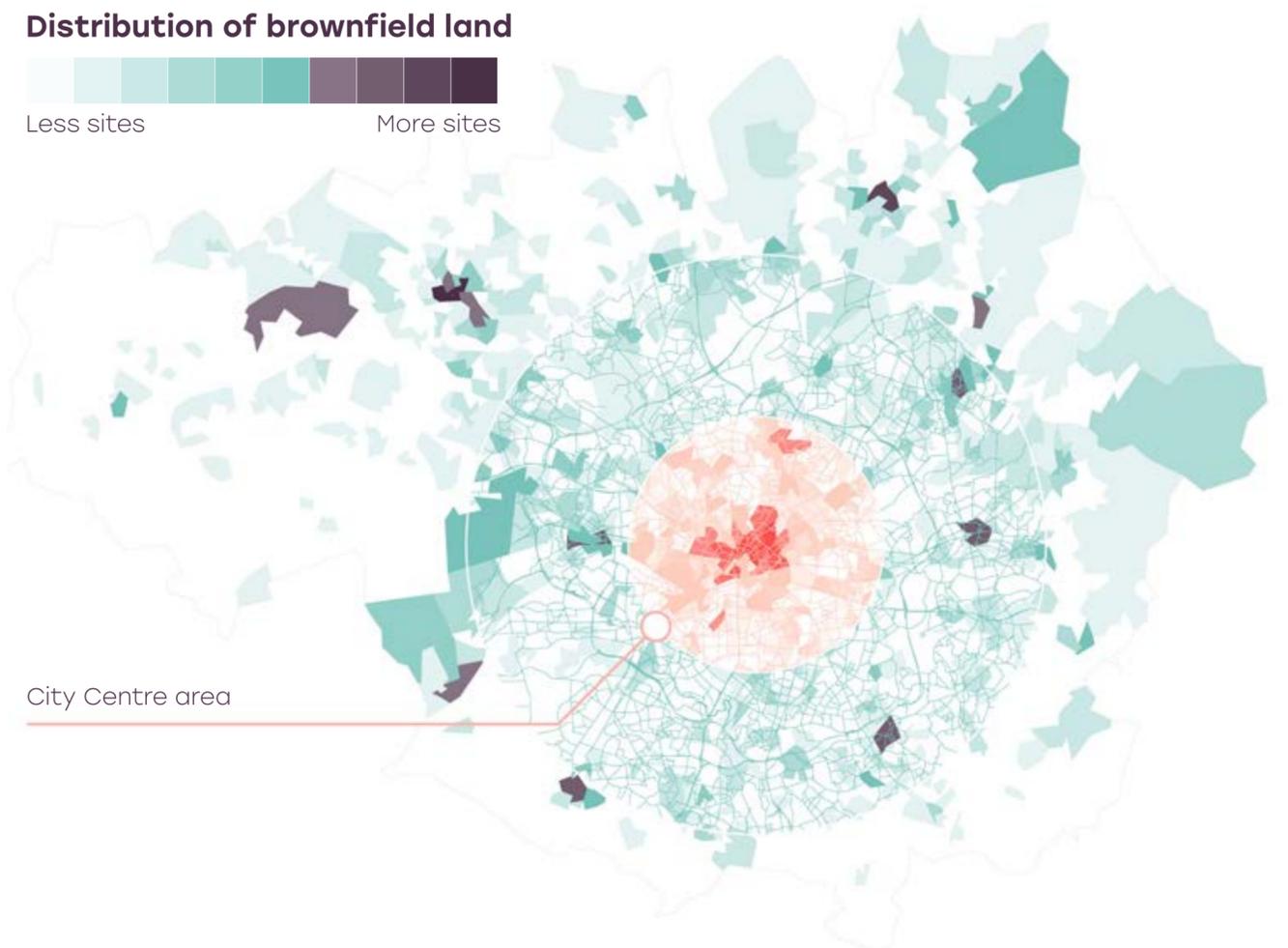
Connectivity travel numbers of people within 5km

The proximity of Manchester City Council's existing social housing stock and brownfield land, provide easy access to education, healthcare, employment and opportunity.

