



Communities and Local Government Committee

Oral evidence: [DCLG consultation on National
Planning Policy, HC 703](#)

Monday 8 February 2016

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Members present: Mr Clive Betts (Chair); Bob Blackman; Helen Hayes; Kevin Hollinrake; Liz Kendall; David Mackintosh; Mr Mark Prisk; Mary Robinson.

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Evidence from witnesses:

Questions 1 – 44

Witnesses: **Kate Henderson**, Chief Executive, Town and Country Planning Association, **Richard Blyth**, Head of Policy, Practice and Research, Royal Town Planning Institute, and **Shaun Spiers**, Chief Executive, Campaign to Protect Rural England, gave evidence.

Chair: Good afternoon and welcome to this first evidence session of the inquiry into the Government's consultation on the National Planning Policy Framework. Thank you very much for coming to give evidence to us. May I just ask, first of all, for members of the Committee to put on record any interests they may have? I am a vice-president of the Local Government Association.

David Mackintosh: I am a Northamptonshire county councillor.

Helen Hayes: I am a councillor in the London Borough of Southwark, and I employ a councillor on my staff, too.

Q1 Chair: For the sake of our records, could you just go down the table and say who you are and the organisation you represent, please?

Richard Blyth: Richard Blyth, Head of Policy at the Royal Town Planning Institute.

Kate Henderson: Kate Henderson, Chief Executive of the Town and Country Planning Association.

Shaun Spiers: Shaun Spiers, from the Campaign to Protect Rural England.

Q2 Chair: Thank you very much for coming. We have about 40 minutes to do each session. We do not want to run over, so let us make sure that we get all the points answered neatly. If you agree with a colleague who has said something, you do not have to repeat it; you can just say, "We agree". That is helpful to everyone. Do you think the changes that are being proposed are coming out of identified problems with the current operation of the NPPF and any proper monitoring of it, or do you think there are concerns over the current monitoring arrangements and whether these proposed changes really do come out of problems that have been experienced by yourselves so far with it?

Richard Blyth: If I may commence, under the Coalition, this Committee as it then was, recommended that more evidence should be available to monitor the NPPF. We at the Royal Town Planning Institute have decided to take up that challenge and next month we will be publishing a survey of 15 city regions, 12 in England, which have covered 156,000 housing units granted permission since 2012. We are particularly interested in what that survey will tell us about where the houses are located. Are they close to where employment is? Are they close to public transport? Unfortunately, we do not have all that information to provide today.

Q3 Chair: Will it be available at some point?

Richard Blyth: It will be available in March, but not available—

Chair: So in March we would, obviously, as a Committee, have that information. Not before.

Richard Blyth: Not before the end of March. I do have a teaser. We looked at one region and found that 73% of the houses that had been permitted were within 10 kilometres of major employment centres, which is very encouraging.

Kate Henderson: There should be more monitoring of the impact of the NPPF. It is fundamental to delivering the quality of our homes, and to creating great places. It has been highly successful in driving up the number of planning consents for new homes. In the year to March 2015, we had 261,000 new homes consented. However, we are not monitoring what is actually being built. We know the number of starts, but we do not know the quality of those starts or if they are in

sustainable locations. The evidence that the RTPI is producing would be really valuable.

In terms of specifically asking whether the consultation is addressing those questions, I do not think we know. For example, there are lots of measures in the consultation around supporting brownfield land. We would absolutely support the reuse of brownfield land, but what is stopping brownfield land coming forward at the moment? Is it because of planning or is it because of issues around viability and the cost of investment of land remediation from both the public and private sector?

I would also ask about the implementation of some of the policies in the NPPF. When we read it there is great stuff in there on design quality, climate change and greenhouse gas reductions, but when we look at what just happened a month ago in Cumbria with extreme flooding, are local authorities actually taking on board and implementing these policies in ways that mean we adapt to extreme weather events, for example?

