



Communities and Local Government Committee

Oral evidence: Operation of the National Planning Policy Framework, HC 190

Wednesday 9 July 2014

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Written evidence from witnesses:

Panel 1 (Questions 298-356)

[Federation of Master Builders](#)

[Gladman Developments](#)

[National Housing Federation](#)

Watch the session

Members present: Mr Clive Betts (Chair); Bob Blackman; Simon Danczuk; Mrs Mary Glendon; David Heyes; John Pugh; Alec Shelbrooke and Chris Williamson.

Panel 1 Questions [298-356]

Witnesses: **Chris Carr**, Chair, Federation of Master Builders, **Rachel Fisher**, Head of Policy, National Housing Federation, and **David Gladman**, Partner, Gladman Developments, gave evidence

Q298 Chair: Thank you for coming this afternoon. Welcome, everyone, to the fifth public evidence session of the inquiry into the operation of the National Planning Policy Framework. Before I ask the witnesses to say who they are, Committee members will need to put on record any interests they have that are pertinent to this inquiry. I am a vice-president of the Local Government Association.

Chris Williamson: I have two elected councillors who work for me.

David Heyes: I also have two councillors working for me.

Simon Danczuk: My wife is a councillor, and I have councillors working in my constituency office.

John Pugh: I have two councillors working for me, and I am a vice-president of the LGA.

Alec Shelbrooke: My father is a councillor.

Chair: Okay, that is helpful. That is on the record. To start the proceedings off, then, could I just thank the witnesses for coming, and ask you to say who you are and the organisation you represent?

Chris Carr: My name is Chris Carr. I am a builder from North-East Lincolnshire. I am representing the Federation of Master Builders.

Rachel Fisher: I am Rachel Fisher, and I am Head of Policy at the National Housing Federation.

David Gladman: I am David Gladman. My company is Gladman Developments.

Q299 Chair: Thank you. Now, you are all basically saying to us in your evidence that the National Planning Policy Framework is working; you are all happy with it, in general terms, unlike some of the evidence that we have received from residents, who seem to feel that you are happy because basically what we have is a developers' charter. Do you think they are fair criticisms?

Chris Carr: Not really, no. With this policy, we have probably done more liaison with residents than we have ever done before. It leads us to go that sort of direction and have more public consultation than we would ever have had to encounter before.

Rachel Fisher: Fundamentally, the NPPF is a good policy, and coupled with the Localism Act and all of the various other things, like neighbourhood planning, that have been introduced, that has gone quite a long way to give people more of a say in planning terms. I can see why they are raising concerns, in terms of the presumption in favour of sustainable development, but what we would like to see is clear local planning policies that have engaged the public in the creation of those policies, and then they would feel more bought-in to those decisions that are taken.

Chair: We will come onto local plans in a minute.

David Gladman: I believe the intention of the framework is to make sure we deliver the right number of homes, jobs and economic benefits to the whole of the country. I think the framework was meant

to get the balance right between social, economic and environmental issues. I think it does. Already, it is delivering the homes and, in some cases, the jobs, and keeping that balance right, so I do not think it is a developer's charter. I see and read several times a day of applications and appeals where the framework is not being respected, which are turned down, perfectly correctly, because they are not sustainable sites or there are technical issues, so I do not believe it is a developers' charter at all. I do believe it is effective, but it is effective in delivering the housing that, as a country, we greatly need.

Q300 Chair: I think you are saying to us that the NPPF is alright; it is just that these planning authorities are not getting on and giving the developers what they want. Is that a fair comment?

David Gladman: There is a very big difference between professional planning officers who work for local authorities, and the committees. I would say now that far more than three-quarters of those professional planning officers—probably more like 90%—and the team of experts that support them are fully signed up to the aims of the framework, because that is why they went into the planning profession, and also fully understand how the framework works and the policies within it. They make the decisions and recommend advice to their members, and I would say that in at least 80% of the applications that we are involved in—that is something like 200 sites—I would expect to get a positive recommendation from the officers. That leads on to the issue of why at least half, and probably two-thirds, of those are then rejected by the committee, who are not professional planners, and do not have the training and qualifications.

Q301 Chair: We will come on and explore that issue in just a second. That has identified your concern. Chris Carr, you are also saying that the NPPF is all right, but the planning system itself is one of the major constraints your members have on their ability to build homes. Sorry, you are not allowed to take photographs. Can you just explain that a bit more?

Chris Carr: When you are dealing with national house-builders, they employ a lot of consultants in their offices that actually work full-time on planning applications, and, for the SME sector, we do not have that facility. For the SME sector, it becomes more of an issue for planning. We do not have the facility and the expertise in-house to put forward a planning application as easily as a national house-builder would, so the cost is prohibitive, and the time scale is as well. We have to balance whether we would go to an appeal. Where a national house-builder would go to an appeal straight away, we have to weigh up whether we would risk other finances to do that.

Q302 Chair: How do you get around that problem?

Chris Carr: We gamble. It is a roulette table, I am afraid, but the NPPF has made it a lot better.

Q303 Chair: What changes are you saying you would want to see, to stop that?

