

Affordable infrastructure: *how strategic authorities can use housing and public transport to tackle health inequalities*

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About this essay

This is the third in a series of essays that will answer key questions about the effectiveness of devolution in addressing health inequalities. It is part of our joint programme of work supported by The Health Foundation.

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1. Summary

Over the last 14 years, life expectancy has stalled, health inequalities have worsened, and self-reported health among the poorer half of the population has not improved¹. In leading the charge to reverse this trend, strategic authorities (SAs)² are uniquely placed to take action across the different building blocks of health to address health inequalities³.

In addition to employment, which we discussed in a previous essay⁴, SA housing and transport policies also offer significant opportunities to narrow health inequalities. There are a number of interventions currently being leveraged by SAs as part of a health in all policies approach which are detailed in full in the recent [health in all policies toolkit](#), produced by the West Midlands Combined Authority.

When it comes to health and reducing health inequalities, having enough good quality housing stock⁵, reducing air pollution and ensuring access to public transport⁶ and its infrastructure, all play a role.

What cuts across both housing and transport policy, however, is the issue of affordability. The aforementioned toolkit offers some insight here, but affordability was also a key topic of discussion during a recent series of interviews and discussion groups that we conducted with SA officers and mayors as part of this programme of work.

In this essay, therefore, we focus predominantly on what could enable SAs to do more to address health inequalities by making both good quality housing and public transport more affordable, especially for those on the lowest incomes. We highlight both leading edge practice to illustrate the art of the possible, as well as emerging insights for national policymakers which could be considered as amendments to the current English Devolution and Community Empowerment Bill.

We begin with context setting in section two, to illustrate how affordability of housing and public transport impacts health inequalities. In sections three and four we consider housing and public transport (particularly buses) and address how current practice could be scaled and amplified. In both instances, we make the case for more municipal ownership as a key intervention to provide both more affordable housing and cheaper public transport. We then offer some final conclusions and our recommendations in section five. The insights we present here are informed by our interviews and discussion groups and from our engagement with the wider academic and grey literature.

¹ P Goldblatt et al. (2024). England's widening health gap: Local places falling behind. Institute of Health Equity. [Read](#).

² We use the term Strategic Authority in line with the language in the [English Devolution White Paper](#). We note that this definition includes a number of sub-groups. However, the focus of our research to date has been on Mayoral Strategic Authorities. This includes the Greater London Authority, all Mayoral Combined Authorities and all Mayoral Combined County Authorities.

³ TL Goodwin et al. (2024). Tackling health inequalities through English devolution: towards a new framework. CLES. [Read](#).

⁴ TL Goodwin, D Buck and L Tiratelli (2025). Addressing health inequalities through employment: challenges and opportunities for strategic authorities. CLES. [Read](#).

⁵ M Marmot (2025). Poor quality housing is harming our health. BMJ (338). [Read](#).

⁶ A Donkin, M Childs and M Marmot (2024). Transport's role in creating a fairer, healthier country: a social determinants of health perspective. IPPR. [Read](#).

2. The impact of affordability on health inequalities

The affordability of housing and public transport plays a **critical role in shaping health inequalities** and can impact them in the following ways.

Mental and physical health strain

High housing costs relative to income are linked to increased stress, anxiety, and depression⁷. People spending more than a third of their income on housing often struggle to afford essentials like food, heating, and social activities⁸, all of which are vital for mental wellbeing. Poor housing quality, often associated with unaffordable housing, leads to cold, damp, and overcrowded living conditions. These are linked to respiratory illnesses, cardiovascular problems, and poor sleep⁹.

Unaffordable housing increases the risk of evictions and homelessness, which are strongly associated with poor health outcomes and the widening of health inequalities, including higher rates of hospitalisation and chronic illness. Homeless individuals face barriers to accessing healthcare and managing conditions like diabetes or mental illness¹⁰.

Where public transport options are limited due to their cost, this can lead to social isolation, anxiety, and reduced life satisfaction¹¹. When transport is unaffordable or unreliable, **people may delay or avoid seeking medical care, miss appointments, or be unable to maintain employment** - all of which contribute to poorer health outcomes and the widening of health inequalities¹².