Distribution of social housing



Distribution of brownfield land



Manchester – unlocking brownfield land

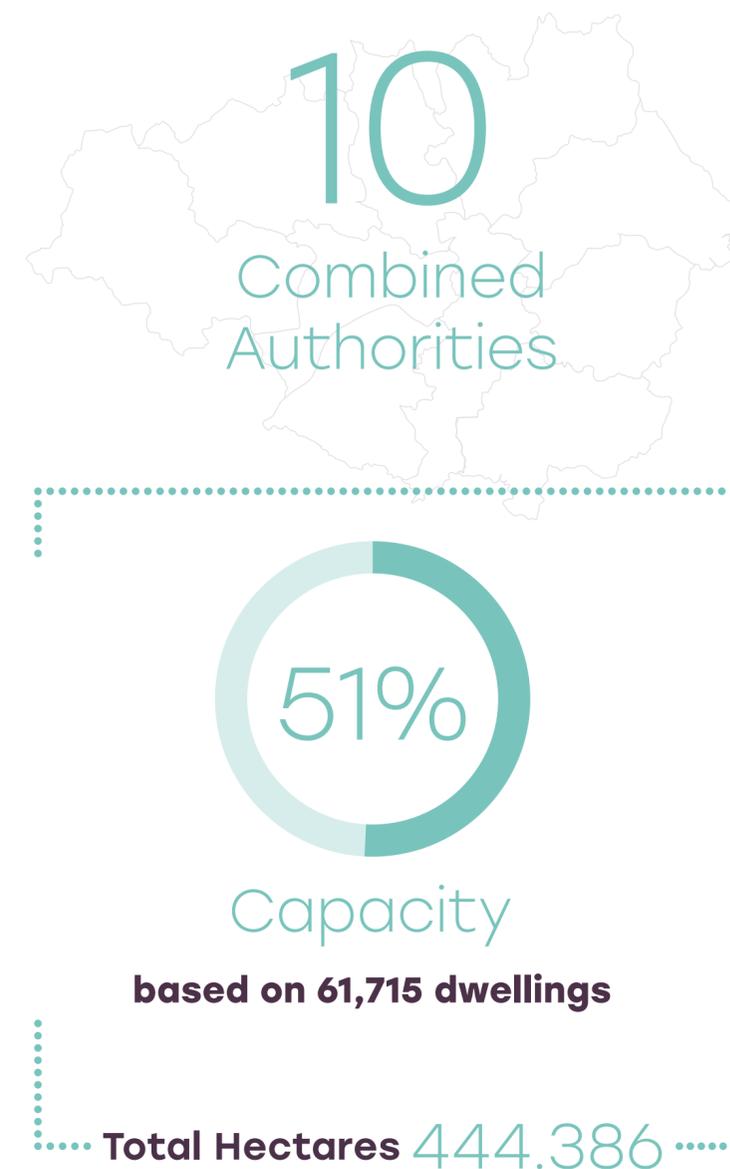
Across the 10 local authorities which make up the combined authority, Manchester City Council has more than 51% capacity when considering the number of its dwellings, 61,715, covering 444.386 hectares.

As a result of its rich industrial heritage, **much of the current brownfield land awaiting development is situated within the city centre and city fringes.**

This has promoted a strategy of mixed-use to not only provide housing, but also unlock economic opportunity through the creation of offices, commercial properties and warehouses.

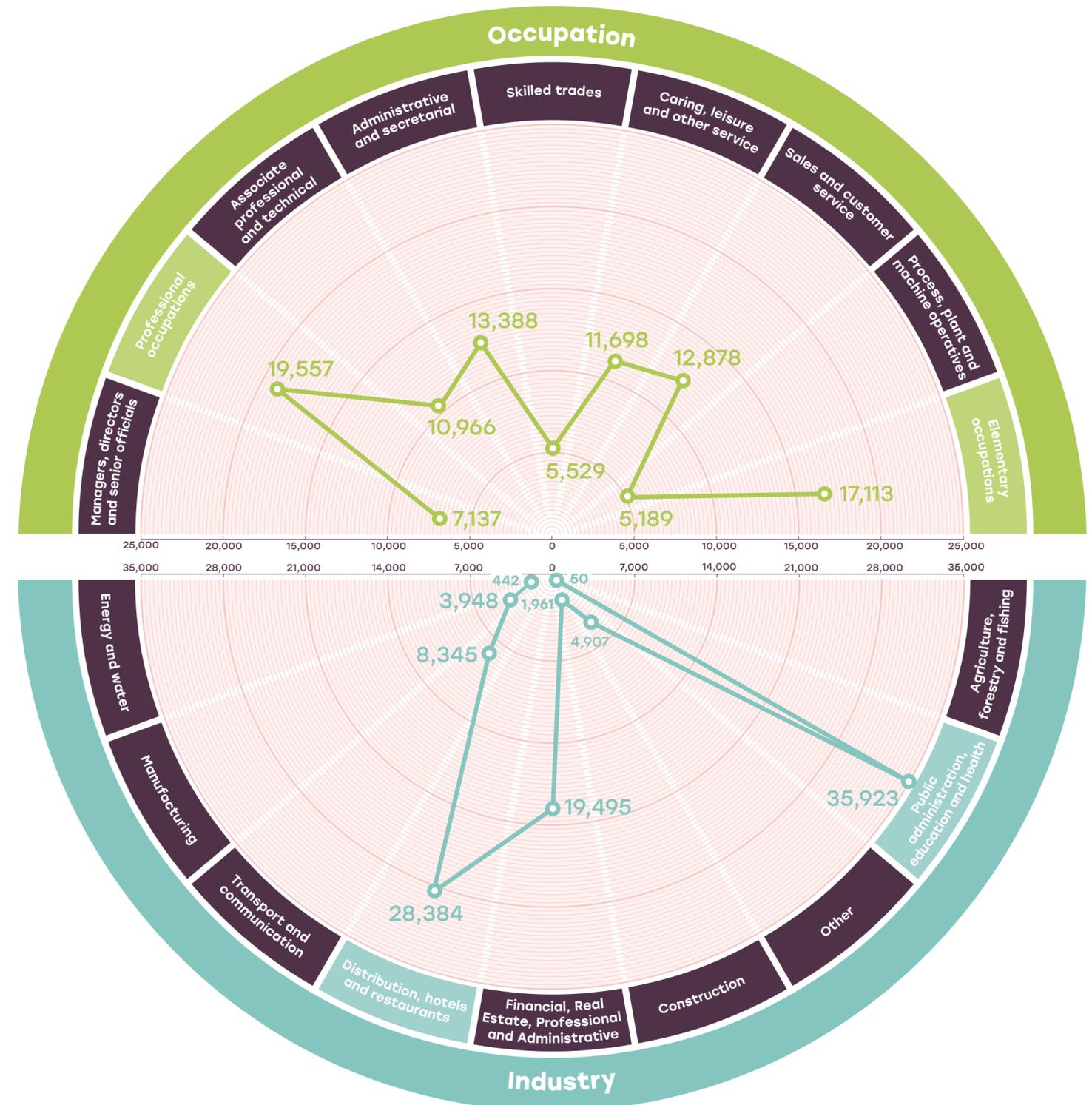
While this is highly laudable and important to the local economy, it will be important to ensure that Manchester maintains an approach which delivers inclusive and diverse communities with mixed tenure. Unlocking brownfield land provides a **unique opportunity for Manchester to accelerate the delivery of much-needed social housing in proximity to education, healthcare, employment and opportunity.**