Chris Carr: We would like a red line application on smaller sites, where we can have the confidence that we can put an application forward to a local planning officer and say, "We want to develop that brownfield site," and put a red line around it. "In theory, are you happy to go ahead with this?" If they are, then we would look at then having the confidence to go to a bank to get the money for a planning application. They are a bit reluctant to lend that to us, but it gives us the confidence to go forward. If they turn around saying, "No, that site is never going to be developed," then we can walk away from it.

Chair: So this comes back to the issue of councillors, again. Let Bob pick up this point.

Q304 Bob Blackman: Building on this, Mr Gladman, I think it is fair to say, from what you have already said and the evidence that you have given us, you are not a great fan of councillors being involved in the planning process at all. Do you accept that councillors are reflective of the electorate, the people who are living in a particular area, and they bring a different element to the planning process?

David Gladman: The first part of your question is completely wrong. I have been involved in the planning system for 28 or 29 years; as it has changed, we have changed. Elected councillors have always been—and, I assume, will always be—the decision makers at local level for planning applications. I have absolutely no issue with that at all. It is the right forum. They have a huge responsibility, because the prosperity and the number of jobs and the ability of, currently, about 3 million people who have not got a home of their own in a place they want to own one rests collectively with them. They need to exercise that responsibility with good measure. They need to have—and they do have—extremely good advisors. It is extremely rare that I would criticise professional planning officers.

Where they are going wrong at the moment, I believe, is that most of them are my age and above, and we do not change very easily when we get to 58 or whatever it is. They were expected two years ago to change from one system to a completely different system, one that is, I believe, fundamentally right and fundamentally far better for local decision making. When they get to a situation—and they will get

to a situation, all of them—where they have a sound needs-based local plan, then all the decision making as to where the sites are, whether it be jobs, shops, leisure, or particularly, housing, is down to them to decide. They need the right training and support to get them from where they were two years ago to where they need to be.

I will give you an example. Everything I speak about is first-hand today; I am not using other people's sites. Yesterday, Maldon Council, I recall, had a bad hair day. They were at an EIP; we had a team there. The basis for their core strategy—like anybody else's—should be based on objectively assessed need. Their objectively assessed needs study said that they needed 800 houses, and they spent the last four or five days trying to convince an inspector that 292 was good enough. Well, the inspector did not take it, so that was their first bad hair day.

For me, I had an application for 240 houses about 400 yards from the train station at Southminster. My brother used to come to work as a policeman in London from two stations down the line, so I know how popular that line is into Liverpool Street. We have been working with all the professional officers—and there must have been 14 or 15 highly-skilled, well-trained qualified professionals at the council—to get an application for 240 houses together, 300 metres from the high street. It was fully supported by the professional officers, clearly recommended for approval, and you can guess the rest of the story: it was refused. I now have a problem spending another £150,000 taking it to appeal. I may or may not get some of those costs back from the council. Anyway, the council themselves will undoubtedly have to spend another £50,000 or £60,000 in defending that appeal. I would hope that because of their unreasonable conduct—I say—I will get some of the costs back, but I am not very hopeful.

Today, they are concocting the reasons, because at the planning meeting yesterday, they could not come up with a reason to refuse it. They refused it, but not with a reason that was coherent, because every technical issue had been boxed off with the professional officers—whether that be Natural England or the council's own archaeologists and highways or flora and fauna experts; they were all there—and so I am at a complete loss. That is an occurrence that occurs at least once a week for my organisation, and sometimes two or three times a week.

Q305 Bob Blackman: It appears from your evidence to us that, if a recommendation is made by planning officers to grant approval and it is in line with the plan, councillors should not have any control over refusing that planning application. Is that your position?

David Gladman: No. They can refuse it; that is fine. There is semi-judicial process. What they are deciding is incredibly important

for the livelihoods of not just their own particular local authority, but often for authorities beyond that, and with that responsibility comes an obligation to apply due measure and find sound reasons to come to the decision they do. They can overturn the recommendations of the officers in either direction; we see that happen, but they have to have evidence and just cause to be able to do it. At the moment, the problem is that a lot of them do not have a local plan and they have not been retrained.

Q306 Bob Blackman: Obviously local plans is a different issue, but one of the issues might be, for example, that you have come forward with your plan for 250 houses or however many it is, and councillors may feel that a revised plan for 200 homes or 150 might be more suitable for that site, but that is not within the gift. It is either your 250 homes or not, and then they refuse it and hopefully negotiate a better position as far as councillors are concerned. Do you see that as a particular issue?

David Gladman: They refuse it on principle. They do not want any more housing in their parish.

Bob Blackman: At all?

David Gladman: At all, and very rarely is there renegotiation. It is not about the scheme, the layout or the design.

Q307 Bob Blackman: Time is pressing. Your position is that you want more training for councillors, and also that, if they are refusing an application recommended by officers, they would have to give reasons there and then, which would be open to appeal should you choose.

David Gladman: Evidence-based reasons, yes.

Q308 Bob Blackman: Right, okay. Ms Fisher, I think your position is that, if a planning application comes forward and it is recommended for approval by planning officers, then actually it should be done through delegated powers. If it is in line with the local plan and there are no issues, just get on with it. Is that your view?