Conversely, **affordable transport enables individuals**, especially those in lower-income groups, **to better access healthcare services** (GPs, hospitals, mental health support), education and employment opportunities, healthier food options, and social networks, support systems and active travel. All of these things improve mental and physical health and contribute to the narrowing of health inequalities¹³.

The quality and affordability of bus services is particularly significant here¹⁴. Lower paid people that live in deprived areas tend to be more dependent on bus networks¹⁵, as well as being more likely to turn down jobs due to transport-related concerns¹⁶. [Recent government statistics](#) tell us that in 2023, for example, people in the lowest real income quintile made 67 local bus trips on average – more than any other income quintile – while those in the highest income quintile made the least (25 local bus trips on average).

⁷ M Marmot (2025). Poor quality housing is harming our health. BMJ (388). [Read](#).

⁸ The Health Foundation (2025). Inequalities in housing affordability. [Read](#).

⁹ Ibid.

¹⁰ Crisis and Health Equals (2025). "Now I have my flat, my health is much more stable": How affordable private rents can help tackle health inequalities and homelessness. [Read](#).

¹¹ Public Health Scotland (2024). Transport poverty: a public health issue. [Read](#).

¹² N Mihaylova (2021). How transport offers a route to better health. The Health Foundation. [Read](#).

¹³ Ibid.

¹⁴ The Health Foundation (2025). Trends in households without a car. [Read](#).

¹⁵ S B Hager, M Brett and J Baines (2021). All aboard: Transforming bus services. Common Wealth. [Read](#).

¹⁶ S Gates et al. (2019). Transport and inequality: An evidence review for the department of transport. Nat Cen. [Read](#).

Health Inequities Across Demographics

Young adults, minority ethnic groups, and low-income households are disproportionately affected by unaffordable housing¹⁷. For example, over 30 per cent of people from some minority ethnic groups spend more than a third of their income on housing, compared to just 8 per cent of white people¹⁸. **A lack of affordable housing contributes to racial and socioeconomic wealth gaps**, which in turn perpetuate health disparities. Communities of colour are more likely to be renters in poor-quality housing, limiting their ability to accumulate wealth and access healthier environments.¹⁹

3. Housing policy

“When our mayor was re-elected last year, he put housing absolutely at the forefront of his manifesto.”

“Our mayor has a target of 20,000 social homes in the next decade...”

“Without good secure housing, people can't have health... Britain has not followed that for 50–60 years. And the consequences are all around us.”

The above quotations from SA officers and mayors highlight the political priority to provide more affordable homes. Currently, SAs have several mechanisms at their disposal to support this ambition, as highlighted in our recent interviews and discussion groups. These mainly range from:

- the use of strategic planning and [spatial frameworks](#) to guide development across regions;
- [land commissions](#), [joint assets boards](#) and [compulsory purchase order](#) (CPO) powers to coordinate the use of public land for housing and regeneration;
- and the use of [mayoral development corporations](#) to drive regeneration and increase the supply of housing.

In addition, the Government's Social and Affordable Homes Programme (SAHP) is designed to increase access to affordable homes for people on low to moderate incomes. This provides funding predominantly to local authorities and housing associations to build more affordable homes. It is however an additional resource that can be leveraged as part of coordinated SA housing strategies, in conjunction with the other SA powers and resources. To this end, both the Greater Manchester and West Midlands Strategic Authorities have successfully lobbied for full (sub) regional control over the SAHP, which will come into play in 2026, giving them power to direct site selection, set standards, and approve scheme funding.

¹⁷ S Walcott and S Robinson (2025). Wealth is health: housing, health inequalities and communities of colour. London School of Economics. [Read](#).

¹⁸ The Health Foundation (2025). Inequalities in housing affordability. [Read](#).

¹⁹ S Walcott and G Nightingale (2025). How racism affects health. The Health Foundation and the Runnymede Trust. [Read](#).

SAs therefore have a central role in bringing housing resources together, convening partners and co-ordinating activity, as SA officers explained:

“[I]s it about our influence over the affordable homes programme... how we deploy our brownfield land... very much a sort of supporting and facilitation role from a combined authority perspective.”

“[I]t might be we look at working with Homes England about potentially developing some sort of strategic partnership that can jointly bid into the affordable homes programme... [I]t's very early days, but there's a will to look at that.”

