



HOUSE OF LORDS

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Inquiry on

BUILT ENVIRONMENT

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10.10 am

Witness: Brandon Lewis MP

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Members present

Baroness O’Cathain (Chairman)
 Lord Clement-Jones
 Baroness Finlay of Llandaff
 Lord Freeman
 Lord Inglewood
 Earl of Lytton
 Baroness Parminter
 Baroness Rawlings
 Baroness Whitaker
 Baroness Young of Old Scone

Examination of Witness

Brandon Lewis MP, Minister of State for Housing and Planning, DCLG

Q330 The Chairman: Good morning. Thank you very much for coming. I know how hectic it has been, and as a result it has been hectic for us too, so we are both in the same sort of position. We welcome you most sincerely. If we do not manage to cover all the points that you think we should in the curtailed time we now have, I hope you will write to us or get someone to write to us. Also, I think we are probably going to request to see you some time in late February, if that can be organised, because there are lots of unjoined-up issues – but we will see how we get on today.

This is the final evidence session of the Select Committee on National Policy for the Built Environment. You have in front of you a list of the interests that have been declared by members of the Committee. There is an additional interest from Lord Inglewood.

Lord Inglewood: I have just been appointed president of the Ancient Monuments Society and feel that I should declare it.

The Chairman: Congratulations. We are being broadcast on the parliamentary website and a transcript of the meeting will be taken and published on the Committee website. You will have the opportunity to make corrections, where necessary, to the transcript.

How does the Government’s policy agenda, particularly the deregulation of planning, help to support better outcomes in the built environment? How does it seek to balance the need for new housebuilding with other priorities?

Brandon Lewis: In opening, thank you for inviting me to give evidence and to contribute today on the work you are doing on the national policy for the built environment. I also

appreciate your patience with us, particularly today as my right honourable friend, the Secretary of State for the department, is making the local government financial settlement Statement. Obviously protocol dictates that I should be there, so I am happy to deal in writing with any questions we have not covered by the time I need to leave just before 11 am. I note your comment about February, and in principle I am very happy to come back and give evidence in the future.

The Chairman: Thank you.

Brandon Lewis: On the question you asked, we do attach huge importance to improving the design of homes and place. I have spoken personally on this on the Floor of the House of Commons and actually more widely at conferences, because I think we need to make sure that we move away from what has sometimes happened in the past: we see very nice homes being built, but ultimately they are housing estates, and we need to get back to building communities. I have visited far too many developments—I have them in my own constituency—where there are some very nice homes that people enjoy and love, which is great, but people leave their house, get in their car, go to work, go to do their social engagements, get back in the car, go home, go indoors and never meet their neighbours. If, on the estate, there is a piece of open ground, at some stage somebody at the council has put a sign on it saying, “No ball games”, “No children”, “No looking”, “No touching”, et cetera. We have all seen those. Actually making sure we are getting back to building proper communities—and that is happening—is really important. There is a big onus on local authorities and developers themselves to play their part in doing that. I want to make sure, through a locally led planning system, that communities have the power that they need to make sure they can reflect those kind of local aims, desires and, quite rightly, needs.

Since 2010 I would make the case that we have made significant progress not only in speeding up and simplifying the planning system but in putting local areas back in charge of those kinds of things through their local plans and, I would argue more powerfully in this regard, through neighbourhood planning, which is really starting to get a grip across the country. 125 areas have now gone through a referendum in that process and some 1,600 areas are still going through it at the moment.

What we have done as well is made a range of reforms to the process that I think are giving these kinds of results. Over 240,000 homes were given planning permission last year through a locally-led system. What people are doing, because local communities are more involved,

particularly through neighbourhood planning, people are actually contributing by giving their views on how to bring communities together and how to make sure that any development is contributing to their communities and not becoming an adverse impact. I think that is the way we go forward.

Ultimately central government has its part to play. We have a very loud voice and I think we should use that voice, but it is also for local authorities and developers themselves to take responsibility to make sure that they are building and masterplanning. We have a role in masterplanning obviously in areas such as Northfleet, Ebbsfleet, Northstowe and elsewhere, with the garden city developments and new settlements generally. But local places should also feel that they have the power to do that, so that we will end up building communities not just for the residents but for the people involved in the process, so that they can look back later and feel very proud of creating a community. There are some very good examples of that coming through now.

Q331 The Chairman: We have had two site visits where we have seen that: one in Elephant and Castle and one in Birmingham. They are very impressive, because obviously the people on the ground want exactly what you want.

Brandon Lewis: I am sorry to interrupt, but I think that is a really important point. Whether you are looking in London at Elephant and Castle, the Packington estate in Hackney, or City Mills, there are some really good examples of where regeneration work is doing that. Equally, if you go out of London whether it's Poundbury, or to Didcot and the new garden town we announced there, there are some really good examples of where people are getting involved and creating proper community structures.

