



Housing, Communities and Local Government Committee

Oral evidence: Permitted development rights, HC 32

Wednesday 16 June 2021

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Members present: Mr Clive Betts (Chair); Bob Blackman; Ian Byrne; Florence Eshalomi; Ben Everitt; Rachel Hopkins; Ian Levy; Mary Robinson; Mohammad Yasin.

Questions 109 - 181

Witnesses

I: Rt Hon. Christopher Pincher MP, Minister for Housing, Ministry of Housing, Communities and Local Government; Simon Gallagher, Director of Planning, Ministry of Housing, Communities and Local Government.

Examination of Witnesses

Witnesses: Rt Hon. Christopher Pincher MP and Simon Gallagher.

Q109 **Chair:** Welcome, everyone, to this afternoon's session of the Housing, Communities and Local Government Committee. We are continuing with our inquiry into permitted development rights. These are the rights that individuals have, in certain circumstances, to alter, redevelop or change the use of the buildings they own without going through the full planning permission process.

This afternoon, we are very pleased to have the Housing Minister, the Rt Hon. Christopher Pincher MP—in the room rather than virtually, online, which is a change after the last few months. You are very welcome.

Christopher Pincher: I hope you can tell the difference, Mr Betts.

Chair: I am sure we will try our best during the course of the proceedings. You have an official with you; would you just introduce him at the start of the proceedings as well?

Christopher Pincher: I am very pleased to be joined by Simon Gallagher, who, as you and many of the Committee will know, is the director of planning at MHCLG and, among other things, is one of the



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leading lights behind our planning reform deliberations that we are working through right now.

Chair: Simon Gallagher, you are very welcome as well. Thank you for joining us. Before we come to you, Minister, members of the Committee will put on record any particular interests we have that may seem relevant to this inquiry. I am a vice-president of the Local Government Association.

Bob Blackman: I am a vice-president of the Local Government Association and I employ a councillor in my constituency office.

Ian Levy: The only thing that I have to announce is that I am a member of the Blyth town board.

Florence Eshalomi: I am also a vice-president of the Local Government Association.

Ian Byrne: I am a sitting councillor in Liverpool.

Mary Robinson: I employ a councillor in my staff team and I am a member of the Cheadle towns fund board.

Rachel Hopkins: I am a vice-president of the Local Government Association and I employ a councillor in my office.

Q110 **Chair:** We will move on to the substance of our meeting this afternoon. Once again, welcome, Minister. We are talking about permitted development, which is clearly a policy that the Government regard as important and one that they have made significant changes to both in the past and recently. Would it be possible, just at the beginning, to explain to the Committee and to people who may be watching what the Government are hoping to achieve by their change of approach to permitted development? That is a good starting point to begin with.

Christopher Pincher: I am happy to start there. Our permitted development rights changes are part of a suite of options that we have developed or are developing to do a number of things. One is to increase the housing supply in our country. We know that we need to build more homes of the right tenures and sizes in the right places. We believe that permitted development rights, as evidenced by the last five or six years of data, demonstrate that additional houses that may not otherwise have been built have been brought forward.

We see them also as a means of high street revitalisation. You have undertaken inquiries on this matter, and I am sure you will do more. We all know of the challenges that the high street faces. We believe that building new homes on or near high streets will better revitalise those places that have suffered a great deal over the last few months and, indeed, the last few years.

They are also a mechanism for driving growth, not just on the high street but also among, for example, SME developers, who are more likely than not to benefit from permitted development right changes to build and



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develop in those sorts of places where perhaps, otherwise, no development would have taken place.

Q111 **Chair:** As you said, Minister, the Government are making changes to permitted development rights but also proposing, in due course, wider changes to the planning system. As a Select Committee, we have just done a report on proposed changes to the planning system. One of the things that came out very strongly to us was the Government's desire to give greater certainty in the local plans, so that what was being defined there would actually happen in practice. How does that fit in with permitted development? You could have a local plan deciding what needs to happen in the next few years in an area, and then permitted development could be used by an owner to completely change the uses of land and, therefore, the intent of the local plan.

Christopher Pincher: You are right: local plans are hugely important. We want local authorities to put in place good, up-to-date local plans that pass the test of the Planning Inspectorate. We believe that, by good local planning, you can ensure that your high street and other places in your community are properly planned for. Right now, something like 60% of local authorities do not have an up-to-date plan, or a plan at all. That is a real problem, because it often results in those authorities and the communities who live in them being at risk of speculative development and the presumption in favour of sustainable development.

By putting in place permitted development right opportunities, with prior approval safeguards, it is possible to revitalise, for example, high street brownfield sites that might not otherwise have come forward for development, and do the very thing that local authorities want to and should do, which is to revitalise their high streets.

Q112 **Chair:** If the local plan says, "We think this is how our high street should be looking after great consultation. That is where we want retail. That is an area for employment. This is where housebuilding should go", and then permitted development changes that, what is the point of the local plan?

Christopher Pincher: It does not change it much. What it does is to allow for sensible development to take place in places where, for example, shops or commercial properties are no longer viable. By having residential communities in those places, closer to the services that they may well use, not only is that more environmentally friendly, because it reduces transport challenges, but it means that there are people around to use those shops and other commercial services that have been adversely affected not just by the Covid epidemic or the Amazon effect over the last 10 or 15 years, but by what you might call the out-of-town shopping effect of 20 or 30 years ago.

We have had a triple whammy on our high streets. Permitted development rights are one of a number of means of raising up high streets and getting them revitalised again.



Q113 **Chair:** We will certainly explore some of the issues about the high street in due course, but, in general terms, what is the point of a local plan if it can be changed by permitted development within a matter of months of it being agreed?

Christopher Pincher: A local plan makes sure that the right sort of homes and other infrastructure are being defined by the local authority, with the views and input of local people, so that the local community has what it needs in terms of homes and infrastructure.

Q114 **Chair:** I am not sure I got quite to the point there, but let us go on. Permitted development has been around ever since the planning legislation back in the 1940s. It was changed significantly in 2013, which was the first of a number of changes. From the very beginning, the Committee has asked, "What is the effect of permitted development right changes? Will the Government do some research? Will they do impact assessments?" We have never had, at any stage, an impact assessment from the Government about what has happened so far to inform what might happen in the future.

Christopher Pincher: I am not entirely sure that that is correct. I will make a few remarks and then ask Simon to give you some further detail on the impact assessments that we have done.

The first set of evidence is the fact that, between 2015 and 2020, so before the Covid emergency struck, 72,000 additional units of homes were brought forward as a result of permitted development rights, many of which might not have been built without PDRs, so there is real empirical evidence about the numbers of homes that have been built.

We have undertaken impact assessments, which we have published, on demolition and rebuild PDRs, and on the use class changes; that is the widening of use class changes from the 1987 set of classes to the commercial, business and service use class. That has been published.

Simon, do you want to say a few words about how we approached the impact assessments and what we found?

Simon Gallagher: Yes, I will do that. I also wanted to say that we have also commissioned research, which we published in July last year, on the impact of permitted development rights. An excellent piece of work was done and published by University College London. It was an analysis of what the impact of permitted development rights has been to date. It was based on a study of prior approval applications between 2015 and 2018. There was some qualitative work that followed on from that. That is published and gives both qualitative and quantitative information on what the impact of those has been. That is the retrospective element.

As the Minister says, we have published some impact assessments of our changes that allow permitted development rights for building upwards and for demolition and rebuild. Necessarily, those impact assessments are projections of the impact. We have tried to set out in those impact



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assessments, as thoroughly as we can, the basis of our assumptions, using as much data as we can get, and I hope that is useful.