Shaun Spiers: I would agree with Kate. The whole thrust of the consultation is addressing the wrong problem. Permissions are up, land supplies are up, and house builders are not building out the permissions they have. That seems to be the problem, rather than looking at it through the lens of planning and suggesting that actually you need to release more land or arm-twist local authorities to give more permissions and that is the solution.

That is not to say there are not some good things in there. I am not sure if this comes from a proper assessment of how the NPPF has worked out, but obviously CPRE supports the greater emphasis on brownfield development, because I think it is recognised that brownfield is a great resource that has been underused in the last few years. That is welcome, but the whole thrust of it does not seem to be based on a great assessment of the role of planning in what is undoubtedly a national problem: we are not building enough houses.

Q4 Bob Blackman: Shaun, you have been quite critical of the length of time of the consultation and wanting there to be more time. How satisfied are you that the proposals as detailed are sufficiently detailed for there to be some degree of scrutiny of them, at the moment?

Shaun Spiers: Not very satisfied. It is a mixture of the good, the bad and the uncertain, and the uncertain could end up being absolutely terrible. There does really need to be another consultation on the wording. The wording of planning policy is so important, and how this proposed change to the NPPF relates to the Housing and Planning Bill, which is still going through Parliament. It is meant to codify what has not yet been decided by Parliament. That seems to be a strange process. At the same time, you have John Rhodes' committee looking at how to speed up local planning. It has not reported yet either. How

those things are all going to be combined is very unclear to me, but the wording of planning policy is clearly really important. We will need another bite at the cherry to see what rewording is the result of this consultation.

Kate Henderson: Just on the question of timing, if the expert group's report in the local planning process, chaired by John Rhodes, recommends further alterations to the NPPF to speed up the local planning process, there are questions about what happens then in terms of whether there would be a second consultation on the NPPF, or the amendments would just be made. It is not quite clear how these things fit together.

Q5 Bob Blackman: Just so I am clear, are you talking about the Rhodes commission or are you talking about the housing Bill that is going through?

Kate Henderson: Both of them, but I was specifically talking about John Rhodes' review of the local plan making process. It is about efficiency and making things happen in a timelier way. We would welcome that, but it may well have recommendations in it—we just do not know—about changing the National Planning Policy Framework, and we would want to be able to comment on that and see how it fits within the consultation and whether the consultation tackles those issues.

Richard Blyth: Could I give an example on this question of preciseness? The consultation asks whether we could regard brownfield land in the green belt as the same as brownfield land somewhere else. If you imagine a situation where there might be a hospital or a large institution in the green belt, with a large landholding around it, the current definition of brownfield in the NPPF says, "Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed)...". So if you have a large redundant hospital or institution sitting in a large number of acres of ground, it is not terribly clear from the current definition of previously developed land whether the whole of that curtilage could be assumed to now be fair game, although it is in the green belt, or not. Clarity on that would be helpful.

Q6 Bob Blackman: Moving on, what do you think about the provisions, in the Housing and Planning Bill, for pilots for alternative providers to process planning applications? This is quite an interesting initiative.

Kate Henderson: It is far-reaching legislation and I think planning is a public good, and has to make decisions that meet the

needs of society, the economy and the environment. One of the things that is so important about local government is having that democratic accountability. I know that local government would still have the ultimate say, but local planning officers are required to act in the public interest. If you are an independent consultant, you are not necessarily. Through that process, as an independent consultant or as an alternative provider, you would come up with ideas of who would be consulted, of how a section 106 would be negotiated. That creates real challenges for public confidence in planning decisions.

Q7 Bob Blackman: Surely, then, the emphasis is on getting the plan right and then processing the planning application is marrying up what the developer is proposing compared to the plan. Surely that is just a process rather than a particular requirement for some sort of democratic input?

Kate Henderson: It depends on the level of detail in our local plans. Most of our local plans are broad in their outline of where housing should go. That secondary stage of putting in a detailed planning application is where you have the negotiation and where you set out the detail on design quality, on the percentage of different types of tenure and different types of design around contribution to things like play spaces, education and health provision—the things that make communities successful or not. The planning application process is a very important process and it is something that should absolutely be in accordance with the local plan's priorities, but that level of detail comes with the application, not with the plan itself.