The Chairman: We are going to Poundbury once we have finished our report.

Brandon Lewis: I am a big fan of that.

The Chairman: You said that 125 communities are doing that, or at least that they are planning it.

Brandon Lewis: One hundred and twenty-five have now passed a referendum and are done and finished, and there are about 1,600 going through the process.

The Chairman: How many others are there? When you give figures like that, we want to get some sort of idea of what percentage of areas might end up being finished.

Brandon Lewis: At the moment, of the 125 that have gone through, every single one that has gone to referendum has been approved. I can confirm these figures for you in writing,

but the approval rating for neighbourhood plans is about 88%, and that is on a percentage turnout in the higher 30%, touching 40%. Most local councillors—and I have been one myself—would really like those kinds of figures of touching 40%, with an 88% approval rating. That is really good, bearing in mind these are happening not at the time of another election but generally these are happening every week, where you would expect turnout to be very low. Actually it is much higher than a local council by-election anyway. That is good news. The 1,600 covers about 6.2 million people around the country, so there is still a long way to go.

We are using the National Association of Local Councils, again in those 125, and parish and town council organisations to spread the word and getting those that are working with us doing roadshows around the country to go out and talk to areas about why this is a good thing—it is not the easiest thing an area will ever do, but it has weight in law so it has to be robust, but it is worth doing and it is not necessarily as difficult as people might think—to encourage more areas to do it.

Q332 The Chairman: Finally, because we have to rush this session, where did the idea of a referendum begin? How did it crop up? Has there been a willingness on the part of most councils to have a referendum, because I guess it is the councils that will have to run one? What has been the response from Mr and Mrs on the street?

Brandon Lewis: From the very beginning, neighbourhood plans have had to have a referendum. Without a referendum they are not binding. That was about making sure that the entire local community was involved in the neighbourhood plan and had a chance to have its say. Generally when we talk to areas doing neighbourhood plans or areas that have done them, we find that they get more people involved than before. Planning tends to involve people. If somebody is talking about building in their area, people take an interest. They are getting more people involved in their villages and areas than they have had before. That is a good side benefit as well. The referendum means that everybody is involved. So everybody in the relevant community gets a say on that plan, so it is absolutely the community's plan.

The local authorities do run it. We have had one or two councils—and I mean literally one or two—who have not been keen to let a particular parish get on with its neighbourhood plan and have delayed the referendum by one and two years. In the Housing and Planning Bill, we

are taking powers to deal with that so that a local authority cannot prevent a neighbourhood plan going forward in an unreasonable way in the future.

The Chairman: That is very useful. Thank you very much.

Q333 Lord Inglewood: Might I turn to a topic that no doubt you are thinking about a lot: housing? It is slightly startling that there is a significant gap between the number of homes for which planning permission is granted and the number that are actually built. Do you have any thoughts about that and, in particular, any thoughts about how you might speed up the process from permission to construction?

Secondly, we know that there are problems in finding sufficient sites in urban areas on brownfield and so on, which in turn appears to be threatening the green belt. Are you as resolute in defence of the green belt as previous Governments have been?

Brandon Lewis: Yes, is the short answer to the last part of the question. In fact, I think we have gone further. Certainly towards the end of the last Parliament we strengthened the guidelines on the green belt. We also need to be very clear that green belt has remained at around 13% of the country in total, and to remove any piece of land from green belt a local authority has to prove exceptional circumstances and it has to do it through a very proper process, which means consulting local people. The amount of green belt that has been used over the last year period is 0.01%, so it is a very, very small amount. But overall, it has stayed pretty steady. It remains a very important part of our planning structure. It prevents urban sprawl and it provides a lung around communities. So whether it is green belt, or indeed a green wedge in some areas—obviously some parts of the country do not have green belt—it has a very important part to play in keeping the identity of areas quite sacrosanct.

One of the things that we are doing about the gap at the moment—I have been working on this for a while now and will continue to do so with the Campaign for the Protection of Rural England—they have identified a huge amount of brownfield land and so have we: we have made a pledge to get 90% of that into planning permission in this Parliament. Through the Housing and Planning Bill, we are making brownfield land easier and more attractive to develop on both by having a brownfield register and indeed planning permission in principle, both of which are in that Bill, which will come to your good selves in due course to discuss and look at. All of that will make brownfield land that bit more attractive and easier to develop.

Lord Inglewood: Sufficiently or just a bit more?