As you say, these are necessarily estimates at this stage, based on data, for example, on the Use Classes Order. We know roughly how many buildings there are with converted use at the moment, so we have been able to put an estimate on the changes and how many will benefit from them. Things will develop there.

There is a question for us about when it becomes appropriate for us to redo some of the research that we have done on this and to ask some further questions about that. We have to let the permitted developments operate. They have been running only since August last year, so we want to let them run for a bit before doing any further monitoring.

Q115 **Chair:** So there is an intention to do an assessment, in due course, probably in a year or two, of the changes that have just been put in place.

Simon Gallagher: It depends on how long it takes to get the data through. I cannot give you a precise date for the research, because we have to go through our internal research procedures to get to that point.

Q116 **Chair:** But two years would be a reasonable sort of time. I am not trying to lead you.

Simon Gallagher: You are leading me further than I feel comfortable committing to here, because I want to be guided by professional researchers on what the optimum time is: how long you need to do things, the balance that they want to have between qualitative and quantitative research, and how long it takes them to do the research. Unless and until we have done any of that, I cannot give you a precise timetable.

Q117 **Bob Blackman:** The changes that were made to PDR arrangements last August set new standards for space, light and other conditions, which are welcome. In many respects, the PDRs are a mixed bag. There were developments that took place before the changes were made, many of which were perfectly reasonable, but also quite a number of very small units, with no light being provided etc. I just wonder if you, Minister, and your officials will be looking at what the impact has been on those particular developments and whether any rectification could take place to bring those units that were converted or made prior to the existing regulations back up to what would be a much more reasonable standard of condition.

Colleagues are going to be asking questions about what happens in the future, but we will have this stubborn number of units that really are not fit for purpose, in my judgment, and I just wonder if there is anything that you are proposing to do about the conditions that people are having to live in at the moment with that permitted development.



Christopher Pincher: If I try to address your question, the steps that we have taken thus far, with respect to both adequate natural light and habitable rooms, and space standards, demonstrate, to come back to Mr Betts's earlier question, our commitment to review policy advances, in order to make sure that they are working as we intend them to. When the data is available, we will then assess what the effect of those changes has been and make any necessary adjustments that are required.

The driver for the adequate light assessment came from our colleague Robert Halfon, among others, and what was then Labour-controlled Harlow Council, which raised it with us. We commissioned work to assess what the challenge was. As Simon said, UCL did some very important work. That enabled us to introduce light and space standards; for example, a one-storey, one-bedroom property requires space of 37 square metres.

Simon Gallagher: It is 37 or 39.

Christopher Pincher: As to what you might call retrofit, we have legislation already on the statute book—the fit for habitation Act. I am not using the correct set of words, but I think Mr Betts and Mr Blackman know what I mean.

Chair: The Karen Buck Act, yes.

Christopher Pincher: Yes, indeed. There are several sets of legislation that can be used through the courts to ensure that habitation is properly configured, safe and appropriate, but we will always look to see whether those pieces of legislation can be further improved and whether there is empirical evidence out there in the country that demonstrates that they should.

Q118 **Ian Byrne:** Minister, we have been told repeatedly that permitted development undermines the ability of local authorities and communities to shape their own communities. Do you agree?

Christopher Pincher: No, I do not, Mr Byrne, with respect. We want to see more development in brownfield sites, not least because that means that different tenures closer to services can be built, so that different types of people, perhaps those who are older or in need of more affordable properties, can live closer to services. That has the concomitant effect of building the services and businesses in those nearby communities. It also has the effect of taking the pressure off greener-field sites that may otherwise be developed, where the community and, I suspect, local councils may not wish that to happen.

They are part of the suite of tools that we have in play to make sure that communities can be shaped as communities would wish them to shape, which are alive and vibrant. That is what we are attempting to achieve. Anybody who has walked down a high street over the past several years will know that there are many shut-up shops. There are on your high street in Liverpool. In mine, too, we have had challenges. In Sheffield, I



am sure, Mr Betts, you have had your challenges. If we can improve the viability and vitality of those places, that is to the benefit of all the community and, indeed, the council that wants to shape its planning processes.

Q119 Florence Eshalomi: Following that, Minister, in terms of local authorities shaping their high streets, you will have seen, on the back of the pandemic, a number of not just high street chains but even smaller independent stores struggling. In a sense, that will affect some local authorities in trying to revive their local town centres and high streets. Is there any role that local authorities should be playing and any way that permitted development rights would hinder the recovery of local high streets?

Christopher Pincher: As I have already said, I do not think that permitted development rights hinder the opportunity to revitalise high streets, but what I would say is that they are part of a wide-ranging suite of tools that we have and are providing to local authorities to rebuild after the pandemic and, indeed, during it. We also have the future high streets fund. You may well have bid for it in your community, as mine did. It is £830 million of funding to revitalise our high streets.

The towns fund is £3.6 billion of funding to build jobs and skills and to create more resilient towns. The levelling-up fund is £4.8 billion that can be bid for in bitesize chunks for shovel-ready projects, which can see heritage assets restored and transport requirements funded. PDRs are simply one part of the Government's suite of mechanisms to support your community and mine to revivify themselves after the Covid epidemic.

Q120 Florence Eshalomi: I appreciate your response on that, especially in terms of the towns fund. Representing an inner London borough just across the bridge from Westminster, there are a number of high streets that are struggling, and I know that this is the case up and down the country. Would you not say that there is a concern about the Government's changes to article 4 directions? In essence, if a local authority had issues about some changes, there is not much that it could do. How can it then prevent that development going forward, if there is a real threat to the town centre? What other avenues would local authorities have?

Christopher Pincher: You are right to mention the article 4 exemptions, whereby local authorities or, indeed, the Secretary of State can disapply PDR opportunities. We want to see article 4 exemptions used by local authorities in a measured, targeted and proportionate way. We have consulted on their use and are presently working through that consultation feedback. Simon can probably say a little more about that in a moment. We have made it very clear that we want to retain the opportunity for article 4 exemptions, but we are keen to make sure that they are used in a targeted and measured way.



Simon Gallagher: Perhaps I can expand on that for the Committee's benefit. Permitted development rights are a grant of planning permission at a national level. They are a grant by the Houses of Parliament of planning permission in certain areas. Therefore, it is only in certain limited circumstances that local authorities can use article 4 directions to override those responsibilities. Through national planning policy, we set out the circumstances in which that is possible. The current wording on that is quite restrictive and is set out in paragraph 53 of the National Planning Policy Framework. It says, "The use of article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area".

We have proposed to change that wording. This was subject to consultation, which finished a month or so ago. It would change that sentence to say, "The use of article 4 directions to remove national permitted development rights should, where they relate to change of use to residential, be limited to situations where this is essential to avoid wholly unacceptable adverse impacts". We also gave an alternative: "Where they relate to change of use to residential, be limited to situations where this is necessary in order to protect an interest of national significance".

There are some further bits: "Where they do not relate to change of use to residential, be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. (This could include the use of article 4 directions to require planning permission for the demolition of local facilities)". It goes on to say that, in all cases, article 4 directions should apply to the smallest geographical area possible.

That is the subject of consultation that we have put out there. We have had a number of responses and, as the Minister says, we are working through those with a view to dealing with them. We have had a number of representations from a number of groups, including local government, on some of those impacts, and there are some issues that we want to work through.