Q8 Bob Blackman: A lot of developers would say one of the problems is the number of conditions that are put in, and it takes them inordinate lengths of time to discharge those conditions before they can develop a site. Is that not an impediment to building new housing?

Kate Henderson: One of the big challenges, actually, is around resourcing of planning. Conditions around requirements to have sustainable urban drainage so homes do not flood and that they are resilient to extreme weather events, or having the right proportion and mix of housing so we get really thriving communities where people of all incomes can live are so important. In order to make those decisions in a timely way, you need to have enough staff in planning departments who are upskilled to make those decisions. Actually, if we wanted to speed things up, it is looking at the service itself rather than discharge of conditions any quicker.

Richard Blyth: I should say that discharge conditions happen after the determination, so it would not be affected, as far as I can tell, by this procedure. We have given this a huge amount of thought, as

you might imagine. We have proposed to the Government that there should be the possibility not only of running an open market pilot with a wide range of participants, but also alongside that a pilot in which certain local authorities are invited to sign up for flexibility on fees in return for some very specific conditions that could include, "You must invest any extra resources you get in the process; they cannot be used for another council activity", and also, possibly, "That you must participate with neighbouring authorities in a broader consortium to share services and use that flexibility widely". Then we can really find out whether it is just a resource problem or a question of failure to innovate or some of the other issues put forward. We would propose two sets of pilots running alongside.

Shaun Spiers: Can I just add that I think it would be really important how the pilots are evaluated, and that that is done in a really clear and open way? It is quite easy to have a lot of controversy about a pilot, and then when the pilot is over you just slip in the permanent system. That has happened to an extent with permitted development. There was a lot more debate about the introduction of a time-limited permitted development right for conversion of offices to housing, and it has been made permanent with hardly any public debate and without any evaluation, as far as I can see.

Q9 Mr Prisk: Can I turn to the potentially vexed question of new settlements? I am sure that Shaun will have thoughts, particularly, on this. I met this morning with one of my own civic societies in my constituency, Hertford Civic Society. Like a lot of market town areas, whilst accepting the need for development within their curtilage, they are questioning whether there needs to be greater emphasis on 20-to-25-year programmes looking at the inclusion and the promotion of new settlements. The consultation is quite modest in this area, but what are your views about the impact of the proposals that are there? Will they make any difference or do you feel that other factors matter more? Shaun, shall I start with you, because obviously that is a particularly challenging question for your organisation?

Shaun Spiers: The CPRE has, from time to time, supported new settlements. For instance, we are supporting two new settlements at the moment: Ebbsfleet, which is going to take 100 years to build out at the current rate; and Whitehill Bordon, one of the old eco-towns in Hampshire, which was supported by our branch, very controversially, and which is being built at a glacial pace. New settlements are part of the mix, potentially. Obviously CPRE has a preference for brownfield new settlements, but if communities came forward and wanted to develop a greenfield new town or garden city then we would be open to discussing it. The concern would be whether we are making enough

use, at the moment, of derelict, wasted space in towns and cities that could and should be regenerated. We would say at the moment we are not, so there is no crying need for new settlements. The other specific question is about whether the proposals are going to make a huge amount of difference. As they stand, I cannot see that they will particularly.

Kate Henderson: The TCPA is very enthusiastic about new settlements based on the garden city model, but also taking very powerful lessons in terms of the delivery of the new towns programme. They are not easy to deliver and we have not created large scale communities on a big scale since the new towns programme ended in the 1960s. Of course, Milton Keynes continues to be built out today and is an incredibly successful place.