Brandon Lewis: Significantly. The change of planning permission in principle and having a brownfield register that is transparent, clear and in the public domain is a substantial difference, particularly planning permission in principle, where you move away from having a piece of land where it might be said, “Look, you might be able to get planning permission, if you are lucky with the council, on this brownfield land that everybody is happy to have developed”, to knowing that you can build houses there. The debate on your plan is then what the houses will look like rather than whether you can build. In terms of access to finance there is quite a big shift.

Lord Inglewood: Do you think it will drive forward the process of turning consent to construction?

Brandon Lewis: That is the other side of it. Coming on to your opening query about the gaps between consent and construction, I think that is a really complicated area and I think there are several things going on. What I am going to say now is not an exhaustive list, but it gives a flavour of the larger issues there. We have had in the last year a record number of homes getting planning permission—over 240,000—but we are still building out almost 100,000 less than that. I think there are a few things going on. One of those is that some of those planning permissions will be very large sites where 2,000 homes are given planning permission, but obviously they are not going to build out 2,000 homes in a year. I want to see build-out rates increase from the average of 48 per site per year, but I do think that even I wouldn’t imagine that we are going to get to 2,000 a year. That is one part of it.

That is added to by the fact that within that the 242,000-odd homes given planning permission are on less sites, which means that we are getting more larger sites, which expounds that problem. One of the things that we are doing, and that I have been doing at various conferences, is talking to local government about making it more aware, particularly in its local plans—indeed, neighbourhood plans have a part to play as well—of identifying more small sites, because they get built out quicker and are normally more appreciated by the local community as well.

Lord Inglewood: Is there the capacity?

Brandon Lewis: Yes, there is. One of the challenges we have is because developers prime business model means that they will tend to build out, on average, 48 homes a year on any given site, so if there is a site of 900 homes with one developer, it will take 15 years. If you have three developers building 300 each, they will do it in five years. Therefore, local

authorities need to look at that. I visited Didcot last week. That is a site where over 400 homes were built out in a year, but it has four developers on the site competing with each other to build in a high-demand area, so it can be done. We need to encourage more of that. We also need more small sites. We also promised and said in the Autumn Statement, and in the productivity plan that we published last summer, we want to look again at the planning process, not policy but the planning process, because one of the other challenges is that you can get planning permission but you can then spend a year or two discussing and debating a Section 106 agreement, pre-start conditions and various other bits and pieces. We need to look at condensing that so we still get the right result but do it without too much slowing down of bureaucracy. There are various things going on in there and they are things that we are very very focused on. Equally, it is about us as a Government releasing land. That is why we have such a big public land-release programme going on now that we announced in the Autumn Statement.

Lord Inglewood: So you are expecting to be able to get the supply and demand equilibrium in balance?

Brandon Lewis: My aim and my desire is to see the 240,000-plus permissions going up but also to see the percentage of build out for the year going up. As I say, a whole range of things need to happen for that. Some of those are within central government control, some of those we are talking about to the development industry because they are in its control, but there is also a very big chunk of that, in terms of how we allocate land, in local government control.

The Chairman: Could you give us a list of those additional requirements? You must have one.

Brandon Lewis: The pre-conditions and things like that?

The Chairman: Yes.

Brandon Lewis: It is probably not an exhaustive list, because every time we create one a developer will say this council has given them something else to do. We can give you a flavour.

The Chairman: That would be very interesting and useful. Lady Young, you wanted to come in on the back of this one?

Q334 Baroness Young of Old Scone: I wanted to explore what the safeguards are going to be for the speeding up of release of small-scale brownfield sites. I understand that there are still going to be conditions at some point in the process, or perhaps I should ask you the

question whether there are going to be conditions at some point in the process to look at things such as energy efficiency, the impact on infrastructure, flood risk, biodiversity impact, those sorts of issues? Do they come as part of the technical assessment, which is the second stage, or do they come somehow in this process of them being put on the register? I am sitting in the bank manager's seat and thinking, "Why am I going to be more reassured if these same hurdles still have to be crossed?" At what point in the process are they going to be crossed and have we a guarantee that they will still have to be crossed?

Brandon Lewis: Yes is the short answer, but, to give some more flavour to that, we are not going to be adding any more bureaucracy or red tape to the process. If anything, I want to try and speed it up. But in terms of making sure the land that comes forward for the planning permission in principle will be driven by the local areas, not from the centre; it will be the local council that comes forward with a piece of land that it wants to get into production more quickly. It will nominate this land. It will be driven by it and it will be identified through its brownfield register, or, as it goes forward, it may do it through its local or neighbourhood plan as well. It is very much the case that the local community will say, "For these reasons, we are happy with this piece of land". I am not going to prejudge how they would assess that, because that is for the local community, but they will have done some element of work to decide that land is appropriate for it.