Q121 **Florence Eshalomi:** Just on that response, does it not show that permitted development rights will, in a sense, undermine the policy on the planning White Paper? Coming back to my area, in the north of the borough, in and around the South Bank, near the eye and the aquarium, the local neighbourhood plan was agreed by partners, community groups, amenity groups and the council not too long ago. In essence, as it stands, the permitted development rights could trump all of that, and small, close-knit residential communities would not have any say. One of the key issues raised around that area, for example, is the change of use, with more high-rise and more hotels. It is not respecting the local character of an area or a commercial district, or the feel of the neighbourhood.



Christopher Pincher: I am very pleased, first of all, that you have a neighbourhood plan in your community. It is often the case that urban communities, or those further north, do not benefit from neighbourhood plans. They tend to be more rural and more southern, so it is very good news that you have one. I am personally very keen to make sure that, as we develop our planning reform proposals, which we will say more about later this year, we retain neighbourhood plans to make sure that they are part of the building blocks of our planning system.

If a neighbourhood is to be vibrant, local shops and services need to have people prepared to use them. The whole idea of permitted development rights, with prior approval controls—and that is important, because there is also a suite of prior approval controls that local authorities have in assenting to a permitted development right—ensure that that neighbourhood can remain vibrant. Those sorts of controls include noise, flood risk, or whether the proposal is to lose a shop or a service on the ground floor of a building in a conservation area. Those are just three and there are several more that help protect local communities and neighbourhoods, with their neighbourhood plan, against inappropriate permitted development. Fundamentally, we need to make sure that we are building more homes for a variety of people, close to services, and these tools are part of the way in which we do that.

Q122 **Florence Eshalomi:** Minister, you have a number of local people and amenities groups working really hard on that neighbourhood and community plan. If you want to get that enacted right across the country, the Government have to listen and not bring in permitted development rights and other planning legislation that will trump all of that. You will not get people committing to working in their neighbourhoods and investing, unless you listen to them. They are the ones who live there.

Christopher Pincher: I quite agree. We are looking at ways in which, in urban and northern communities, we can encourage more neighbourhood plans, so that they provide that important building block to local community engagement. They are a very good way of getting people involved in plan making as a piece of the wider local plan making.

Q123 **Chair:** Could I just pick up one point that Mr Gallagher made about the consultation that the Government are now undertaking on the different wording for how local authorities could use article 4, where the conversion is to residential? One of the alternatives put forward is that they could only be used where it is necessary in order to protect an interest of national significance. For the most part, would that not, effectively, exclude article 4 in terms of residential conversions for most local authorities in the country?

Christopher Pincher: I will let Simon say a word in a moment, but I do not think so. Remember that we are working through the response to the consultation, so we are and have been keen to hear from a wide variety of people, and will make our decision and our announcement in due course.



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Simon Gallagher: We have heard that there are examples, such as key buildings of national or historical importance, in quite a lot of communities, and where a change of use of those would be quite significant. Ms Eshalomi's constituency examples may be some of those. I am not sure it is necessarily designed to be quite as narrow as you say, but we have heard that point and that is part of the representations we are considering at this point.

Q124 **Mohammad Yasin:** My first question is about support for new use class E. There have been some concerns. One of the biggest is about the inclusion of medical centres, as some fear that it could lead to the loss of medical services in an area. Do you accept this concern?

Christopher Pincher: No, I do not. That is a misunderstanding of the proposals we have tabled. In creating a wider commercial, business and service use class, we have attempted to make it easier for change of use between those sorts of services. We included medical services in that use class to make it easier for commercial services to swap into being medical practices, if that is what a community requires.

If there is an attempt by whomsoever to swap out a medical service into residential, there is a prior approval condition that we have set out, which will allow the local authority to say, "We have looked at that. No, you cannot use a permitted development right to swap out a medical facility"—which could be a chiropodist's service or another sort of medical service—"into residential accommodation". In such a case, the applicant would have to bring forward a planning application in the normal way. I am sure it is not your view, and it may have been one picked up by another witness, but it is incorrect.

Simon Gallagher: I wonder if it is helpful for me to briefly say what a prior approval process is. The permitted development rights are, as I say, a grant of national planning permission, but what they specify and what Parliament agrees to as a matter of law are a number of prior approval conditions, which are matters that the local authority can consider in terms of determining that. The applicant then has to make an application to the local authority to consider just these prior approval matters.

The Minister is exactly right that one matter we have included as a matter for prior approval by local authorities in the case of a conversion from a commercial and business service into residential is the impact of a loss of health centre or nursery on the provision of such services in the area. That is explicitly provided for by the law as a matter that the local authority can consider.

Q125 **Mohammad Yasin:** When you made your decision on what to include in or exclude from the new use class, what evidence did you use?

Christopher Pincher: We looked at the sorts of services that are visited and used on the high street: shops, medical centres and other sorts of services that people will visit and use. That was the basis of our decision



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to include them in the use class. As Simon says and as I told you, the rights to convert that use class into residential have very clear prior approval conditions, one of which is to prevent, if necessary, medical services being turned into residential accommodation.

Q126 Mohammad Yasin: Are you prepared to amend the list of included uses in the future?

Christopher Pincher: We keep them under review. As I have said previously with respect to space standards and adequate light, we look at the data, we commission research into it and, if necessary, we make appropriate changes. I am not going to make any commitment to you to change them today, tomorrow or next week. I am not minded to do that, but we will keep them under review.

Q127 Mohammad Yasin: Another concern about the new use class is that it permits an out-of-town office block to be converted into retail units, thereby bypassing the sequential test. What do you say about that?

Christopher Pincher: Those out-of-town blocks that may have been built at a time when it appeared that they would be useful and viable, but perhaps are less viable now, may be appropriate for residential conversion. They will be brownfield sites and it may be that the local authority takes the view that that is an area that it wishes to include in its local plan for further development. All the PDRs do in this instance is make it easier for those sorts of brownfield sites to convert into residential. They are generally not that far away from town centres and transport links. As I said earlier, that has the potential effect of taking the pressure off greener-field sites for development, where there may be more community opposition to that.

Q128 Chair: On that issue, is it not true that, effectively, in some cases, this could bypass the sequential test? The Conservative Government in the 1990s—and I think it was John Gummer at the time, as Environment Secretary—brought that in. There is the assumption that you will go through a number of stages: retail development, if possible, in the centre of a town or city, then on the outskirts, and only then out of town. Here, you get out-of-town development but with no ability to insist that that development goes in the town or city centre.

Christopher Pincher: I was just leaving secondary school when John Gummer was Secretary of State, so that was some time ago.

Chair: I was here in the House and it was some time ago.

Christopher Pincher: I will get my coat, Mr Betts, if I have offended you. I am not trying to be flippant, but the point is that we do want to look at our planning system in the round. Wider reforms are designed to do that, and that is why we have consulted on a wide-ranging approach to planning that makes the system more predictable, speedy and outcome-based, focusing on zoning or siting: growth sites, renewal sites and what in the consultation document are called protected sites.



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I would suggest that, when local authorities come to do their plans and get them done quickly, the sorts of areas that you are talking about, those out-of-town business premises, need to be considered by the local authority as to whether they are going to be commercial areas defined in a zone, and whether they are going to be in the renewal zone or the growth zone, so that some proper decisions can be taken about them, given that we live in a world that is post-Covid, post-Amazon and post-Ventura Park, which is my local out-of-town shopping centre that has taken a lot of business from the high street over the last 30 years. The world has changed and we have to be prepared to change our planning system with it.

Q129 **Chair:** But whatever is decided at the local planning stage that you have just described, Minister, could simply be overrun by a building owner deciding, "Permitted development gives me the power to convert this into retail", whatever the sequential test. The sequential test cannot operate, can it? It can be bypassed under these proposals.