Rachel Fisher: Yes.

Q309 Bob Blackman: Is there no role for councillors or the local electorate in any of those planning applications at all?

Rachel Fisher: No, there is. Particularly where a plan is not in place, clearly, you would want to have local councillors becoming involved in that. I agree with what David is saying about the need for better training and more resourcing, really, to support councillors, but let us not forget the cuts that we have seen in terms of local planning

officers, as well. What we would like to see is, as you say, an increased level of delegation. There has been quite a lot of consultation that gets us to the point where you have the local plan in place, and, at that point, you should be able to have increased levels of delegated authority. What we have to find a way to do is give a voice to the people who do not already live there. If what we are trying to do is build new homes; if we are trying to build new communities, then we need to be able to find a way that enables people who will be moving into the area, who will become the electorate, to have a voice. That, surely, is part of the strategic plan-making process.

Bob Blackman: Sometimes it is the people who live there who want additional homes for their sons, daughters and other members of their family, for example.

Rachel Fisher: There will be people who live there that want to see additional homes, and that is fantastic. One of the things that we are doing at the moment is trying to support them in contacting their councillors, to be able to say, "We need more homes in this area."

Q310 Bob Blackman: I just want to be clear on your evidence. Under your ideal scheme, when a local plan has been set up and a planning application comes forward that is absolutely in line, does it go to a planning committee or not?

Rachel Fisher: No.

Bob Blackman: It does not.

Rachel Fisher: No.

Q311 Bob Blackman: Okay, fine. Thank you. Mr Carr, your view on the role of councillors in the planning system?

Chris Carr: I agree with both parties here. I have no issue with it going to planning committee. If they are going to refuse it, if it is a valid reason for refusal, we have to accept that, but sometimes they refuse it with no valid reasons, and this is the problem we are having now. We are spending two years in negotiation with residents, officers and consultants to put an application together.

Q312 Bob Blackman: The slight problem, to cut across this, might be that planning officers looked at it and said, "Actually, we think on balance this should be recommended for approval", so they put it forward. The members say, "Actually, we do not like this scheme at all. We think there are these problems." Planning officers then have not produced the list of reasons that, professionally, would be why they would

refuse it, and councillors have then said, "We do not want this. We want officers to then come up with a list of reasons, based on what we have said." Do you accept that that is part and parcel of the democratic process of planning control?

Chris Carr: I accept it is, but, to give you a specific case, we had one the other day where they refused an application, gave no reason for it, and then one of the councillors stood up and said, "How much will it cost to go to appeal?", which is, as I said, between £80,000 and £100,000. He said, "I think the residents deserve that we do that", knowing that they would lose it. Your planning officer who has done your application has approved it and signed everything off. He is then told by his councillors, "We are refusing this. You have got to find a way forward on appeal." How can you get an officer who has approved everything to suddenly turn his mind around and say, "Oh, no, we can't. We do not like it now. The transport is an issue", where it never was before. It puts the officers in such an awkward position as well, and that is why we are losing a lot of decent planning officers. They get disillusioned. They are doing their job properly; they are professional people.

Q313 Bob Blackman: To come back to what I asked Mr Gladman, is your position that, if a recommendation is made by planning officers—professional officers who have considered all these things—councillors should not be able to refuse a planning application at planning committee?

Chris Carr: No, I do not agree with that.

Bob Blackman: Okay. Thank you.

Q314 Alec Shelbrooke: Mr Gladman, your website boasts about your success in gaining planning permissions on appeal. How much of your business relies on winning planning appeals?

David Gladman: I have three or four strands to my business. Far and away the biggest one at the moment is planning application work. We have always been planners and done planning work, so it is a big part of my business. The reason why I came along today when you very kindly asked me, although I was coming with some trepidation into the lion's den because I, quite rightly, expect one or two harsher questions, is that I passionately believe that good planning—making sure that everyone in this country has the prosperity they deserve, the right number of jobs, and particularly, the right number of houses—is so important to me and the team that work for me, who have come along. There is probably nobody in the country who is more involved, by number anyway, in housing applications, housing appeals, judicial reviews or representations by my team at local planning inspections. If

you seriously, as I do, want to make the country a better place in the future by getting the planning system working, I thought that it was right that I come along today and put myself up for a grilling, which is not where I want to be, believe me.

Q315 Alec Shelbrooke: We are very grateful for you being here. Can you describe the steps your company takes to engage with local people when making planning applications?

David Gladman: We have a website, which has a series of information boards—it takes 10 or 15 minutes to read—explaining to people what the reasons are and how the scheme might work. We engage more often than not with local or parish councillors or town councillors, if they will see us. We go along and talk to the councillors to explain what we intend to do, trying to get input from them, in particular into what they would like to see from the scheme, and very much what sort of community benefits they would like to see delivered, because I genuinely believe that developments of more than 100 houses should improve the sustainability of the settlements that they are going to be added to, so new and existing residents have more sustainable set of facilities. We would send leaflets out to probably 1,400, 1,500 or maybe 2,000 houses, if it is a smaller settlement; if it is a site that adjoins a town, we might reduce that number to the 400 or 500 houses that are, in our opinion, most affected by the site itself.