“We're doing a lot of planning at the minute working with housing associations and other council builders... So we can take advantage of the new compulsory purchase order (CPO) powers, to secure more affordable land for affordable housing.”

As a result of this kind of activity, some SAs are starting to increase the supply of affordable housing. This year, for example, the West Midlands mayor was able [to announce](#) an additional £1.7m of investment for 124 social and affordable homes on five acres of derelict industrial land. Meanwhile, the West of England Combined Authority has [recently announced plans](#) for a £19.8m investment at Hengrove Park, supporting the delivery of 1,435 new homes, of which half will be for social rent or shared ownership, and including 53 council homes.

Challenges

While this is positive, **demand for affordable housing schemes** like those we have discussed **continues to outstrip supply**, with charities like Shelter maintaining that 90,000 social rent homes per year for 10 years are needed to clear waiting lists and end the current housing emergency²⁰.

Further challenges remain, including the size of the SAHP funding pot which may still be too small, **and the model and mechanism of development and regeneration dominant across many SA (sub) regions**. As recent research from the University of Sheffield highlights²¹, property development has become investor-driven, and heavily financialised, resulting in a system that attracts capital into city centre developments but then allows value to be extracted – maximising profits for global investors while minimising affordable housing provision, despite significant public subsidies and land concessions. This phenomenon transforms homes from places to live into vehicles for wealth accumulation, with serious consequences for affordability, equity, social stability and by association, health inequalities.

Opportunities

Despite the dominance of this model, however, reliance on large private investors is not the only way to build homes. For example, in 2017, Salford City Council launched [Dérive](#), a wholly council-owned company. Working in partnership with local housing associations, Dérive is delivering high-quality, genuinely

²⁰ V Galarza et al. (2024). Brick by bric: A plan to deliver the social homes we need. Shelter. [Read](#).

²¹ Goulding, R., Leaver, A., & Silver, J. (2025). Centripetal cities: A critique of supply-side urban development. [Read](#).

affordable mixed tenure homes, on council-owned, under used sites. The homes are sustainable and are provided at below average rent, forming Salford's largest council housing scheme for 50 years. Since its inception, Derive has delivered 356 homes, with 1,000 more in development or construction. In 2023, Derive achieved registered provider status, enabling access to SAHP funding. The example reflects what can be achieved when the focus is on long term place stewardship as opposed to speculative capital.

As such, while considering the art of the possible in our recent discussion groups, we explored the feasibility of scaling and amplifying a Dérive type model across SA (sub) regions. As the quotations below suggest, SAs are thinking about this approach and there is an appetite to do more in terms of building more affordable homes as opposed to generating profits for shareholders. However, not all local authorities have the knowledge, capacity and appetite to step into the municipal housebuilding space.

“Well, on a smaller scale... We've started to scope and enhance a council house building programme. There's a bit of an opportunity because we've only got four local authorities in the area, they're all stockholding. They've all got an ambition to build more council housing, so at the moment, through the strategic place partnership, we're looking at some sort of programme and it might be that shared training and expertise.”

“We actually have four developing councils... And you know, a really high target of 75,000 new homes from the mayor. So there's no model of delivery I think at the moment that's off the table.”

“Not sure that there's enormous amount of appetite to step into this, that space for those that aren't already, we might be looking at a more sort of mixed model of delivery...”

Our view: we need to address levels of funding and the purpose of building homes

While government should consider the size of the SAHP funding pot, we would argue that it should also offer more encouragement and support for municipal housing development. Additionally, it could consider tighter regulation of the SAHP to decrease the reliance on speculative capital and prioritise affordability with a view to narrowing health inequalities.

Within SA (sub) regions, the continued development of strategic partnerships led by SAs should continue to consider how models like Dérive could be used more widely to increase the supply of affordable homes for the same rationale. To facilitate this, and in line with what the Local Government Association have suggested²², **the government could also combine fragmented housing funding streams - such as the Housing Infrastructure Fund, Brownfield Land Fund, and SAHP - into a single, ring-fenced pot allocated for five-year periods.** This approach would provide greater autonomy and consistency in planning and delivering housing projects, and could boost social housebuilding by 21 per cent.