By retaining any land and housing assets, Manchester will be able to deliver lasting and sustainable outcomes for residents while increasing the local authority balance sheet to deliver an uplift in GDV (Gross Development Value) and GVA (Gross Value Added) through improved productivity.



Access to employment by occupation and industry

When considering travel to work within a 5k distance, further analysis highlights the importance of access and connectivity for public sector workers and the service and hospitality industries. This demonstrates the importance of maintaining mixed and inclusive communities vital to the social and economic fabric of Manchester.



Conclusion & recommendations

Across the Greater Manchester Combined Authority, **the use of brownfield land for housing offers real opportunity to tackle the housing crisis.**

The Authority will, however, need to adopt a range of measures including renewal of existing stock to maintain the social fabric that is at the core of its success.

To fully realise the potential of brownfield land for social housing, local authorities must return to their role as house builders, whereby they retain the land and housing asset.

Focusing on local authority-owned land will reduce development costs and boost local authority balance sheets and Housing Revenue Accounts (HRA). This will **deliver positive and sustainable outcomes that directly benefit the businesses and communities they serve.**

To unlock complex sites and accelerate the delivery of much-needed housing, local authorities will also **need to adopt modern methods of construction and offsite manufacturing.**

This will not only reduce the time associated with delivering new housing, but it will also reduce the overall costs and environmental impact of construction.

This translates into **delivering triple bottom line value: social, environmental and economic** – while also rebalancing the housing stock back into local authority hands.



Appendix

Research and data sources

This whitepaper is fully independent and in no way reflects the opinion of the Greater Manchester Combined Authority or Manchester City Council.

› **Greater Manchester Combined Authority**
Greater Manchester Housing Strategy
- Doing Things Differently
Data accessed May 2020
<https://www.greatermanchester-ca.gov.uk/media/2257/gm-housing-strategy-2019-2024.pdf>

› **Greater Manchester Combined Authority**
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Greater Manchester Strategic Housing
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<https://www.greatermanchester-ca.gov.uk/media/1733/gm-shma-jan-19.pdf>

› **Greater Manchester Combined Authority**
Greater Manchester Spatial Framework
Data accessed May 2020
https://www.greatermanchester-ca.gov.uk/media/1710/gm_plan_for_homes_jobs_and_the_environment_1101-web.pdf

› **Manchester City Council Strategic Housing Land Availability Assessment**
Data accessed May 2020
https://secure.manchester.gov.uk/info/200074/planning/7818/strategic_housing_land_availability_assessment

› **Manchester City Council Delivering New Homes in Manchester**
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<https://www.local.gov.uk/sites/default/files/documents/Housing%20and%20Planning%20and%20Infrastructure%20Conference%20-%202013%20March%202019%20-%20Diversifying%20the%20housing%20market%20-%20Steve%20Sheen.pdf>

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› **MHLCG**
Housing stock, Live Table 100
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<https://commonslibrary.parliament.uk/social-policy/housing/local-authority-data-housing-supply/>

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Data accessed May 2020
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› **MHLCG**
Brownfield Land National Dataset
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Numbers of households on local authorities' housing waiting lists, by district, England, from 1997
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› **Greater Manchester Combined Authority**
Greater Manchester's Plan For Homes, Jobs And The Environment Greater Manchester Spatial Framework Revised Draft - January 2019
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Housing stock: MHCLG, Live Table 100
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<https://commonslibrary.parliament.uk/social-policy/housing/local-authority-data-housing-supply/>

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› **UK Census**
Tenure Data - 2011, by Office for National Statistics
Data accessed May 2020
<https://www.nomisweb.co.uk/>

› **MHLCG**
English indices of deprivation 2019 by MHLCG
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