Q316 Alec Shelbrooke: When you put in a planning application, do you find you have less opposition to doing a standalone, self-sustained development, rather than adding in a set number of houses to an existing area?

David Gladman: Almost every one of the applications we are involved in involves our identifying what we consider to be a suitable and sustainable site that adjoins an existing settlement that is sustainable, and then that is the site we promote, if the landowner wants us to. We do not have standalone sites. They are not remote from the settlement; they become an intrinsic part of the town or, in some cases, large village that they adjoin.

Q317 Alec Shelbrooke: Ms Fisher, with that in mind, how much sympathy do you have with the statement that communities feel they are under siege from developers?

Rachel Fisher: That is quite strong.

Alec Shelbrooke: It is a genuine concern.

Rachel Fisher: I genuinely have a lot of sympathy, personally, that they would feel that they are under siege. Fundamentally, that probably comes back to not having a fantastic way of engaging with local communities. One of the things that is quite important is to make use of those local community champions who want to see more development, and who can act as ambassadors for the developers, so the people whose kids are priced out of buying in the local area. All of this is very different in an urban versus a rural context, as well, so it is important to bear those kinds of things in mind.

Fundamentally, any development that you do is going to impact on the existing place, and that is why we have a planning system, right? We have it in order to help us balance out the economic, social and environmental issues that come with development. Clearly, part of that is about making the case to the local community about why the houses are needed and what benefits they are going to get from them. Work has been done that has shown that, the more engagement you do with local communities, the more you say, "We have an issue with GPs' surgeries. Here is what we can do: we can actually build another GPs' surgery, and, by having more people in the area, you would be able to have more access to more GPs, more schools", or whatever that is. But all of that is about good planning, and all of that is about tying in existing community infrastructure with the new community infrastructure that is needed; to say nothing of the hard infrastructure, like roads and rail and all of that kind of thing.

Q318 Alec Shelbrooke: The problem is twofold, isn't it? The first problem is that many of the arguments that you have made there fit to local communities' neighbourhood development plans, where they say that this particular village, for example, needs some new affordable housing or retirement homes that are not there. But that is not what is happening, is it? You have developers coming in, looking especially at leafy villages and saying, "Well, I can build 200 executive homes here and make a lot of money." That is what leads to an MP describing companies as "profiteering", and parish councils saying that they are bullying their way through the planning process. Mr Carr, why do you think that developers are more keen to build X number of houses in existing locations? Rather than looking at the planning application framework laid down by the local authority and saying, "Well, if they are saying X thousand houses have to be built, we can build a fresh development within that planning authority and plan it from scratch," why are they trying to get to that target by adding hundreds of houses piecemeal to various villages?

Chris Carr: My issue with that is that I have never been on a 2,000-unit development that has had any soul, that has had any village atmosphere and that is sustainable.

Q319 Alec Shelbrooke: Just on that particular point, why, if you take a village that has a soul, an atmosphere, and add thousands of houses to it, does it not lose that?

Chris Carr: You should not be adding thousands of houses to it. Every village and every small market town should have a percentage, whether it is 5%, 6% or 10%. That makes everything sustainable. If you increase everything by a small amount, it is far better than putting a massive amount on one area.

You were talking earlier about speaking directly with the residents. We have just had an application where we spoke to the direct residents first, the ones that were directly adjacent to the field. We spoke to them, told them what we were proposing to do with some sketch drawings. "Fine, no problem." We went to the parish council, then did a public consultation for the rest of the village, revised the plan, then went back to the original residents who were directly affected and said, "We have taken on board what you are saying. We have amended that drawing. We have altered that, so you have got a clear view down here", and we went back.

It is going through application now; there have been no comments, apart from that they do not want social housing on site, which is not a planning issue for me. They do not want any social housing, but, for the rest of it, they have accepted that we have been to them, amended the plan and gone back to them. I can afford to do that, because I am a smaller developer; I can meet people individually, and, if they have an issue, they have my mobile number and they phone me. That is the way that we should be doing it on even the bigger developments. If you start from the beginning and get them involved, you have less problems going through the planning system.

Q320 Alec Shelbrooke: Mr Gladman, do you think it is acceptable practice for development companies to go to an appeal, which may have been turned down on very legitimate grounds, and to have that overturned and permission granted purely on the argument of "You cannot demonstrate a land supply, therefore we need to build this development"?

David Gladman: That is a very simplistic question compared to the framework. The framework asks the decision-maker to find out, first and foremost, whether there is a local plan and a five-year supply. If there is a local plan and a five-year supply, it is a different set of

criteria that they use than in the absence of it, in order, quite simply, to get the will of Parliament across. It is not me that has made the rules; it is the people who run the country, the Government, who have decided that the country needs a significant and major growth in housing, and, if local authorities will not make those decisions, then they have to have a sanction that enables the right number of houses to be delivered. The decision-maker in that, of course—the inspector from the Planning Inspectorate—takes several days to hear the evidence, and weighs up whether it is sustainable and whether the benefits from the scheme demonstrably outweigh the harms, or whether the harms demonstrably outweigh the benefits, and reaches a decision.

