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Staffs ST13 7HJ  
May 2010

Dear Prime Minister,

Housing did not feature as a major issue for political debate during the General Election. However it is increasingly apparent that a housing crisis will emerge during this Parliament if appropriate investment and interventions are not forthcoming from the public sector. Nationally, the rate owner occupation is now falling, new housing supply is at a record low, and overcrowding is beginning to increase again after decades of improvement. Following recent announcements by the previous Government, capital expenditure by the public sector is programmed to fall by 50% in the period 2011-2014. In the absence of a reconsideration of priorities by Government, the national housing investment programme is likely to be disproportionately reduced, and in many areas public intervention and investment will cease.

Reductions in Government investment in housing will severely impact upon Greater Manchester, given the relative vulnerability of land, labour and housing markets in many neighbourhoods in the core of the older towns and cities. The imperfect nature of market responses in deprived areas will become increasingly apparent as Greater Manchester is likely to experience a substantial growth in households over the next 25 years, while the labour market will be characterised by an increasing polarisation of incomes as the loss of middle income manufacturing and public service employment impacts on the employment structure. For many, a market based solution to their housing needs will not be possible.

The planned reductions in public investment in housing will not produce the savings in the long term which justify retrenchment. Poor quality housing will impact on economic competitiveness by discouraging mobile and skilled labour from relocating. Overcrowding will have an impact on productivity by reducing educational attainment amongst children and young people. Problems of social cohesion arising from market failure will generate additional costs in neighbourhood management and health services. Additionally, the substantial investment which has already been made in developing educational facilities, health centres and higher quality

neighbourhoods over the last decade will be placed at risk if the Government pursues a market driven programme in areas characterised by market failure.

I would ask therefore, that you reconsider the priority given to housing investment during the lifetime of this Parliament. Investment should be targeted on delivering housing supply through new public-private partnerships in areas where the private sector will not or cannot work alone. Most importantly, funding must be maintained in the urban areas where housing renewal needs to link with economic development, labour market upskilling, and demographic change.

Yours sincerely,

A handwritten signature in black ink that reads "B. Nevin," with a small dot above the 'i' and a comma at the end.

Brendan Nevin

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