Christopher Pincher: The permitted development right changes that we are making now, with good safeguards, will bring forward overwhelmingly brownfield sites for development for a variety of tenures, including the sorts of sites that you have just referenced. We want to reform the planning system more broadly, which will take some time. In the meantime, those PDRs create opportunities to create homes on brownfield sites, which takes the weight off greenfield sites.

Q130 **Chair:** I was talking about retail here. The permitted development rights that you are giving now, given the bringing in of use class E, mean that the sequential test cannot be enforced.

Christopher Pincher: The prior approval list does include, for example, a consideration of business use or heavy industry use, such as water and sewage. There are means by which a local authority can say, "We do not think it is appropriate that a permitted development right be used in this particular circumstance. If you want to do what you are proposing to do, Applicant X, you need to bring forward a proper planning application in the normal way".

Q131 **Chair:** Would local authorities have the right to stop out-of-town retail being developed on that basis through permitted development?

Christopher Pincher: Permitted development that we have introduced in the use class changes has certain controls and safeguards, such as a maximum floor footprint of 1,500 square metres, which tends to focus development through PDRs on smaller and medium-sized buildings, not the sorts of buildings you would necessarily find in out-of-town shopping centres, I would suggest.

Q132 **Chair:** Can local authorities stop conversion to retail through permitted development through the sorts of controls you have just described, where they are a smaller size than the limit that you just described?



Christopher Pincher: There are other potential considerations. If it is in a conservation area—

Q133 **Chair:** Outside that, just in normal terms, they do not have any powers, do they?

Christopher Pincher: I would look at the entire suite to check. If there is a flood plain nearby, that is a consideration. If there are noise risks, that is a consideration. You have to consult the neighbours as well. There are controls that local authorities can reasonably—

Chair: We need to move on now and look at other issues that impact on town centres and high streets.

Q134 **Mary Robinson:** Good afternoon, Minister. I just want to look at the impacts of new use class E-to-residential PDRs on town centres and high streets. The Government argue that the new PDR for change of use will revitalise town centres and high streets by boosting footfall. Would you be able to say what the evidence is that that will happen?

Christopher Pincher: I cannot say to you that it will increase footfall by 78% or 53%. There is not that evidence, because these changes need to be put in place and we need to evidence them empirically. We know that, if you have more people in and around a high street or a place where other services are, the overwhelming likelihood is that that will increase use of those services, which helps protect the employment in those services and helps those local people to live the sort of lifestyle that they want to live, because they are living close to the services that they want and need.

There are many properties on high streets up and down the country that are closed up. That puts people off using services in the high street. If more of those buildings can be available for residential use, it seems to me very clear that the other services nearby will benefit from residents making use of them.

Q135 **Mary Robinson:** I was wondering about the potential impact of further fragmenting commercial centres and making them less desirable destinations that may then not support the revitalising of the high street. We have heard from London First that the widespread use of commercial to residential PDR risks significant harm to the sustainable economic health of our employment areas, high streets and town centres. It is particularly concerned about the impact on London's central activities zone. Do you acknowledge the concerns that it raised in that respect?

Christopher Pincher: As I said, it is very important that we have people living, as well as working, close to the services that they may use. By the nature of their proximity, that means that they are going to use those services, and those services will benefit from them. Remember that we have also, as one of the conditions for conversion from the CBS use class to residential, put in place a three-month vacancy test. That will get the balance right between buildings and services that are viable and can



continue as shops or other commercial services, and those that cannot. We do not want buildings shut up for too long, because that has a degrading effect on any high street, to the detriment of all those people who live there or use it.

Q136 **Mary Robinson:** Could there be differences in opinion or views on this, based on different parts of the country? For instance, is there a London-centric approach to this that may differ from high streets in other areas?

Christopher Pincher: I will defer to Simon, who may have some useful evidence in a moment, but it is clear to me that, if you walk down a high street in London or its suburbs, or if you look around a town like my own or go further north, nearer to you, you will find vibrant high streets where the controls and tests that we put in place will protect the vibrancy of those commercial and business districts.

You will also find some where businesses are closed and failing, for all sorts of reasons that sometimes pre-date the pandemic. To keep the remaining businesses alive or to revitalise the entire area, it seems sensible that residential accommodation be made more easily available in order to support those services, but also, as I say, in order to take the weight off greenfield development, which our constituents tend to like less than brownfield development. Simon, do you have any particular evidence?

Simon Gallagher: I wanted to say two things other than that we are in regular conversation with London First. They are excellent and I value their views on this.

First, as part of the prior approvals for the conversion from class E to residential, one of the careful bits that we wanted to introduce, for conservation areas only, which applies to an awful lot of town centres, was that you can consider the impact of loss of ground floor commercial, business and service use on the character and sustainability of the area. That might address the concern particularly about the coherence of town centres. That is an important bit.

The other bit is to look at this alongside the comments that the Minister made a few minutes ago about the Use Classes Order. One of the problems that we were finding and had a number of representations on was that the artificial fragmentation of uses between retail, services and other high street uses was contributing to the struggles that the high street was facing. It was harder for businesses to convert between uses and we wanted to make it much easier for them to do so.

The other bit that was particularly important as part of that, and that we had seen, was the increasing use of multi-service businesses, where it was a bookshop that did educational classes in the background, or a yoga studio with a café. These were finding it really hard to negotiate planning permission. They were finding it very uncertain when trying to set these up. So a lot of what we have done in allowing this new commercial,



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business and services category is to allow the flexibility for those businesses to expand and improve.

We need to see how that works in practice and what commercial response we get from that, but one of the things we wanted to do was to create that more permissive environment to allow those businesses to support those thriving high streets that you have described.

Q137 Mary Robinson: Thank you for that explanation. Just to follow up on the conservation area, what was the rationale for not exempting conservation areas from the new PDR, as is the case under other PDRs?

Christopher Pincher: We have, to the extent that, if the ground floor of a property that is a commercial premises is proposed for conversion to residential use, the local authority can take that into account when considering whether to assent to the permitted development right—in other words, to grant the prior approval. It will enable upper storeys, which might be used as storage, for example, to become residential units, which, again, means that we are using technically brownfield sites for unit development and taking the weight off greenfield. It also means that there are people living quite literally above the shop. If those people use the shop, that is to the benefit of the shop and the wider conservation area.

Q138 Mary Robinson: Certain factors currently work to incentivise residential conversions, for example the lower tax rates on domestic properties, and to make properties more valuable as housing, at least in the short term. It is not a level playing field, is it? Won't some developers choose to prioritise a quick profit over the interests of the local area, including local businesses?

Christopher Pincher: I suspect that most developers will want to make a profit. What we want to do is to get more developers into the business of developing. As you will know—and I am sure your Committee has looked at this and taken evidence over number of years—the number of SME developers in our country has decreased very significantly. There was something like a 40% reduction in SME numbers at the time of the financial crash of 2008, and those have not returned, resulting in a much more consolidated development sector. In order to get more different types of tenures, built on different types of land, so that people have more choice, we want to get more SMEs into the marketplace.

PDRs, as an exemplar of our wider planning proposals to make the planning system speedier and more predictable, which you published a very good report on and which we will be commenting on in due course, are designed to make it easier for SMEs to develop. That is to the benefit of all the community.

Simon Gallagher: Perhaps I can add one point on that. We have heard stories about developers sometimes using the permitted development right as an assurance that they are going to get some form of planning



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permission, but they will then submit an application for another development on the back of that, safe in the knowledge that they have something that they can fall back to, but they think that they can do better. That gives them more certainty and confidence to invest in that, which means that the impact of permitted development rights is not only felt in the precise numbers that we see from that, but enables people to come in, invest and develop better schemes. There is room for more study about the way in which that works through, but, if it reduces commercial risk for investors in some areas, that is quite an important effect that we have achieved through permitted development rights.