It is not a simple exercise of saying, “If you have not got a five-year supply, you lose.” As I said earlier, a large number of decisions—more and more daily—are being turned down by committees and planning inspectors in particular, because they may not have a five-year supply, but they are not sensible, sustainable applications where the benefits to the community as a whole outweigh the harms.

Q321 Alec Shelbrooke: Chair, on that note, would it be possible to get examples of where that has happened?

Chair: Yes, okay. Could we have some examples of where that has happened?

Alec Shelbrooke: Not necessarily today, but could that be sent in?

Chair: At some point, could you let the Committee have some examples?

David Gladman: Yes, certainly. You mean applications being refused by the Inspectorate for the sort of reasons you are talking about: that they are not sustainable locations, for instance?

Q322 Alec Shelbrooke: Yes, but still losing those applications while making the argument that you have not got a land supply. Could you supply examples of that?

David Gladman: Never, ever, does the decision-maker make his decision based on whether the council has a local plan or not, or whether it has a five-year supply or not. That is not how the system works; that is not how the planning inspector decides. That is one of the things they look at, and, if there is not a five-year supply, then they will make the decision in accordance with the policies in the framework. If there is a five-year supply and a local plan, then they will make the decision in the light of the policies in the local plan.

Chair: We will move on to that later.

Q323 David Heyes: Can I move onto this issue of the delays in getting local plans in place? It is around about half, isn't it, of councils that have not done it? I think the latest figure I saw was that 58% of councils have local plans in place now. We have had lots of concerns expressed by all of the people who have given us evidence on this. Perhaps I could ask each of you in turn about your insights and thoughts as to why this should be. How is it taking councils so long to get plans in place?

Chris Carr: My answer to that is that I am not really sure. I cannot see why, if some local authorities have a template for a local plan, that is not being picked up by other local authorities. Surely, it must be that simple. I do not know. I cannot understand why there is such a big issue. Ours has been thrown back three times, I believe.

Rachel Fisher: My suspicion is that it is a resourcing issue. What I suspect is that, fundamentally, we are seeing fewer and fewer local planning officers who are able to bring forward the local plan. Also, there are quite a lot of gates and hoops that they need to jump through in order to get the local plan adopted. When the NPPF was introduced, clearly, that threw things up into the air a little bit: people had gotten a certain way down the road to getting their previous new-style plan in place, and then the NPPF was introduced at the same time as cuts to the budgets for the local authority planning departments, so you kind of had a double whammy for the local authorities in terms of trying to get their plans in place.

Q324 David Heyes: When councils have been making decisions about the cuts, which they have all had to do in recent times, you are saying that the impact on local authorities and planning departments has been disproportionate? Is that another failing of councillors in their decision making?

Rachel Fisher: I do not think it is the fault of councillors in their decision making. Everybody is making decisions in difficult circumstances. I do not know if it has been disproportionate to planning departments, compared to other departments, but certainly they are not considered front-line services, so, if what you are trying to do is safeguard front-line services, logically, you would not.

Q325 David Heyes: So the base issue for you is "not enough planners".

Rachel Fisher: Yes.

David Gladman: I do not see any evidence of “not enough planners”. As I said, we are very involved in about 70 local authorities in England. They have all had two and a half years, now, of having the rules explained to them very clearly. Fundamentally, with local plans, the rules have not changed very much. There has always been an obligation on councillors: common sense tells you that you have to consult with your neighbours; if you are going to build a new settlement next to a motorway junction, you have to consult with the Highways Agency, the waste agency and the county council. That is not new.

The other major obligation that has always been the case with local plans is that you have to base them on the need for jobs and the need for housing, and other facilities as well, but those are the two fundamental ones. We have had two and a half years of almost all the councils that we are operating in trying to find a way of justifying scamming the true need. The framework makes it very clear that the starting point, before you do anything else on local plans, is to do an objectively assessed needs study—some people call it a SHMA—and, from the results of that study, which is carried out by seven or eight different companies of experts around the country, you then base the requirements for housing and jobs in your plan. You cannot do the plan until you know what the need is for the next 15 years.

It does not matter whether I pay consultants to do that objectively assessed needs study, and I do; we have 50 that were done in the last nine months. If that study is done by my consultants or the council’s consultants—often it is the same person—the answer is almost identical. I mentioned Southminster earlier, and their EIP was yesterday. Our study said that the answer was about 800 new homes a year in Maldon. The council’s study said around 800, but the council has spent the last two years trying to find reasons as to why it is actually 290. It baffles me as to why people who have a responsibility and are chosen to represent their ratepayers would try and deprive hundreds and thousands of people of both jobs and homes in Maldon over the next planning period.

Q326 David Heyes: Does it baffle you? You see a conspiracy. You have described councils as setting out to fail on producing local plans.

David Gladman: If, when you do an exam and you know that there are four questions, you choose to answer three completely different ones, then it is setting out to fail the exam.

Q327 David Heyes: Can you support that with any evidence?