That does not change the fact that they will still need detailed planning permission, so the details around the infrastructure, what the homes will look like and whether they have the right flood protection and that kind of thing, will be done as part of that process. It still makes quite a significant difference, because, at the moment, even if land is identified in a local plan and a neighbourhood plan, if a small developer wants to build five or six homes and wants to get planning permission, they have to go to a lender. At the moment, it costs on average, I think, £24,000 per plot to get planning permission. So if you are a small developer building out five or six homes, that is a substantial investment of money to get planning permission and even if that land is identified in a local or neighbourhood plan, it does not mean in principle that you will be able to build. You can still be turned down flat on building anything at all. When trying to get finance, you are going to a bank or a lender and asking them literally to gamble on planning permission. So no matter how good your business model is, you are initially taking a very substantial gamble, which is why we have seen a 75% fall in the number of small developments; that and the financial crash, which has

obviously made lending even tougher. I think we will find this is quite a significant change in the ability to go to a lender and say, "I know I can build five, six or seven homes here; what I have to work out is some of the detail of what they will look like. So my business case will have that worst and best case scenario". It is a significant change, but the protections regarding detailed planning will still be there.

Baroness Young of Old Scone: I would find it extremely useful, and I am sure the Committee would, if we could see an explanation of what stage you would anticipate each of those factors that I outlined being taken into account, because I am still not clear how, as your bank manager, I would be reassured if, at the detailed planning permission stage, somebody could still say, "I am terribly sorry. This is in a flood plain and is not protectable, so it cannot go ahead".

Brandon Lewis: Obviously if it is a flood plain without the right protections, it is unlikely that the local authority would have put that in as a planning-permission-in-principle area in the first place, but that would be a matter for them locally.

The Chairman: Thank you very much indeed. Lord Freeman?

Q335 Lord Freeman: You have partially answered my question in response to the last one. Evidence given to us by the small housebuilders is that a major constraint is that the clearing banks will not lend them money. What is the solution? Is it the Housing Growth Partnership?

Brandon Lewis: There are a few things. I would not underestimate the problem of a small developer going to a bank to borrow money to gamble, which effectively is what you are doing. I have encountered a lot of situations where very successful small builders have had banks turn them down, not because they do not like their business plan but purely because, until they have the planning permission in their hand, they haven't got a product. Planning permission in principle is a substantial move in the direction of being able to say, "Look, I might be able to build a development that is going to benefit my bottom line and my profit and loss by X or Y, and it could be anything between those, but within that business plan that is where I am at, and I know I can build something. What I don't yet know is the detail of whether it will be Tudor, modern, Norfolk-style, etc". I think that is a very substantial change for lenders.

However, there is more than that. In the Housing and Planning Bill we are making it much easier and we are going to continue to promote self-build and custom housebuilding. That is a huge opportunity for small builders. It is why the small builders' membership organisations

are very keen on it: because obviously self-build and custom housebuilding means very rarely that you physically build it yourself—and I certainly would not trust myself to do that—but that you will use a small local builder. Advanced construction techniques, which we are looking to promote, work very well for the small construction companies, because they can buy, bring in, assemble and finish. Also, in the early summer of this year I extended the Builders Finance Fund, which was predominantly lending to medium-sized and larger builders, and brought it right down so that it is now available to small builders as well and obviously there is also the British Business Bank and other things. We are looking at all these things, and my colleagues and I at the Treasury are meeting builders regularly to make sure that we can do something about that. The fact that it costs £24,000 on average per plot to get planning permission is probably a large part of the problem.

Lord Inglewood: Does that include the costs of those that do not get planning permission, averaged out?

Brandon Lewis: Yes.

Q336 Baroness Whitaker: As you have indicated, it is not merely a matter of getting the houses built; it is what kind of houses they are. I would like to ask you about three interacting developments. First, in the light of the removal and revision of national design codes—my colleague, Lady Parminter, will ask about the sustainability aspect—how can national policy ensure that new developments are well designed? Then there is your consultation on the NPPF, which does not, to my mind, seem to say very much about neighbourhoods. Finally, there is the transfer of responsibility for architecture to you. We very much welcome what you said about enabling better communities, but how can these three interacting developments, not all of which appear to be conducive to good design, ensure that more uniformly higher standards prevail in order to build whole neighbourhoods where people can thrive and their economies can prosper? How do you see all that?

Brandon Lewis: Taking the last point first, I would hope—time will tell and you can quiz me on this or take a view on it in due course—that the transfer of architecture from the Department for Culture, Media and Sport to my portfolio is a positive thing, because it makes a very clear statement that the quality of architecture in the delivery of homes is important.