Q139 **Mary Robinson:** This would be a really interesting way to look at it. I would be interested in seeing any examples that we are able to use in our evidence about exactly that sort of positive development that could come on the back of PDR.

Christopher Pincher: I am sure we can.

Simon Gallagher: I suspect people will be giving you that evidence as well through this Committee's work, although there will probably be commercial considerations around those sorts of things. We always try to make as much of our evidence available as possible.

Chair: To be fair, the Committee has struggled to get evidence about the positive impacts, so it would be helpful to have that.

Q140 **Ian Byrne:** Minister, there seems to be a lot of talk about brownfield sites. If I paint a picture of where my office sits in Liverpool West Derby, there are about 80 shops on the high street. What is to stop developers using PDR to turn this entire high street into a residential area? How does that revitalise the high street in my community? What modelling has been done on this by you and your officials on the potential impact? The community would not want them to be turned into houses; they would want to keep the shopping centre. I am extremely interested in the potential impact of PDR on communities such as that where my office is based in Liverpool West Derby.

Christopher Pincher: I do not know specifically what your high street looks like, but we have put in place what we think are sensible controls to protect against the unnecessary or improper development of commercial business and service class properties into residential. I spoke earlier about the vacancy test that we have applied, which was something that we did not initially propose, but consultation feedback suggested that that would be sensible.

Chair: We are going to come on to that in the next question, Minister.

Christopher Pincher: In that case, I will not say too much about that for the moment, but we have controls in place to ensure that vibrant high streets can continue.

Q141 **Ian Byrne:** Can you outline them? I know the Chair was quite persistent



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on what those controls are. From what I am reading, local authorities have no ability to stop that, and neither does the local community. I would really like an outline of what those controls are.

Christopher Pincher: One control is the vacancy test.

Ian Byrne: We are coming on to that, but these are not vacant.

Christopher Pincher: You have asked me what one is and I have told you one. We will come on to talk about it some more in a moment, I suspect, but let me just say that that is one. There are a number of others that allow local authorities, when looking at an application for permitted development rights, to check against that list for prior approval tests and to decide whether the permitted development right should go ahead.

You mentioned the high street where you have your office. What I would say is that the investment that the Government are making and the opportunities they are making available through the towns fund, the future high streets fund and the levelling-up fund are all ways in which—

Ian Byrne: Not in Liverpool.

Christopher Pincher: I trust that you will be bidding, and that you will be bidding for brownfield site regeneration funds when the next tranche is made available. The Chancellor announced £100 million of additional funding for it at the Budget. There are opportunities to bid for regeneration funds of a variety of types.

Q142 **Ian Byrne:** Can we just move away from that, Minister? It is about control here. You have mentioned controls that local authorities and local communities have to enable them to keep high streets. We have an evidence session next week about revitalising high streets. I would like to know what modelling has been done on how PDR enhances my high street and does not destroy it.

Christopher Pincher: As you will have heard from the evidence that I and Simon gave a little while ago—

Ian Byrne: I have not heard it yet.

Christopher Pincher: Perhaps you were not online at the time, but let me assure you that we went into some detail and made the point that some 72,000 additional homes were built using permitted development rights between 2015 and 2020. We believe that the suite of tools that we have made available, including PDRs, will enable the regeneration of failing high streets and commercial areas as places of residential accommodation. In doing that, you provide more people onsite to use the services that do exist and can thereby grow, and you take the weight off greenfield sites. If you did not hear my previous answers, you may wish to—

Q143 **Ian Byrne:** I might not, so apologies. Just to finish, I have asked people



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giving evidence at other sessions who they believe the main beneficiaries of PDRs have been. The vast majority said developers. Do you agree with that?

Christopher Pincher: I would disagree with that. The beneficiaries are the people who get to live in homes that otherwise would not be available for them to live in. The beneficiaries are the services that make use of the people who live in those homes. The beneficiaries can be housing associations that can use some of our PDR changes to build out extensions to their existing stock and thereby provide affordable homes for their tenants and residents. There are a whole range of beneficiaries beyond developers, which, I may say, are largely going to be SME developers—your constituents and mine.

Q144 **Chair:** I want to pursue one issue here, which goes back to the conversation about conservation areas and being able to prevent change of use to residential on the ground floor. It has come out in previous evidence generally that converting a shop into residential accommodation on the ground floor might stop the flow of customers at ground floor level, while converting the upper floors might be really beneficial, because they bring people into a vacant place that was not going to be used for other purposes. If a local authority was convinced that taking some shop units out at ground floor level was going to interfere with the flow of customers to other shops, would it be able to stop that through the controls that it could exercise?

Simon Gallagher: Some of this depends on the precise circumstances. If they are in a conservation area—and we know that a lot of our town centres will be counted as conservation areas, although the precise designation will depend—they can control that. That is explicitly provided for.

Q145 **Chair:** What if they are not conservation areas?

Simon Gallagher: If they are not conservation areas, not on the grounds of preservation of the ground floor.

Q146 **Chair:** So the local authority could not stop converting a shop on the ground floor to residential, even if it thought that was going to interfere with the commercial viability of other shops in the area.

Christopher Pincher: There would still be a vacancy test.

Chair: We are going to come on to that in a second.

Christopher Pincher: We will park that, but there would still be a vacancy test, so there would be ways in which the viability question of businesses could be addressed. I would contend that it is better for a community and for footfall to have a mixture of buildings that are businesses and residential, rather than having a whole slew of buildings that were businesses, but that are closed because nobody is using them.

Chair: We might then look at the need to redevelop and reconfigure town



centres, but let us move on to the vacancy test at last.

Q147 **Ian Levy:** Welcome, Minister. Just for correctness, I must declare that I am a member of the chamber of trade and employ two councillors in my office.

Could we explore the vacancy condition, please? As far as I understand, a shop or a premises has to be empty for three months. The concern seems to be that, if it is empty for three months, that may not give it long enough. If we look at the conditions we have just been in with Covid, some premises will have been emptier for a lot longer than three months. To revitalise the high street and to get traders back into the shops, three months might not be long enough. I would just like your opinion on that.

Christopher Pincher: If I can put it in these terms, and then explain why I am putting it in these terms, that might be helpful to the Committee. When we originally consulted on our proposals, we did not include a vacancy test. Feedback from consultees suggested that a vacancy test would be right and sensible, so we have proposed one, and we judge that three months is a sensible balance to test viability.

There is a judicial proceeding currently underway in the courts relating to our proposals, so it is not proper or sensible for me to say more than that at the moment. I do not want to be obstructive or obfuscatory to the Committee, so I would suggest that I write to you at an appropriate point in the future, or I am happy to come back to you at an appropriate point to discuss the issue more widely, when I am able to.

Q148 **Ian Levy:** I appreciate you coming back to us on this point, but could there be a review of the three months? Could we look to extend that to six or eight months? I am just a bit concerned: if we have a developer who owns a retail block and feels that he can make more money from turning them into residential, three months is not a long time for them to sit with that empty for the gains that he could make by turning them into flats. It is maybe not looking at the bigger picture.

Christopher Pincher: I entirely hear what you say, but because of the judicial action it is probably not appropriate for me to say anything further about our proposals, other than what I have said. I am very happy to come back to the Committee and talk about it more, when I am able to.

Q149 **Ian Levy:** Coming back to what the Chair touched on, it is about how we envisage the impact on the footfall on high streets if we have too many retail units going over to residential. People go to the high street to do their shopping, and that brings the footfall, but if it is all residential you are not going to get that many people coming in. Do you envisage more out-of-town shopping centres because of that, with the high street imploding and becoming residential, or do you think it would lift the high street? I would be interested in your views on that.