David Gladman: The evidence is extremely clear, in that, over the last nine months, I would estimate that 85% of plans that have been taken to examination have been turned away at the first or second gate and sent back to “Go”, because they are based on housing need figures, primarily, but also job creation figures, that are at least half—and sometimes as low as a quarter—of the true need. The motives for that may be many and varied, but that is why plans are taking an extremely long time, and I say that as someone who would much prefer every local authority to have a sound, evidence-based plan.

Q328 David Heyes: But a cynical person would say that, in your line of business, it suits you for there not to be plans in place. It is something you can exploit.

David Gladman: Absolutely not. At the moment, it costs my company about £300,000—sometimes more—to take a planning application for typically 140, 150 houses through the local authority stage and then to appeal in order to get consent. If there is a plan in place, that cost is well under half that. Time spent on the work is less than a half: instead of it being the best part of two years, it is probably more like nine months, and I know from the outset that it is less risky.

I will give you an example that demonstrates that I am not just saying that to you, but that I believe it. My own local council that I pay my rates to, Cheshire East, went out with a glossy brochure in November 2011 to 250,000 ratepayers, every house. On the front page of it, it said, “We are going to create a local plan, and, unfortunately, our experts say that the need for housing is 4,000 houses a year: 1,250 affordable ones, and 2,800 open market ones.” Three months later, in the draft local plan, they decided that they are going to deliver 1,200 houses a year. I and my senior planner went along to the leader and deputy leader of the council and said, “If you carry on down this route, you will end up with a very long number of years without a plan, because you are basing it on completely unsound principles.” There are some issues with the green belt and their own site being taken out of the green belt, but that is a bit of a side issue.

I offered the service. I have a team of 150 people who are the best planners in the country, and we are three miles down the road from them. I said, “We will help out as much as you want to explain to you how you have to get a sound plan, for the benefit of all the ratepayers in Cheshire East. It is in my interest to have a sound plan, and as politicians it is in yours, because the ratepayers will not thank you for having a four or five-year period with no plan.” You can imagine the answer: I got shown the door. They were not interested in having help.

This week, the Planning Inspectorate inspector who is looking at Cheshire East's deposit plan has written to them—it is a public letter—saying he has grave concerns about the evidence base and the numbers they are bringing forward in that plan. It will undoubtedly not get through the process, and they will go back to "Go" and spend another two years and another million pounds redoing it. I am saying that as both an example of what is going on, and an example of why I passionately wanted to input into that, to make sure that the plan was sound and not fabricated.

David Heyes: You are very provocative, Mr Gladman. I would like to follow up on the things you have said, but the Chairman is not going to let me, so I will stop.

Q329 John Pugh: In most of the evidence you have submitted, you are suggesting that councils need to go further than simply a five-year supply of housing land. You have already exemplified in your answers what a struggle it is for them to even go that far. Would you accept that, if they did, that would be harder to deliver politically, and also more contentious, because, although it is easy to anticipate what you might need in five years, it is rather less easy to anticipate what you might need in 15?

Chris Carr: In our local authority, we have done a SHMA, and we are looking at 25 years. I do not think it is controversial. It helps everybody, because it puts it in the public domain that these developments could be coming within a 25-year period. It has to be fluid. Sites have to be able to move backwards and forwards.

John Pugh: It has to be "fluid", meaning?

Chris Carr: As in, if you have a site that is to be used in one to five years, and then it suddenly becomes apparent that there are ownership constraints, then that should be probably pushed back to the six to 10; but, then, from the six to 10, you should bring one forward. Speaking to local residents, councillors and developers, it is far better to have that all in the open. You can plan a business like that; you can plan communities, because you can do the parish plans. All that sort of thing can be involved in delivering a longer period. When we had plans before, when you did a five-year plan, it was madness for the council for six or eight months beforehand and then it was just dead after. For developers, you almost had your feet up for five years, because you could not do anything for another five. It needs to be fluid, where it just keeps continually pumping land into the system: one in, one out at the other end.

Q330 John Pugh: But not fluid in the sense that you might decide, half-way through the plan, that you actually do not need as much housing as you thought, or that you overestimated demand. That is possible, isn't it, with any plan?

Rachel Fisher: What is good about having a longer time horizon is that you are able to make decisions as you go through. You should be able to update these plans; you should be able to go back and revisit and test them. They need to be an iterative process.

Q331 John Pugh: But, Mr Gladman, I think you have said in your evidence that, even where five-year supply is in place, the principle in favour of sustainable development should ordinarily apply. Is that your view?

David Gladman: It is, yes. If I can go back to my answer to the question about five, 10 or 15, the people who are either professional officers on behalf of the ratepayers or elected members have some hard decisions to make. They have responsibilities to look after the long-term welfare of the economy, the people in the housing and the job creation, and that is best done by sound planning principles. If you are going to have to have harsh and hard decisions, you are going to have to grasp the nettle about where housing is going to go. It is much better if it is done at once, and not an annual event every time the sites fall out and you have not got a five-year supply any more; you have to go around and do it again.

There is no harm at all in planning for 15 years' worth of housing land, for instance, and discovering that you have allocated a little bit too much and the last 20% is not needed. There is no harm in that; it just means that that housing land will then stretch to 18 years. On the contrary, if you allocate too few sites—whether it be for employment or for housing—and it is found to be short, then there are harms being done, because people who want homes are not having them delivered, or people who want to create businesses or move into the region do not have premises for them. Over-planning does not deliver any harms.