I actually think there is also a separate point, which I made at the Royal Institute of British Architects just a couple of months ago, that developers themselves need to be more aware

of the fact that good quality design does not necessarily cost more money. There are some very good examples of this. The Chairman mentioned Elephant and Castle a few moments ago, and I mentioned City Mills in Hackney. Both are good examples of where I would make the following case. Part of the challenge with the quality of design is that beauty is in the eye of the beholder, and we will not all agree on what we think good quality design is and what attracts us. But if you look at some of the buildings that were taken down in Hackney, which I would argue were immensely ugly, concrete tower blocks from the 1950s and 1960s, and, with the greatest respect to the architects who designed them, I don't think they did architecture any great favours, are now being replaced—Elephant and Castle is another good example of this—by mid-rise and low-rise developments, street scenes are being brought back and density has been increased substantially and that is thanks to really good quality masterplanning and design. So I have been making the point to developers that they should invest a little more in architecture in some cases to get good quality design, and not only in London and those kinds of densities; if you look at areas such as Cambridge, Countryside Properties has a pretty good reputation for the way it does environment. It designed a development about 10 years ago in which it gave up space where other developers had wanted to put more houses and did not. Instead, Countryside Properties put in more greenery, wildlife and environmental measures, and it is a fantastic, award-winning example of what can be done. Developers can benefit from that because it increases the value of what they are doing and increases their reputation so that customers will want to buy from them. We can probably all think of developers around the country whose reputation is such that we want to buy from them.

On the development side, I think there is a thing for us to do on an educational aspect. I appreciate that not everybody agrees with this, but I think there is a danger that if we try to dictate good quality from the centre, we will end up with something far too uniform, and often with unintended consequences. I would rather encourage, motivate and embarrass those who get it wrong and do some really bad things, but, equally, this comes back to my opening remarks about moving this to the local. What is absolutely appropriate and beautiful in the City of London or in the heart of London would not necessarily work in a Norfolk village, and what is brilliant in a Norfolk village would not necessarily work in Birmingham or, potentially, Nottinghamshire. We have to make sure that the people in those areas have control over what is right for them.

I also think that sometimes we underestimate the power of the nudge, as they call it. The Committee is going to see Poundbury. For me, that is one of the best examples of good masterplanning. I like the architecture, and different people have different views on that, but I have not heard anybody argue against the concept behind it. Cranbrook, which is not too far from there, is similar. The masterplanning has created residential, commercial and retail mixed use. People are walking to the shops. There is no restriction on cars and it is very easy to drive and park, but because of the way it is masterplanned you are naturally more likely to walk around, and because you are walking around, not only are you healthier and fitter but you get to know your neighbours and you have a community spirit going on, and it really works. That has not come about because somebody in an office like mine in Whitehall has said you must do it that way; it has come because that local area and the developers there have gone forward and developed in that way. I think we need to drive that kind of local approach.

The NPPF consultation, and the NPPF more generally, reinforces that, because it drives these decisions locally. What is appropriate in both design and masterplanning will differ, in whatever area you are, so it is right that is done in the community. I think I have gone through the three areas.

Q337 Baroness Whitaker: The removal of the design codes will mean the removal of general design principles. Is it your contention that local authorities in small places with not much capacity are better off if there are not some general design principles?

Brandon Lewis: There is the London design code and some of the combined authorities do this, but I would challenge the underlying issue around councils and their capacity. Local authorities have increased their reserves from £13 billion to over £22 billion now. They have done some very good work in some cases around shared management and shared senior administration. They have not scratched the surface of that in their planning departments. I used to lead a small district council and I am an MP for an area with a very small district council. I started trying to do this when I was leading my council and we did not quite finish it when I retired.

I would be the first to say that actually it is untenable for small district councils to have stand-alone planning departments for a couple of reasons, not only financial and what it costs to run, but in an area such as Norfolk where there are a number of small local authorities, it seems to me much more logical to bring them together in one or two single

units you get a couple of benefits. One is a cost saving, because we are finding across the country that shared management arrangements save up to 18% on average, but you also get a better resource, because you cannot argue for Great Yarmouth, my area, that you could afford or would be able to recruit specialists in heritage and various other things. If you have a wider group you can have the odd specialist within it and keep them busy.

Equally, you have a better career offer for your planners. When I was leader of Brentwood, we were on the edge of London and the Thames Gateway. It was not about money, but I could not keep a really good planner because they moved to London or the Thames Gateway where the action is, rather than being in Brentwood where people might extend their house a few feet. You get a much better offer for the employees as well. I think that is absolutely the way forward. Very few councils have done this yet, and I think they need to.

They also need to understand regarding where they put their resources; they need also to understand that their planning department is their economic regeneration department. I say that on two levels: either the council is working its money and its planning around the best interests of its community and it wants a well-planned, well-designed community and environment, in which case it needs a good planning department, or the council is effectively run by its Section 151 officer, who wants to keep the council's coffers full, in which case you need business rates growth, the new homes bonus and council tax, all of which need a good planning department. Whichever point of view you come from, councils need to have good focus on a good-quality planning department.