If we are going to have new settlements and new communities, which we would welcome, you would need much more detail and to really provide guidance and a skill space for local government working in partnership with the private sector to be able to deliver new communities. We would like to see garden city principles alongside this expansion of new settlements, so that we get really high quality outcomes and they are not just around great design and housing mix, but creating a really important and vibrant social life, bringing the community with you, and having the right stewardship. We absolutely welcome the recognition of the role new settlements could play, but we would need more information about how we are going to get there and deliver them in the right places and have the skills to do so.

Richard Blyth: The thing that we have asked for in our policy paper on housing, which is from 2013, is to look very carefully at this question of the five-year supply. We appreciate the need for the five-year supply. On the other hand, there is the risk that it can be overzealously interpreted in the situation where, maybe, you have worked really hard—I can think of a site east of the city of Exeter—to develop a new settlement and the problem is that because the profile of its completions is a little in the future you can still be hammered for not having your five-year supply. There should be some way of taking into account efforts that have been made in relation to new settlements, without at the same time you being allowed to use that as some sort of excuse. It cannot always be mañana, but if there is a reasonably robust and solid proposal for a new settlement that is starting, those completions should be allowed to count rather than being below the horizon.

Kate Henderson: Just on that point, the TCPA runs a group called our New Communities Group. It is a dozen local authorities all bringing forward new communities between 2,000 and 10,000 homes

across the country. They have very much come up against this issue of five-year land supply. If the Committee were interested in that, we would be more than happy to produce a briefing note on the state of those proposals, on where they are in the planning process, on how they are trying to deliver fantastic mixed communities, but also where the planning system does not always help them because of things like five-year land supply, because they cannot necessarily demonstrate that in phase 1 but in phase 2 or 3 they will be ahead of the game and that will be 10 years down the line.

Q10 Mr Prisk: Do you think it is compounded by the fact that we often operate at a district council level? If I were to take my own area of Hertfordshire, the ability to deliver a larger package in a single location, albeit in a collaborative form, is much more likely than having 10 planning authorities in a county that naturally, under the pressure of five years, are simply trying to get over the first hurdle. Would it be better if there were larger authorities? By which I mean geographically larger.

Kate Henderson: The devolution agenda and combined authorities offers a real opportunity here, particularly if you have got a group of local authorities, some of which may be constrained because of having National Parks, or beautiful areas of coastline or SSSIs. Other areas might actually have transport capacity and employment capacity. Being able to think at a bigger geographical scale they could then identify a more sustainable location for growth and pool their resources.

There is also something in having a very specific delivery vehicle. A lesson from both the new towns and the garden cities is that if you have a vehicle whose sole job is not delivering the local community but also has a broader role in terms of master plan and master developer, land assembler, you can do things in a much faster build-out rate because you can have multiple developers on site at once. At the moment, most of our new communities are being delivered solely by the private sector, so you are reliant on one or two housebuilders and they control the pace of build-out rather than the local authority.

Richard Blyth: There do have to be sufficient incentives. That is something we have argued in relation to the City and Growth Deal process. Otherwise there is a risk that in your 10 authorities one of them gets clobbered with the new settlement and feels quite aggrieved by it. There must be, in return for coming forward with a risky idea like that, a substantial offer from possibly central Government through a deal process that you get the schools, the hospitals, the transport to support that because you are taking one for the team.

Q11 Mary Robinson: The consultation proposes a presumption in favour of development on brownfield land. Will a register of suitable brownfield sites and a presumption in favour of developments lead to a brownfield-first approach, do you think? How should the higher costs of developing brownfield land be overcome?

Shaun Spiers: The brownfield register is very positive and it could particularly make sites available for small and medium-sized builders, which are absolutely crucial if we are going to increase housebuilding. For too long we have relied on big firms doing what is not in their own interest, to build very quickly. That is positive. The £1 billion plus that the Government have found for brownfield remediation is very welcome. We would propose that some of the New Homes Bonus should be weighted towards brownfield development. The New Homes Bonus was introduced at a time when the market was flat; it was to kick-start building. There is really no need to incentivise local authorities in this stage of the market in very high demand areas and on easy sites, but there could well be a use for the £3 billion of the New Homes Bonus to help support brownfield development.