Q332 John Pugh: You have mentioned sound planning principles. If you had to draw a distinction between sound planning principles and an over-permissive approach, how would you draw that distinction? What would an over-permissive approach look like, in your view?

David Gladman: I do not advocate one at all.

Q333 John Pugh: No, I know, but what would it look like? What is the difference between that and sound planning principles?

David Gladman: Giving me the ability to write my own consents, perhaps. I do not propose that; that would be over-permissive. We have a very good set of planning principles that professional officers are taught and trained in. We have a framework that local plans are supposed to be created in respect of. If there is not a local plan or a local five-year supply, there are extremely sound and sensible policies that then determine the application.

Q334 John Pugh: Just touching on brownfield land, at the moment, do you think that the National Planning Policy Framework viability provisions give you too much latitude to ignore brownfield land where available?

Rachel Fisher: My understanding was that the NPPF continues to promote brownfield land.

Q335 John Pugh: Yes, but there are viability provisions, aren't there? You can simply walk away from a site that is not viable.

Rachel Fisher: We have seen further initiatives—"policies" is probably not the right word, since we are not having additional policies—to promote the development of brownfield land, which is something that we would support. The viability testing overall is something that we are still working through, in terms of the introduction of the viability guidance through the NPPG.

Q336 John Pugh: So you would reflect the view that was put by some councils yesterday, that the principles on which you decide the viability of brownfield land and the general regime under which you are operating is rather less than clear at the moment. Is that your view?

Rachel Fisher: I do not know. I would have to think about that a bit more.

Q337 John Pugh: But, if you knew they were clear, you would say so, wouldn't you?

Rachel Fisher: Yes, absolutely.

Q338 John Pugh: So they are probably not. Coming back to something else you have said—I think it was you—about how the New Homes Bonus is going to apply, can you enlarge on that?

Rachel Fisher: What we were trying to get to with that was trying to start a conversation about how we could use the New Homes Bonus in a way that would reward local authorities for granting permission: perhaps a grant of the first half of the New Homes Bonus

when you grant permission, and the second half when the sites are actually delivered. The way that the New Homes Bonus is currently configured is that, basically, you are getting a bonus for permissions that you granted, potentially, years ago, as opposed to incentivising local authorities to actually take permissions forward more quickly. It would not necessarily need to be done through the New Homes Bonus, but we thought that might be a tidy way of using an existing mechanism.

David Gladman: Can I comment on brownfield land? I feel I ought. In the last 20 years, I have developed over 100 brownfield sites: some for housing, some for retirement apartments and nursing homes, and probably more than half of them for employment sites. I counted up yesterday, and there are over 20,000 people working on employment sites that I have created and built on brownfield sites, so I do not neglect brownfield sites. Some of the sites we are promoting through the planning system at the moment are brownfield sites.

It is within the gift of local authorities to choose to put a plan together to give priority to brownfield sites and have a brownfield sites policy, if they want to. That is absolutely fine, but I think that the CPRE evidence said there were something like 1.5 million plots' worth of brownfield site in this country. I think the CPRE evidence is based on a density of housing on those acres that is more like John Prescott's than house-builders and homeowners want to have today, so I suspect the true answer is nearer a million, but that 1 million will be delivered within the next 15 or 20 years. There may be a viability issue today, or a technical or cost issue, but I have no doubt that those 1 million will be delivered. In the scale of the 4.5 million houses that we need over the next 15 years in order to get rid of the backlog and to carry on meeting current demand, 1 million will play a role, but it does need all the levers to be pulled. It needs garden cities for 15 years' time; it needs sustainable urban extensions, which take six or seven years to come on-stream; and it needs large numbers of small sites around every sustainable settlement in the country, as well as every brownfield site. That is the way to do it.

Q339 Simon Danczuk: I have three quick questions, one for each of you. We will rattle through this, if you would. First, for you, Rachel, you say that affordable housing provisions should not become a second priority to protecting developer returns. Surely we have to have regard to developer returns, or we will not have any housing at all.

Rachel Fisher: Of course we do, and of course some affordable housing is better than none. "Supportive" would be a strong word, but in terms of the 2013 Growth and Infrastructure Act, we sought to introduce a sunset clause there—as opposed to outright banning of the

clause—to renegotiate Section 106. What we have seen is that, of the 13 appeals that have been logged already in terms of the Section 106 renegotiation, four have gone in favour of the developer, and some of them probably should not have. The issue is that we are seeing an increasing number of policies that are allowing affordable housing to be second-best; and allowing affordable housing to not be considered to be one of the primary community benefits, if you will.

Q340 Simon Danczuk: But you accept that developer returns is the number one priority. If they do not exist, nobody will build houses.

Rachel Fisher: Developers absolutely need to have a financial return for the risk that they are taking on, of course.

Q341 Simon Danczuk: Do you accept that financial return has to be the number one priority or do you think that they should build them out of the goodness of their heart?