The Chairman: That is a very comprehensive answer, as indeed all your answers have been.

Q338 Baroness Finlay of Llandaff: I think that leads very neatly to the question I wanted to ask you. You have outlined the problem of the shortfall in resources in the planning sections of councils. What do the Government plan to do to improve the situation along the lines that you have outlined: bringing the resources together to avoid the gaps becoming wider? Linked to that, is there a case for the full devolution of planning fees to local authorities? If you can hold on to those thoughts for a moment, I want to go back to the green space question, people walking and all the health issues that are now so very clear in our society, with lack of exercise, obesity and environmental pollution being major causes of mortality and morbidity and a huge drain on the NHS coffers. There was a paper out this week about cancers and environmental factors being probably much greater than anyone had ever estimated before. How do you plan to marry up at central government level that health

agenda with planning for where people live, and make sure that those walking routes and cleaner air routes and so on are there for them?

Brandon Lewis: In terms of the planning fees there was an increase in planning fees in 2012. I said recently on the Floor of the House of Commons in the Committee stage of the Housing Bill that I am going to have a look at some proposals that were put forward by members of the Committee on whether we can have some more flexibility in planning fees, linked particularly to better process and speed and a sort of fast-track system. I would not go any further than saying what I said in Committee: that I will look at that. I have promised the Committee that I will come back to them on Report in the Commons, so, if you bear with me, I am going to stick to that format. You will also appreciate that we have the local government financial settlement Statement in a few minutes' time, so I would not want to prejudge what is going to be put forward on the Floor of the House. Generally with planning fees, the reticence has always been around making sure that we keep planning cost effective. As I say, councils still have substantial resources that they can choose to allocate in that way anyway.

I am sure there are no local authorities out there—and I say this with only part of my tongue in my cheek—that would use the planning fees, if it had complete freedom over them, either to price development in its area out of the market or to line its coffers, but we have to look at all these things. There is a balance for us on that. If you do not mind, as I say, I am looking at the other side of it at the moment, and I will report back on that before the Bill comes to your Lordships' House.

On the environmental side, obviously I am not a Health Minister and my less-than-athletic build may hide the fact that I enjoy doing triathlons from time to time, but I think you make a very good point. It comes back to the point I made earlier that we need to be looking at this. Some of the research that was done—again, if you are visiting Poundbury I am sure they will take you through this—and I know this from when I was the Minister looking after high streets, there is some research that shows that on average people will not walk more than five minutes from home to a shop, and if it is more than five minutes they will get in a car or use public transport, and once they do that they will not necessarily therefore use the closest small shop; they will go to a big development, a big shopping area.

That is why I am quite interested in looking at how we get more footfall and more people living in and around our town centres. This needs some help and support. It is good for

footfall but obviously also has the benefit that people might walk to their shops and get a bit more involved. The moment you are walking around, human nature dictates that you walk past someone and you might nod and smile, and the next time you walk past them a few days later you might actually say hello, and suddenly you are getting to know people.

This works in various ways. I saw a development in Plymouth built by Redrow where cleverly, but simply, rather than putting car parking in courtyards round the back out of the way, which creates dark areas, they had put the parking with some garages on the street. The way it was laid out was relatively attractive, but it also meant that as neighbours were going out to get to their cars, they saw each other. Little things such as that can start to create a community. I accept fully that a well-designed area will help to improve health, but it can also improve community, and, as a Minister at the Department for Communities and Local Government, that is key for me as well. The problem for us at the centre is as soon as we start trying to go too far with how it must be, we start to get unintended consequences. Again, we have to trust local people to work out what is right for them, and neighbourhood and local planning is the right way forward to do that.

Q339 Baroness Rawlings: Thank you very much indeed for your very clear explanations. As you are the Minister in charge, how do you see, come the end of February/March, Lord Adonis's report, the Housing and Planning Bill and our report working together? How will you take the proposals further?

Brandon Lewis: I cannot prejudge what will be in your report, but I think the three things could be very complementary, not least because the Housing and Planning Bill is only part of the work. I used the phrase on the Floor of the House on Tuesday that it is "part of the work" to see that more homes are built in this country, and to make sure that we are building good homes that are the right homes, for the right people, in the right places, at the right tenures. That work is ongoing. The housing market is always developing. The case I would make is that we have possibly the most complex housing market in the modern world, in the sense of the amount of niche products we have. That is a good thing, because it means there is a big range of offer out there for people, but it is always developing and changing, so we have to keep looking at it. Whatever this Committee's report comes out with, we will look at and work with, and, particularly if there are some things in there we could take forward, I think we should be looking at that. We should always be looking to improve. We should never look back and think we have finished the job.