²² Local Government Association (2024). Building a better future: An assessment of the economic and social benefits of five-year housing regimes. [Read](#).

4. Transport policy

“[P]utting money in people's pockets is probably the biggest single thing that you can help with from a transport point of view.”

As with housing, the affordability of local public transport (and particularly buses) is something that all SA and their local partners are wrestling with. All SAs function as local transport authorities under current legislation and policy frameworks. The majority we spoke to as part of our research are embedding health outcomes within their local transport plans. These outcomes map onto a number of different factors which affect health inequalities, such as the economy and the environment. And as one officer explained:

“We also have inclusive and affordable as one of them as well because – our colleagues on this call will know – health inequality is often compounded by things like income.”

With this in mind, we identified a number of key insights as to how they are using their powers and resources to make transport more affordable and address health inequalities. These relate to the creative use of funding pots and mayoral precepts, as well bus franchising, which we now discuss in more detail.

Creative use of national funding pots and mayoral precepts

All SAs receive funding from the Department of Transport as part of the Bus Service Improvement Plan (BSIP). In West Yorkshire, this has been deployed to help keep bus fares as low as possible. Despite the national fare cap rise to £3, West Yorkshire has used this funding to keep the cost of a single journey to £2.50 as part of its Mayors Fares initiative. SA representatives reflected that a recent evaluation has shown that the intervention has helped people from the areas of highest deprivation *“to manage cost of living crisis”*, saving them money and improving access to jobs²³ - thereby having an impact on health inequalities, given the connection between employment and health²⁴.

West Yorkshire has also used Bus Service Improvement Plan (BSIP) funding to help support [Project Hope](#) – an initiative led by the integrated care system (ICS) to provide young people that are care experienced with career development opportunities. While the ICS provides job placements, the SA offers free travel cards to those on the programme.

In Greater Manchester, where representatives reported that *“over 50 per cent of residents benefit from some kind of concession”*, the SA has recently set a mayoral precept of £129 per year for households that are band D council tax payers and above. The money raised through this contributes to the SA’s extensive concessionary offers which include subsidised fares (on buses and trams) for young people and free travel for disabled residents and elderly residents who

²³ West Yorkshire Combined Authority (2025). BSIP fares initiative: impact survey 2024. [Read](#).

²⁴ TL Goodwin, D Buck and L Tiratelli (2025). Addressing health inequalities through employment: challenges and opportunities for strategic authorities. CLES. [Read](#).

qualify for a state pension. This further supports access for employment and reduces the risk of isolation²⁵, both linked to health inequalities.

Bus franchising

Bus franchising is a tool for mayors and strategic authorities to have more control over affordability and improve access to public transport as a route to tackling health inequalities. For example, under the Bus Services Act 2017, SAs can introduce bus franchising, giving them control over routes, fares, and service standards. This is similar to Transport for London which - under Sadiq Khan's leadership of the Greater London Authority (GLA) - has presided over some of the lowest local bus fares in the country, where a [single bus journey costs £1.75](#). While the Liverpool City Region and West Yorkshire Strategic Authorities have announced intentions to pursue franchising and are in various stages of assessment and consultation, Greater Manchester is currently the only SA outside of London to have fully implemented franchising, with services rolling out in phases since September 2023, making travel more predictable and affordable. [Since the rollout began in September 2023](#), passenger numbers have increased by 5 per cent over a 12-month period. This suggests that more affordable fares, combined with improved service reliability and integration, are encouraging greater use of public transport. In light of the powers Greater Manchester has to set and enforce its own fare policies, adult fares in the sub-region remain capped at £2 at the time of writing, despite the national cap rising to £3.

Our view: we need more municipal ownership and/or stronger regulation

The examples given of West Yorkshire, Greater London and Greater Manchester illustrate the art of possible in terms of how public policy can be used to address the affordability of bus services, and should provide a rationale for other SAs to move forward with bus franchising. However, we would argue that deeper reform is needed.

Forensic analysis of the main bus companies operating in the UK highlights that share ownership of these companies is dominated by a combination of high-net-worth individuals, large banks and major asset management companies²⁶. As such we are seeing a significant transfer of income from ordinary bus service users, the funding pots of SAs, and council tax payers who contribute to mayoral precepts, to wealthy investors. Indeed, the five main private bus companies paid out an average of almost £150 million a year to shareholders between 2008 and 2018.