One area where we would say it does not amount to a proper brownfield-first policy is that at the moment in many places it is a zero-sum game between brownfield and greenfield. While greenfield is available, developers will sit on their hands and not develop the brownfield and will develop the greenfield. The idea that the way to get houses built or to get an increase in housebuilding is to get higher numbers in local plans, and even to get more land allocated, and therefore, as if by magic, it will follow that we will get more houses built, is flawed. The evidence is that this is not happening and you need to look much more profoundly at the way the housing market operates. To the extent that this is not a planning problem, there is not a planning solution either. You need to look at the way the housing market works, and I guess you will probably be asking some questions on that in the next session.

Having said that, I would not beat up the major housebuilders either. I would probably buy shares in them. That is prudent financial management. They will do what is in their shareholders' interests, and there is no evidence that the idea that they are going to massively increase supply to help the country out of a problem is going to happen. All of the policies on brownfield are good. What they lack is corresponding policies on coming to housing numbers that are much more practical. While you are arm-twisting local authorities to come up with housing targets that have never been delivered, even in boom years, you just have to say that they are not going to be met now with the state of the housebuilding industry as it is. You need to look at the way the housing numbers are dealt with.

The last thing is that brownfield is a planning mechanism. What you really need is to get back to what John Gummer started in 1990, which is a real sense that this is also about urban regeneration. It is about better urban places. It is not just a way of utilising wasted space or saving countryside; it is actually about how we create better places for people to live in.

Q12 Kevin Hollinrake: This is not a dissimilar question. The number of SME housebuilders has halved since 2006. One of the proposals in the consultation is about small sites within settlement limits—essentially, planning in principle on sites with fewer than 10 units. Do you have any thoughts and concerns regarding that?

Richard Blyth: We are actually quite concerned around the interplay between the planning in principle concept and the brownfield register. We have drafted an amendment to the Housing and Planning Bill that would say that permission in principle should only apply to sites allocated in local plans, which would have benefit for the community, or sites on the brownfield register. In addition, I would perhaps not totally agree with Shaun in relation to the question of whether all brownfield land is suitable for housing. We do not think this is a matter for the face of the Housing and Planning Bill, but certainly in regulations and in strongly worded guidance it would need to be made quite clear that just because a site is brownfield—I am thinking, for example, of the substantial landholdings of the Ministry of Defence—does not mean it is at all suitable for housing unless quite a lot of other considerations are brought into play.

Q13 Kevin Hollinrake: This is small sites, not necessarily brownfield sites. What about planning in principle on a small site of less than 10 units?

Richard Blyth: That is less complicated because the scale of the problem is less serious. I am not sure it is something we have given a huge amount of consideration to.

Q14 Kevin Hollinrake: This potentially has impact on exception sites, where the landowners—because they do not have to be inside the settlement; they could be adjacent to the boundaries of the settlement. If you have a farmer or a landowner with a site, they may think, “I will just wait for the planning and get the full whack for my land, rather than give it away as an exception site.”

Richard Blyth: As you know, from our exchange in the Bill Committee, we are extremely concerned about the way the right to buy and the forced sale of council properties is going to operate in villages in particular. We are concerned that treating starter homes as

affordable housing will make it much harder to get exception sites used for genuinely affordable social housing. We are really worried about this. I would say there is a lack of clarity about how it is going to work, and this is one of the areas that needs to be explored much more. It is not clear whether it is going to operate in National Parks, in Areas of Outstanding Natural Beauty or in green belt. It is mainly or entirely intended for starter homes. When they are built, presumably you could have another small site of 10 or another after that.

It again seems to be anti-planning, rather than saying that if you plan properly for housing need and find ways of getting housing delivered, the planning system can help rather than hinder. It is absolutely true that we need to do a lot more to help small and medium-sized builders. Bringing forward small deliverable sites, smaller than the major builders want, will definitely help that, and the brownfield register will help in that, but the bigger problem, if you talk to the small builders and the Federation of Master Builders, is the availability of finance. Again, it is not a planning problem.