Christopher Pincher: A mix of uses can, to use your words, lift up the high street. We have all walked down high streets of our own or others,



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and seen, before the emergency, a phone shop after a phone shop after a phone shop, or other types of shops. I would suggest to you that that change in the character of high streets has taken away footfall, because people want choice and variety on the high street.

If we are able to have residents who will use a variety of services in the high street living on or near the high street, the opportunity for greater variety on the high street increases, as well as the opportunity to protect important local services such as the famous sweet shop that everyone went to as a kid. The opportunity to keep those things going in a modern world is that much greater.

As I and Simon said before, as our proposals work through and we see the effect of them, we will monitor them and provide data as to how they are progressing, but we think that, by the very nature of having people living on or near the high street, those high streets will be enhanced.

Q150 **Ian Levy:** If I read that right, going forward, are we looking at quality instead of quantity?

Christopher Pincher: Broadly, the switch to the E class of commercial, business and services stopped the fragmentation, as Simon was saying, of the old system, which made it too difficult to switch from one sort of business to another. The person going up and down the high street would not really care about the difference; they just want to use a good local service. Of course, people's tastes and habits change, and we need to make sure that the high street reflects that.

The further changes that we have proposed, making it easier, where appropriate and with safeguards, to increase residential opportunities on or near the high street, not only enhance the high street but provide living opportunities on brownfield sites, which takes the weight off transport infrastructure and greener-field sites, which most people tend to want to protect.

Chair: There have been some concerns about the quality of some of the housing produced through PDR. Indeed, this Committee made some recommendations for changes, and I am pleased to see that the Government may have responded to our suggestions, or at least to someone's suggestions, and made some changes. Ben Everitt is going to pursue this.

Q151 **Ben Everitt:** It is one of the biggest concerns that we have had in the evidence sessions and is something that pops up all the time in conversations about PDR. Following on from Bob's point earlier, we had the Raynsford report in 2018. We had the Government-commissioned report by some academics last year, which found that permitted development properties tend to be of lower quality and smaller, with less natural light and less access to amenity space. There is also the location issue. It is a bit "chicken and egg", because, if you are using PDR to put houses in where there were no houses before, they will end up being



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away from other houses, but PDR properties tend to be in more inconvenient places compared to other houses.

The Government have addressed some of these issues but there are remaining issues. Do we see this as a trade-off between getting more houses and accepting that there are some issues relating to PDR that remain?

Christopher Pincher: First of all, we want more homes, but we want them to be of a high quality and standard. As you heard earlier, when it became clear that some developers were developing or redeveloping a few properties using permitted development rights that did not have natural light or habitable rooms, we commissioned research to confirm that anecdotal data that came from Mr Halfon, and less anecdotal, more considered data from this Committee, and we acted on the evidence that we got. We also introduced, as I say, minimum space standards.

Conversions or demolitions and rebuilds using permitted development rights, by the nature of the space, are not necessarily going to provide lots of green space right next door or nearby, but we want to make sure that they are built in an appropriate way. As you know, we have announced the future homes standard, which will mean that those properties will have to be built in a way that makes them at least 75% more carbon efficient than homes that are presently built. They will also have to be built in such a way that they will not need to be retrofitted later on.

The question that you ask speaks to our wider reforms, such as the national model design code, which we are testing right now in 14 local authorities and will roll out more fully as part of our wider planning reforms, where every local authority will have an office for place that will be responsible locally for agreeing design codes and the hierarchy of properties and streets, so that streets are treelined and there are appropriate green spaces. We want to make sure that, as part of our wider reforms, that sort of opportunity post-pandemic is available to more people. When we get there, the people living in those home that have benefited from permitted development rights will also benefit from our wider reforms.

Ben Everitt: My next question was going to ask what further changes you have planned, but you have answered that.

Christopher Pincher: I will try to think of another while you continue speaking.

Q152 **Ben Everitt:** We have had plenty of evidence on this. As Bob alluded to earlier, there are some shocking examples of PDR done wrongly. Frankly, if you have the view that this is a good thing to do in order to get more houses on the market, some of these bad examples are really spoiling it. One of those was people living in the middle of an industrial estate in Mitcham, in Connect House. What can we do about this? It is unacceptable, and I am sure that you share that view, but what can be



done about those bad examples that are spoiling the good work that we clearly want to do?

Christopher Pincher: We want to learn from the experience of the last eight years and the data that we have collected over the last five. As I pointed out earlier on in my evidence, there are prior approval controls that councils can use. For example, if a development is proposed in a heavy industrial area, the council can consider that as a reason for saying, "No, you have to bring forward an application in the normal way. You do not have automatic approval to pursue your permitted development right."

We will certainly look at evidence beyond the information that UCL has provided to see if accommodation that is inappropriate requires further consideration. As I said to Mr Blackman, there is a host of pieces of legislation that are already available to ensure that properties are of habitable quality. Of course, residents can use the law to their advantage in that respect.

Q153 **Ben Everitt:** To what extent are we just letting the market answer these quality questions for us? There is an argument that, if people are renting and buying them, they must be of an appropriate standard.

Christopher Pincher: Whether they are properties built using permitted development rights or ones that come forward through a traditional planning application route, they all have to be built to building standards, which are kept under constant review. They are not infrequently updated. As I said, there are plans, which we will give further information on as we progress through 2021, 2022 and 2023, on improving the carbon efficiency of properties too. There are a variety of mechanisms to make sure that homes are of a fit and habitable standard, and we expect all builders to abide by those standards.

I might also say, in parentheses, that the more development you have by a wider variety of developers, the greater the opportunity for different types of homes, with different styles and tenures, all of a high-quality standard, because not everybody wants to buy or rent a Ford Mondeo. People want a variety of homes to live in, and a wide variety of developers can help provide that.

Simon Gallagher: One of the things that the UCL research did was to give us a lot more richness on some of these issues about the quality, because we had heard a lot of stories there. I would encourage you to read the full report, which highlighted that permitted development is being used for some very high-quality schemes as well as some very low-quality ones, so there is a real range in there.

The bit that we were most struck by was the finding that 0.4% of homes created under a permitted development prior approval route had no window at all. As the Minister said, that was one of the key bits that



caused us to respond to that and introduce the requirement for natural light.

Some other interesting research was about access to services, which may link to what the Minister was saying a short while ago about the importance of the high street. Some of the walking distances to smaller supermarkets are better than quite a lot of other developments, so there are some quite good things about some of these permitted development rights and the homes created through them. It gives us a much richer story of what is going on out there than just those few cases that we have been hearing quite a bit about.

Q154 **Ben Everitt:** While I have you, you mentioned the natural light requirements. We had a witness in one of our previous sessions who said that, in the way that the legislation is going through, this could be met by a skylight and no windows. Is that the intention?

Simon Gallagher: The requirement is for natural light, so it depends on precisely how anything is constructed, but local authorities are very well placed to make the judgments about whether it constitutes natural light. You would have to look at the precise facts of the case to determine whether that was so.

Christopher Pincher: We got some very good feedback from Robert Halfon, Harlow Council and others about the change we made, and I suspect that that is one of the reasons why the House of Commons chose to vote for it when it was prayed against in September last year.

Q155 **Ben Everitt:** Minister, I recognise the points that you made about a blend of developers competing to provide something other than a Ford Mondeo, and the upward pressure on quality and design uniqueness. We must recognise as well that, given the demand for housing at the lower end for people who have recently been homeless, or students, who have less choice, say and buying power over their accommodation, there is almost the opposite effect. What protections would we be putting in place for those types of renters?