Rachel Fisher: They are not building them out of the goodness of their heart.

Simon Danczuk: No, I know they are not, but you think they should be.

Rachel Fisher: It is the same as for the community infrastructure levy.

Q342 Simon Danczuk: Why can you not say what the private companies' first priority should be? I do not understand why you cannot say it.

Rachel Fisher: That should be the priority of the developer, absolutely, but the priority of the local planning authority surely is to be able to deliver housing that is going to meet the objectively assessed need, as we have been discussing, for the entire community. You do not have an entire community if you do not deliver affordable housing, because people will not be able to afford to live there.

Q343 Simon Danczuk: Chris, on the flip-side of this, affordable housing requirements—as has just been pointed out—in Section 106 agreements have reduced dramatically through renegotiations, which the Government encouraged. Why are we putting builders' profits ahead of communities' need for affordable housing?

Chris Carr: For the same reason you just said: we need to make a profit. We are not a registered charity; we have to make a profit in building. When you negotiate with the local authorities to get your 106s reduced, it has to be open-book. You have to show them what

profits you are going to make on the purchase, the build and everything else, so it is transparent, but we still have to make a profit or we would just stop building, which is what happened. What killed it originally was the Section 106 suddenly tilted us over for not making a profit, so we just stopped building as an industry altogether.

But the brownfield sites are where we need to be developing, and, as the SME sector, we thrive on the brownfield sites. If they are not commercially viable, we need to make them commercially viable by using the 106 social housing payments to regenerate some of these brownfield sites in the centre of towns. The RSLs are telling us they would rather have their housing stock on the brownfield sites in the centre of the towns than on the greenfield sites outside, so it is a win-win situation. You use some of that money to develop brownfield sites that our members can take on, but you make them commercially viable via infrastructure payments from your 106s.

Q344 Simon Danczuk: Thank you. David, affordable housing is not mentioned once in your 3,000 word submission. Do you contribute towards the provision of affordable housing on your developments?

David Gladman: I probably have a slightly different take on it from my colleagues here.

Q345 Simon Danczuk: Sorry, do you contribute to affordable housing on your developments?

David Gladman: We contribute in full the policy amount, which is nearly always 30%; sometimes 40%; and, in some parts of Yorkshire, it is 50%.

Q346 Simon Danczuk: So you build some affordable housing.

David Gladman: I do not build. I gain consent, and then I sell.

Q347 Simon Danczuk: But, on those sites, affordable housing is built.

David Gladman: We sign a 106 agreement with the council—sometimes you have to undertake an appeals process—to deliver the full policy amount of affordable housing on the site. Sometimes the council prefers some of that as an in-lieu sum off-site, which is fine, and the mix of that housing is agreed by the council.

Q348 Simon Danczuk: So the answer is yes, on some of your sites.

David Gladman: Yes, it is.

Q349 Chris Williamson: I had a couple of questions for Rachel. As you know, the NPPF changed the definition of “affordable housing”. Can you just say briefly what impact you think that has had in planning housing for people in need?

Rachel Fisher: You are referring to the blanket “this is affordable housing”, without making specific reference to whether it is social rent or affordable rent?

Chris Williamson: Indeed.

Rachel Fisher: What the NPPF did was to differentiate between market housing and affordable housing, which is right. That has been implemented through Government funding schemes. For example, the HCA only being able to provide grant funding for properties that would be chargeable at affordable rent was the interpretation of a policy that is not really anything to do with planning, because it is a funding difference. I am pretty relaxed, to be honest, about the differentiation between market and affordable, which is basically defined as anything that is sub-market. There are different levels of need; there are different levels of people being able to buy into the system, whether that is at a social rent or an affordable rent, or indeed shared ownership.

Q350 Chris Williamson: Do you think that covers it at the minute?

Rachel Fisher: We have a housing affordability crisis. This is an issue, right?

Q351 Chris Williamson: Is there a case, then, for an amendment to the NPPF to differentiate between affordable and social?

Rachel Fisher: I genuinely think that would overcomplicate things. I genuinely think that that would begin to overcomplicate things in planning terms, and I do not think that planning is necessarily the right instrument for that.

Q352 Chris Williamson: Are you content, then, with the definition, for example, for rented housing being up to 80% of market rent, and for affordable housing to purchase simply being below the prevailing market rate for the area? Do you think that covers it?

Rachel Fisher: The deal that was done in terms of the affordable rent product is that housing associations increasingly have to contribute and cross-subsidise.

Q353 Chris Williamson: Are you happy with the “up to 80%” definition?

Rachel Fisher: I cannot remember the exact figures, but, by and large, the “up to 80%” is not actually being charged. It is actually below that.

Q354 Chris Williamson: So you are happy with it, then, are you?

Rachel Fisher: It is what it is.

Q355 Chris Williamson: Does that mean that you are happy, or that you are just living with it? “We are where we are?” Is that what you are saying?

Rachel Fisher: I am saying that we are where we are.

Q356 Chris Williamson: But you are not prepared to say that the Nat Fed would call for any changes, then.

Rachel Fisher: Not right now, no.

Chair: Okay. Thank you all very much indeed for coming to give evidence this afternoon.