Q15 Kevin Hollinrake: Will it help SMEs, Kate, do you think?

Kate Henderson: On the rural exception sites policy, I would share Shaun's concerns around that being used for starter homes because there would be little incentive, because they would not be affordable in perpetuity and so be a social good for both the landowner and the community. The idea of having permission in principle outlying consent on smaller sites is all about the detail of what is in the technical guidance. We just have not seen that yet. If the technical guidance actually prescribes really good space standards and design standards and that the homes would be affordable to heat, so really highly energy-efficient, then I think we could go a long way to addressing concerns about the impact on place making. However, at this point in time we just do not know, because we have not seen that piece of secondary legislation.

Shaun Spiers: How does it fit with neighbourhood planning, for instance? If a neighbourhood has worked up a neighbourhood plan and has stumped up higher planning numbers and is really working with developers to try and improve its community, and then there is an area outside the village that is suddenly going to have 10 starter homes built on it, as Kate says, with standards and siting unclear, I do not think that increases people's faith in the planning system and willingness to engage with it. We just need a lot more detail than we got in the consultation on what is intended.

Q16 Helen Hayes: Shaun, you started to hint at your views on this in answering the last question. Do you think, all three of you, that starter homes should be included in the definition of affordable housing?

Shaun Spiers: No, and we have a particular concern that neither this consultation—as far as we can tell—nor the Housing and Planning Bill has been rural-proofed, and there is a particular issue about rural affordable housing. Obviously there is an issue about affordable housing in the whole country, but in rural areas there is less affordable housing, as currently defined, than in urban areas. I think it is something like 8% compared with 20%. Rural average salaries are a lot lower and rural house prices tend to be a lot higher. So there is a real need for social housing for people who work locally or have local connections, and I don't think that is going to be met by the starter homes proposal, and certainly not by redefining affordable housing to include starter homes that can be sold on after five years.

The in-perpetuity definition of affordable housing is really, really important, particularly in areas where land is particularly constrained, which is a lot of villages where it costs more to build housing, it takes longer, and you are going to build starter homes and call them affordable, but they will not be affordable to most people even on average, let alone low, rural wages. Then they can be sold on the open market as second or holiday homes after five years, and you have to start again. So no, we are not at all happy with it.

Kate Henderson: We also would not support the inclusion of starter homes in the definition of affordable housing. We are not against low-cost home ownership. We think that should absolutely be part of the mix. But we would question, if it were to be included within the definition of affordable, would starter homes then be required to pay community infrastructure levy, for example, and contribute to place making? I don't think we know the answer to that question at this stage. Also, we would say what is affordable does need to be based on income, not market price. We are so out of kilter now—£450,000 in London and £250,000 out of London. There has been lots of research produced by lots of organisations, but the Shelter statistics are probably the clearest on this. Starter homes will not be affordable in over half of local authorities across the country for families earning average wages. So it is a bit out of kilter with what affordable actually means.

Richard Blyth: I think it is commendable to try and increase home ownership, or you could say to stem the decline—to try and correct that. We are concerned that the approach seems to be to say that everything else should be subordinate to this, including quite a lot of planning policy, which the rest of the consultation document says, but also other kinds of affordable housing, such as social rent, shared

ownership and so forth. Is it necessary to have all of this in one definition, or should there not actually be a definition for starter homes and a continued definition for what people have been used to calling affordable housing?

Q17 Helen Hayes: The consultation proposes allowing starter homes to be built on brownfield sites, in the green belt, rural exception sites, greenbelt land allocated in neighbourhood plans and also on unused or unviable commercial land. What impact do you think that that spread of possibilities will have?