With publicly owned bus networks, however, this resource would no longer be extracted as shareholder dividends. It is estimated that [public ownership of buses would save £506 million a year across the UK](#) which could be reinvested into services and cheaper fares. For example, as a municipally owned bus service, [Reading Buses](#) can invest an additional £3 million a year into its bus network (around 12 to 15 per cent of its annual turnover). This extra money means better

²⁵ Department for Transport (2024). The role of transport in tackling loneliness. [Read](#).

²⁶ S B Hager, M Brett and J Baines (2021). All aboard: Transforming bus services. Common Wealth. [Read](#).

quality buses, one of the greenest fleets in the UK, and more people taking the bus in Reading.

Despite the success of companies like Reading Buses, **the 2017 Bus Services Act prohibits local authorities and SAs from setting up new public sector bus companies** to compete in the market. **This prohibition is set to be reversed however with the new [Bus Services \(No.2\) Bill](#)** which is currently awaiting Royal Assent.

Once this bill becomes law, **we would encourage SAs to explore setting up their own municipal bus companies** and work with local transport authorities to ensure that the kind additional support for cheaper fares highlighted above could be used to the greatest effect.

As an alternative to municipal ownership, there is also a case for stronger regulation to ensure that a greater share of profit and surplus extracted by the current main bus providers is instead redirected towards keeping fares lower and more affordable. This could be governed nationally or, in the spirit of the current devolution agenda, devolved to an SA level.

5. Conclusion

More affordable housing and transport will affect people's income - especially among those with the lowest earnings and this could play a critical role in reducing health inequalities.

The new insights gathered here suggest a number of interventions for SAs and their local partners

Housing recommendations for SAs

1. Promote affordability as a health intervention

- Embed health outcomes into housing strategies, recognising the link between secure, affordable housing and improved physical and mental health.

2. Coordinate strategic partnerships

- Use strategic place partnerships to align housing ambitions across local authorities and housing associations;
- Facilitate joint bids into the SAHP.

3. Maximise use of planning and land powers

- Leverage spatial frameworks, land commissions, joint asset boards, and CPO powers to unlock land for affordable housing;
- Prioritise regeneration schemes that deliver social rent and shared ownership homes.

4. Expand municipal housing development

- Encourage the creation of council-owned housing companies (e.g. Dérive in Salford) to deliver affordable, sustainable homes;
- Encourage constituent councils to share expertise and capacity to scale municipal housebuilding.

5. Advocate for funding reform

- Lobby for increased SAHP funding and tighter regulation to reduce reliance on speculative capital;
- Push for a consolidated, ring-fenced housing fund (e.g. combining SAHP, Brownfield Land Fund, Housing Infrastructure Fund) with multi-year allocations.

Public transport recommendation for SAs

6. Implement bus franchising and explore municipal ownership

- Follow Greater London and Greater Manchester in using franchising to control fares, routes, and service standards;
- Use franchising to improve affordability, reliability, and integration of services;
- Explore setting up municipal bus companies once the Bus Services (No.2) Bill becomes law.

7. Use funding creatively to support affordability

- Deploy BSIP funding to cap fares and support concessionary travel schemes;
- Partner with ICSs to link travel schemes to NHS jobs (e.g. for care-experienced young people).

8. Leverage mayoral precepts

- Use council tax precepts to subsidise travel for low-income, disabled, and elderly residents.

9. Advocate for legislative reform

- Lobby government for greater regulation of bus companies.

In conclusion, as we acknowledged in our previous essay, SAs are at different stages of development and this will affect the pace at which some of these recommendations could be implemented²⁷. Yet with greater direction, expectation and support from Westminster, this could be different.

Moreover, the **changes to legislation** suggested in recommendations five and nine **would potentially help to make them more affordable**, contributing to better health outcomes and the narrowing health inequalities in the process. To this end, and with particular reference to the SAHP, **national policy makers could consider amendments to the current English Devolution and Community Empowerment Bill** which is passing through parliament at the time of writing.

²⁷TL Goodwin, D Buck and L Tiratelli (2025). Addressing health inequalities through employment: challenges and opportunities for strategic authorities. CLES. [Read](#).