Lord Adonis's work is hugely important from both sides. First, I want to make sure that we are maximising the opportunity for creating homes in places that have good access to transport infrastructure. I do not think we have gone far enough in this country with density, particularly around transport hubs. London is a very good example of that. We are one of the least dense, lowest-rise cities in the world for one of the most popular, arguably the most popular, city in the world. This is true right around the country. Even in my own constituency the train station is quite a long walk from any residential accommodation or the high street, which seems to me a crazy situation, bearing in mind that no bus goes to my train station either. Integrated transport has not quite reached Great Yarmouth. If we want to see those places regenerated, some retail and commercial development in and around the stations, as Crossrail is proving, could work. It is also partly why the Hong Kong-Shanghai railway company is the only profitable railway company in the world: because it works as a property developer as well. We need to look at that, and I know my colleagues at the Department for Transport are very keen to look at it and at how we learn going forward from what Crossrail is doing on that kind of model. We also need to make sure that we are building homes where we can put the right infrastructure in place.

Public satisfaction with housebuilding has gone up by about 50% over the last few years, and I put that down to a couple of things. One is people feeling involved in the process, particularly through neighbourhood plans and through local plans. It is also through making sure that the infrastructure is there. I do not think the nimby thing is as bad as we sometimes think it is. We discredit people on that. Where it exists, it tends to be for genuine reasons such as the fear of inappropriate development, which is usually about bad quality of design or lack of infrastructure. I think that what Lord Adonis is doing to make sure that the infrastructure is there for the country, and for my interests directly for housing, making sure that we link the two things together, is really important.

Q340 Lord Clement-Jones: Minister, I have a two-tier question, and I am sorry that it is a bit of a package. You have placed a lot of emphasis on local plans, particularly in the context of housing. Is local plan-making delivering its objectives overall? Are any measures needed to restore the primacy of the plan-led system? I am thinking particularly of your ideas about extending planning consent in principle and so on. You have also mentioned that local authorities should not plan in isolation, and that brings us on to spatial planning. Does the duty to co-operate provide an adequate mechanism for strategic and spatial planning? I

think you have recognised the need to improve the operation of the duty to co-operate. Then, of course, we have the question of the role in the built environment of regional spatial frameworks in London, Greater Manchester and so on.

Brandon Lewis: Yes, I think I got to three. In terms of local plan-making and having primacy, particularly when you take into account initiatives coming forward such as planning permission in principle, I think planning permission in principle will further enhance the local aspect, because the areas that will be covered by planning permission in principle are not going to be set by me or anybody like me in a suit in any office in Whitehall; they will come from local people. Initially, it is about those brownfield registers, which will be done by local authorities. It will be land that is allocated and notified through the local plan or a neighbourhood plan, both of which are done locally. Even if in 2017, through the powers in the Housing and Planning Act, as it will be by then hopefully, or in the Bill as it is now, if we intervene where areas have not done a local plan, I have no intention of writing a local plan and giving it to the community. We will be facilitating the local community getting its own local plan. It will still be a locally driven plan. That further endorses it and, hopefully, gives even more encouragement to areas to want to do a neighbourhood plan, to look at these things and to have that local control, and if anything to take the control away from the developers. If you do not have a local plan and you are reliant on the NPPF, the developers are in the driving seat saying, "This is where we want to develop", and the community is having to take a development control system. So my logic is that we move from what has been a development control system for a few decades, and councils looking at how they can say no, to a plan-led planning system. Terry Farrell used a brilliant phrase: that we move through local plans to a plan-led system, and with neighbourhood planning to an active plan-led system, which I thought was quite a good way of describing it, in a way Terry can do better than I can.

On the issue of isolation and the regional side, as a Government we got rid of regional spatial strategies, and I have no desire or intention to go anywhere near bringing them back. The difference with what is happening in London, and indeed what Manchester is looking to do, and what other areas may choose to do, is by coming together and looking on a wider basis as an area region, or whatever the structure is, it is driven by them locally. It is not me or an inspector somewhere sitting with a map and a red pen; it is coming from that local area,

working together to develop something for their area. I think that is a very sensible thing for them to do, but what is important is it is them doing it, which matters.