Christopher Pincher: That is not really the right way to look at it. We are creating additional homes for people, and additionality can only be good for the entire housing stock. As I said earlier, some of our reforms will enable housing associations, for example, to more easily, with controls, add to their stock locally, so that their potential tenants and residents can benefit.

More broadly, our proposal is to, for example, build 180,000 new affordable homes between 2021 and 2026. We will see about half of those for affordable rent and about 32,000 of those for social rent, which is double the number that were being built during the previous affordable homes programme. That will see additional affordable homes built around the country, and that is an £11.5 billion investment in housing in our



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country, which the Government are undertaking with our strategic partners in housing associations and local government.

Additional to that, the support that we are giving to developers up and down the country to develop appropriate homes also means that the housing stock numbers are increasing. Adding to the mix the £750 million that we have made available to challenge the homelessness crisis—and we have done very well during the Covid emergency to take so many people off the streets, and are building 6,000 new housing units to keep people in homes and off the streets—demonstrates our commitment to using a wide variety of tools to build more homes for a variety of people who need them, in the places where they are necessary.

Q156 **Rachel Hopkins:** Minister, we have been told that it has been quite difficult to say exactly how many extra housing units have been produced under PDR, but did you just say that you believe it is 72,000 between 2015 and 2020? Is that correct?

Christopher Pincher: That is correct.

Q157 **Rachel Hopkins:** It is not very much, is it?

Simon Gallagher: Just to be clear, the net additions supply statistics produced by the Office for National Statistics show the number of homes created through net changes of use and separate those out by some of the permitted development rights that are produced. If you sum up the total over the last five or six years, it comes to 72,000 as the number of homes created through permitted development rights as part of the overall total of new homes created. We can let the Committee have the statistical tables, if you need it.

Q158 **Rachel Hopkins:** That would be helpful, thank you. Minister, that is not very much. Is it a meaningful contribution to housing supply?

Christopher Pincher: It is significant additionality. I am rounding up the numbers now, but we probably built something like half a million homes over the period 2015 to 2020. Something like 72,000 is between 12% and 14%, so it is a reasonable number of additional homes, but that is only part of our suite of tools, as I say, to build more homes. The affordable homes programme in the same period, 2016 to 2021, added 240,000 new homes to the housing stock.

Q159 **Rachel Hopkins:** Sorry, Minister, but we are talking about permitted development rights, so can we just keep to that?

Christopher Pincher: Indeed, but you asked me about the number of homes being built and I am telling you how we are building them.

Q160 **Rachel Hopkins:** I was asking whether you thought the quantity that had been built or whose use had been changed under permitted development rights was a meaningful contribution to the overall supply. You said that you thought it had. Can I push on that slightly? Did that not just divert resources away from higher-quality developments? We have



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just heard how much has gone into very poor-quality permitted development.

Christopher Pincher: What we heard was that a very small proportion of those properties built lacked things like natural light in habitable rooms. We have taken action to fix that, but 72,000 homes over that period was a material addition to the housing stock of our country in places where people need homes. I do not wish to labour the point, but there are other means of us increasing the housing stock, which we have done through the affordable homes programme. We have done it by working with Homes England and with SMEs to develop good-quality homes around the country, which are available through our tenures as well.

Simon Gallagher: To give an example, in 2016-17, the total number of homes created through permitted development rights was 18,807 as a contribution to total net additions of 217,350. That is just under 10% of the delivery, at no cost to the taxpayer. That is a material contribution.

Q161 **Rachel Hopkins:** We often interchange and talk about “units” and about “homes”. Do you measure how many were studios or one-bedroom flats compared to family homes? It is family homes that are desperately needed, and there is a huge concern that permitted development does not produce that right mix of housing. When they are smaller units, we are seeing how they contribute to significant overcrowding. Is this a problem or are you happy for the market alone to determine the housing mix like this?

Christopher Pincher: We have the data and can supply it to you. There is quite a lot of it. We know the unit sizes, so the number of studios, one, two and three-bedroom flats, maisonettes and houses. We have data that we can supply to you.

Q162 **Rachel Hopkins:** That is really helpful. If you have any figures in front of you, how many two or three-bedroom homes with a garden for children has PDR delivered? If you could shed some light on that, that would be very helpful. Lots of us have experience that commercial buildings in inappropriate places have been transformed into small, one-bed flats at best. It is really important that we are clear on what we are talking about here.

Christopher Pincher: I do not have that specific data on the very example that you asked for, but we can write to you with the details.

Q163 **Rachel Hopkins:** That would be very helpful, thank you. Do you feel it is right that it is just left to the whim of developers to choose what sorts of units—people’s homes, in the end—are then developed?

Christopher Pincher: We need a variety of tenures. As I said, we want to make sure, through the suite of tools that we have, that the right number of homes, of the right size and design, in the right parts of the country, are built. We have the AHP to support that. We have the Home



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Building Fund, which Homes England operates for us, to help us build homes, often supporting SMEs. That is worth something like £4 billion. We have the PDR toolkit, which has created all those homes of different sizes over the last five years.

We want to make sure that we have a range of options to build. That is without mentioning the support that we have given to local authorities by abolishing the HRA cap, so that they can build more homes, if they wish to. We are providing them support through Homes England and a development hub, because some local authorities no longer have the experience of developing.

There are a variety of means of ensuring that a variety of players and developers are able to develop a range of properties that the country needs.

Q164 **Rachel Hopkins:** I recognise the points you made about local authorities. I have asked questions of the Secretary of State around the ability of councils to build family homes where they have no or very little area left in their borough boundaries. I am talking about Luton, where my constituency sits. We are reliant on being able to access other areas. I was told that it is about permitted development, gentle infill and brownfield. Families in my constituency are desperate for decent-sized homes, with gardens for their children. How are permitted development rights helping local authorities like mine, which have very little space? You get these inappropriate developments and, on the face of it, people are saying that that is okay because it is then providing units of housing. It is just not good enough.

Christopher Pincher: It is important that we do have units of housing, as you rightly say. With the floor footprint of 1,500 square metres, which is the maximum that you can build on using a permitted development right, that could produce up to 40 units of housing. We have other tools as well. You mentioned brownfield regeneration. We have the brownfield regeneration fund and we have further money that the Chancellor has made available for that. Some brownfield sites can be quite small; others can be quite significant. You can build a variety of homes, with the requisite infrastructure to support them, of different shapes and sizes, to make sure that communities such as yours have the housing that they need.

Q165 **Ian Byrne:** In one evidence session, Shelter spoke about some temporary accommodation of awful quality, with overcrowding, that many people were in. Minister, when we are talking about change of use, it is potentially a change of use if we see housing estates built at a container port. Is that possible under PDR?

Christopher Pincher: I am not sure about that, but we certainly want to make sure that we are providing good accommodation, particularly as the emergency continues, for those people who have found themselves homeless. As I said in my previous remarks, we made £750 million



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available to help people who are homeless, to get them off the streets, to give them accommodation and to keep them off the streets. The funding that the Government have made available is quite significant.

Q166 **Ian Byrne:** Minister, this is where I was trying to go with that. You were talking about uses for housing. It is the direction of travel that Rachel was going in as well. It is not just a number; it is a home. Some of what we are seeing is substandard from a PDR perspective, and some of the examples have been horrific. When you talk about the need for units of housing, we fully agree with that, but surely it is the standard. The great fear is that PDR could turn containers into flats. We have already seen it in some instances, but it is a fear. Where are the safeguards regarding the ability for PDR to turn the likes of containers or shopfronts into flats that are substandard? That is the worry.