In terms of the duty to co-operate, it was always very clear, and the Planning Minister at the time, who is now my Secretary of State, was very clear at the Dispatch Box, if I remember correctly—and as I sat on the Localism Bill Committee, I remember these debates—that it is a duty to co-operate, not a duty to agree. We come back to the fact that we have to be adult enough and grown up enough to expect that local authority leaders—councillors and their senior officers—will actually take that responsibility seriously and work together to fulfil the duty to co-operate. Equally, I am a realist, and I appreciate that in some parts of the country some councils will find it harder to work together than others, but generally it is working. We will certainly get involved in trying to bring parties together and to get them talking to each other, if we can, where there are real issues, but it is generally working. The evidence of that is that we have seen more than double the number of local plans published, up to 82% or 84%, with 67% or 69% now adopted, and, as I said before, if areas do not have them adopted by 2017 we will look to take the power to start getting them done.

Having said that, I am also very aware of at least one local authority leader, when I quizzed him about why they do not have a local plan and have not even started one, who said, “I really like the NPPF, and I am happy to make my decisions based purely on the NPPF, and my community is happy with that and we are very pro-development, so I don’t need one”. That might be a very valid argument. I think we need to be aware of people having that view as well.

Q341 Lord Clement-Jones: Obviously, you have quite a lot of carrots in place for the combined authorities, and they have responded pretty well, except for one. Are you planning to use carrots for encouraging the duty to co-operate? Do you have any levers that you can use to get that co-operation?

Brandon Lewis: We do in the sense that if an area is shown not to have fulfilled its duty to co-operate, it could fail its local plan, and inspectors have failed local plans based on the failure to fulfil the duty to co-operate. Whether that is a carrot or a stick is probably in the eye of the beholder, but there is quite a good motivation there, and that has worked.

Q342 Baroness Young of Old Scone: You are proposing a housing delivery test. Will that mean that local authorities become more subservient and anxious to move ahead with

things that perhaps local people are less comfortable with simply in order to avoid being penalised under the housing delivery test?

Brandon Lewis: No. The intention comes back to Lord Inglewood's query about the gap between permissions that are granted and the build-out rate. In some areas at the moment, local authorities are giving planning permission for some very large sites and saying, "Right we have done our five-year land supply", but actually they have not, because these sites take so long to build out. The idea is to make councils think a bit more about the sites that are coming forward, particularly as they allocate them in their local plans, and whether they are deliverable and are the sites that people will want to develop and can develop, and probably to encourage them to look again at the small sites that we want to see brought through, because they are quicker to build out and are better for local people and small builders. It is about getting councils to be a bit more aware of getting things that are developable.

Q343 Baroness Parminter: The evidence that we have been getting on viability assessments is that their increasing use is leading to public goods such as affordable housing being squeezed out because developers are saying they can no longer afford it. I have two straightforward questions. First, do you believe that if we are going to carry on with viability assessments there should be a standard format with, for example, an agreed acceptable maximum level of profit margins and market information so that everybody knows what the parameters are?

Secondly, is it important that developers know right at the beginning what costs they are going to have to meet? Of course, this Government got rid of the Code for Sustainable Homes and the requirement for zero-carbon homes by 2016, so developers are not now putting money aside to invest in sustainability, which is also a welcome government requirement. Without building requirement updates, how are you going to make sure these viability assessments have any legs? Will there be a standard format and are you going to update building regs?

The Chairman: Can I interject? I know that you need to be away in one minute, so if you cannot answer it in that time maybe you could write to us.

Brandon Lewis: I will give the speeded-up version. The short answer to the first point is no, because, again, I think that starts to move away from the position that local areas will have different local needs and different things are viable in different places. That kind of

uniformity is potentially quite counterproductive and might have unintended consequences. However, I agree with the point that it is healthy for developers coming into an area to know what it will cost to build in that area.

One of the reasons we are doing a review of the community infrastructure levy - and I am interested in looking at how that interacts with Section 106 - what I like about the community infrastructure levy is the developer knows upfront what it costs to build in that area. The problem with the community infrastructure levy is it works when you have lots of small and medium-sized sites; it is not so good when there is one big site because the money could be spent anywhere and you could still need infrastructure on that one site. For that you need the flexibility and the focus of a Section 106 agreement, but that is not very transparent. You get planning permission subject to 106, you spend several years negotiating it and it is down to the quality of negotiation between a developer and a local authority. This is an area I am very focused on, first, because I think it slows down planning quite dramatically, and I want to fix that, and some of that is in the Housing and Planning Bill, and, secondly, because you are then caught up in the vagaries whereby some local authorities are better than others at negotiating. We need to look at that, but I am not going to be able to say to you today I have the answer to that.

The Chairman: Thank you very much indeed. It has been a real rush through, but you have been fantastically generous with your time and your answers. If you think of anything else, please let us know. Let us keep in touch during this period because it would be helpful for us regarding the Bill and our report.

Brandon Lewis: I am happy to and I really appreciate the chance to come and speak to you today. Thank you for persevering with my timetable as well. I really do appreciate that.