Christopher Pincher: I do not think that the example that you gave is a possibility. Remember that we have looked at space standards and at lighting standards, and have made sure that we have changed the provisions for space standards and for adequate light in all habitable rooms to end that particular problem, which was occurring in a very small number of permitted development right conversions. We recognised it and acted upon it, but people are not going to be using PDRs to convert shipping containers, as you said, into homes. That is not going to happen.

Ian Byrne: I am glad that that is on record.

Q167 **Chair:** I want to make sure that I understand what precisely local authorities can and cannot do. The changes that have been made about space standards, which was a clear problem, are very welcome. The Government have responded, and that is right. In terms of natural light, this may be a small point of detail but, if a local authority believes that a skylight in the roof is the only natural light coming into a home, can it refuse permission for it?

Simon Gallagher: It will have to make a judgment on the basis of the facts of the case. I do not want to say "no skylights in any circumstances", because it will depend.

Q168 **Chair:** A skylight will be fine if there is a window as well, but what if there are no other windows?

Simon Gallagher: It depends on the aspect, the way it fits into the roof, and whether it is a roof window. I do not want to speculate on it. The way the law is crafted, they have to make a judgment on the level of natural light. If, for example, it was a skylight that was covered, that is not natural light.

Q169 **Chair:** If it is a skylight where you can literally see only the sky, and that is it, is that sufficient?

Simon Gallagher: That is going to be a matter for the local authority to make a judgment on.



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Q170 **Chair:** But they will be able to make a judgment and say no.

Simon Gallagher: The law says that one of the matters for prior approval for the local authority is whether there is adequate natural light.

Q171 **Chair:** And the word “adequate” is there.

Simon Gallagher: I cannot remember the precise words that we put into the statutory instrument.

Q172 **Chair:** We may get feedback from local authorities on that.

Simon Gallagher: I will check the wording.

Q173 **Chair:** In terms of the issue of fitness for human habitation, as the Minister quite rightly referred to, which is the Act that went through, could a local authority, in looking at whether a property converted under PDR was fit for human habitation, look at the environment in which it was situated—i.e. if it was in the middle of an industrial estate?

Simon Gallagher: Not directly. One of the things I am being careful on here is that there is no such thing as PDR. There are individual permitted development rights that allow for conversion for different permitted development rights. When we are talking about permitted development rights, we need to remember that they include things like the facilities we introduced for hospitals, for example, to expand.

Q174 **Chair:** I am talking about conversion to residential accommodation, because that is where the fitness for human habitation Act comes in. In terms of converting to residential units a block in the middle of an industrial estate, can the local authority take into account whether it has any powers to stop that going ahead? The issue is not what happens inside that set of homes, but the environment in which it is placed.

Simon Gallagher: There are two bits that we put into prior approvals. One was about the impacts of noise from neighbouring commercial premises, so that is a matter that they can consider. The other one is the impact in an area that the local authority considers important for heavy industry, storage and distribution. I do not have the words here, and we should probably make sure we provide you with the precise wording, but that considers some things around the siting.

Q175 **Chair:** If we could have a note on that, that would be helpful. Just to follow up on two final points, if I could, Minister, one thing that is felt to be unfair in some of the evidence that we have had is that permitted development does not have to pay 106 funding or CIL as a contribution towards infrastructure and affordable housing. There are proposals in the White Paper to change that and maybe make permitted development subject to the levy. I am not asking you to come forward with your final proposals in response to the consultation being undertaken, or our Committee report, but would it be possible to make changes to the requirements for permitted development to have to pay some form of levy in advance of a new planning Bill? Could the Government give



consideration to that?

Christopher Pincher: Theoretically, we could. We have no plans to do so because, as you say, in the consultation that we undertook, we are looking to see whether PDR developments could be part of the infrastructure levy process. We are still working through the proposals and trying to make sure that they work, but I am certainly very keen to make sure that the proposals tabled deliver at least as much affordable property, as well as infrastructure, as the present system does. We have no plans to make those changes.

What we are doing, of course, is to look at the fee structure that local authorities receive from PDRs. In the case of the up-building PDR, I think the fee per dwelling unit is £334, up to a certain number of buildings, and then you get to a flat fee. With other dwelling places, it is £96, which is more than the present fee. There is a mechanism for making sure that local authorities receive appropriate remuneration from a fee income point of view, but we do not have any proposals to change infrastructure levy proposals on PDR buildings yet.

Q176 **Chair:** I am not anticipating what the Government will eventually determine as a result of the consultation on the White Paper, but if the Government were minded to make a change, to incorporate PDR into a levy arrangement of some kind, that could be done in advance of full-scale planning legislation, could it not?

Christopher Pincher: Theoretically, yes.

Simon Gallagher: To be clear, section 106 contributions are payable only where there is a planning application, so it would require changes to primary legislation to bring permitted development rights into section 106.

Q177 **Chair:** What about CIL?

Simon Gallagher: CIL is much more complicated, in that, where there is a change of floorspace, CIL is generally payable at present on conversions.

Christopher Pincher: It would require some significant change to present legislation and regulations, were we to do that.

Q178 **Chair:** So it is more likely to be part of wholesale change in planning.

Christopher Pincher: You will not have to wait too long to hear our proposals on that, when we work through your report, as well as the remainder of the 44,000 consultation responses that we received last year.

Q179 **Chair:** You mentioned the issue of fees where local authorities are dealing with prior approvals under PDR. Even with the uplift, many local authorities are saying that it costs more than they are getting back in return to process these. How was the amount of fees decided? Is it



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reasonable to ask local authorities not to cover their full costs through the fees that they charge?

Christopher Pincher: I will ask Simon to talk about the technicalities in a moment. We last increased fees in 2018. From memory, it was a 10% uplift.

Simon Gallagher: That was for planning-application fees.

Christopher Pincher: We looked at the suite of PDR changes that we are making, and assessed the sorts of additional or less work, as appropriate, that local authorities might have to do in order to manage PDRs. We have come up with a schedule that I will ask Simon to go through in a moment.

We have said more broadly, as we approach our wider planning reforms—and I made this point to you during my evidence session on the White Paper—that we will look at a holistic review of local authority planning resources and the fee structures to ensure that local authorities have the wherewithal to manage the new planning system that we envisage.

We also believe, by the way, that a system that is more or entirely digitalised will be less bureaucratic and administrative, which will free up local planning authority resources more to do the sorts of things that they would like to do. That, in itself, will give them more bandwidth, but we will look holistically at the resources that they require.

Q180 **Chair:** Thank you for anticipating my next question. Do we know when the review is likely to happen to be completed?

Christopher Pincher: We are still working through and will let you know in due course. We want to do this alongside the work we are doing with our planning reforms, if that is what you are referring to.

Chair: Yes.

Christopher Pincher: One of the key elements of it is the digitalisation programme that underpins the entire reform programme, not simply creating map-based structures of growth site X or renewal site Y. We are working with local authorities that are already good at digitalisation in order to leverage their skills. We have to do some further work on that before we can then assess what sort of resourcing approach we may need to take. At the Budget, the Chancellor made an initial £10 million or £12 million available for the digitalisation programme, and that forms part of our support package for local authorities.

Q181 **Chair:** But we will probably learn more from the response to the White Paper.

Christopher Pincher: You will learn more in due course, probably in response to the White Paper, and the legislation, when it comes.

Chair: Minister, thank you very much indeed for answering a wide range



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of questions on this important issue. The evidence that you and Mr Gallagher have given to the Committee this afternoon is very much appreciated. That brings us to the end of the questions that we have for you, so thank you very much indeed.