Richard Blyth: I am very concerned about the last point. We have already got a situation where it is intended that the current temporary—for recession purposes—allowance under permitted development to change any workplace into a residence will be made permanent. That means it is a particular problem for London that any workspaces, start-up areas and off-centre office space can become a home, and the owners of it may well be very keen on taking advantage of that. But it is now also proposed to extend that, not in permitted development terms but in policy terms, to, for example, cinemas that are not in cinema use and institutions. The argument, it seems to me, is that anything that would get in the way of starter homes being provided should be swept away. We are quite concerned that that would mean displacing some important uses, such as places of worship, places of community assembly, not to mention workplaces. These might get swept away in areas where the current occupants are not owners of the sites, but are renting space to do things. Owners might well say, "Let's have starter homes rather than renting our premise out to a congregation or a start-up organisation," and that I find deeply worrying.

Shaun Spiers: I forgot that Richard traduced me, or the CPRE's position, earlier. We support brownfield development. We think there is a lot of wasted space. We think there is enough suitable brownfield land for a million homes. We think that could improve towns and cities, and we really welcome the new emphasis that the Government have given on brownfield development. But we are certainly not saying, "Develop every bit of brownfield land for housing." Good planning principles have to follow. We are members of the Wildlife and Countryside Link. I would get done over by Buglife as soon as I left here if I said, "Develop every site regardless of biodiversity value." We are concerned about heritage and we are also concerned about some of the issues Richard raises. Let's use wasted brownfield land wherever appropriate for housing, but not all of it will be appropriate.

Q18 Helen Hayes: Just exploring that issue in a little bit more detail, what criteria do you think should be used to assess whether an unused commercial site is suitable for conversion to residential use or not?

Richard Blyth: The current NPPF and the proposals do talk very encouragingly around the importance of having evidence. Certainly, in Greater London, the GLA for a long period has taken a very pragmatic view of the fact that we don't need as much industrial estate as we did even 20 years ago, and they have calculated a managed decline of the amount of it. The problem with the permitted development arrangements is that they take all community control out of the process. Certainly, if it can be demonstrated that an institutional use is functioning, just because it is not viable in a narrow commercial sense, does that necessarily mean that we want to see cities become a monoculture of housing? I don't think so.

Shaun Spiers: Not all of them will be in cities, as well. Transport issues are clearly key. Again, it needs good planning and it needs a lot of thought. It is not bad in itself and basically we support the thrust of it.

Q19 Helen Hayes: Do you think, for example, having a time limit for the protection of unused commercial land within local plans might have some mileage, or using the plan-making process to assess the suitability of—?

Kate Henderson: The plan-making process itself should look at the most sustainable locations for growth, wherever they might be—brownfield, greenfield or former commercial buildings. For a lot of the ideas that are in this consultation around releasing land within the green belt, local authorities already have a discretion to do that, whether or not the consultation will make a difference in that particular area.

Just particularly on the green belt point, because local authorities already have a lot of discretion over that, there is a risk that that particular policy becomes incredibly controversial. People are very sensitive about green belt and how they value it. Of course, we know not all green belt is the same. It needs to have a proper function and purpose, but we need to avoid very controversial policy that is not actually going to have an effect in terms of producing the homes that we want to see, or increasing numbers. I would just caution about using green belt release as a panacea for meeting housing numbers.

Q20 Chair: We have a massive housing need in this country that is not being met, so if a local plan identifies how many homes need to be

built to meet that housing need, and then those homes are not built, is it not entirely reasonable that the Government introduce a housing delivery test to say, "You are not actually delivering the homes that are needed in your area. Something needs to be done"?

Kate Henderson: That sounds incredibly logical, but local authorities do not actually have control over build-out rates. We are very dependent on a private sector housebuilding model that needs to create maximum returns to shareholders, so it is actually in their interests to have a controlled build-out rate that maintains their profit. If we want to increase build-out rates, we need to think about different housing supply models and we have done it in the past; we do it in many different countries. I am sure this Committee has seen some fantastic examples of it, but we do have different models available to us now. There is the development corporation model, for example, when you look at Milton Keynes. There are multiple different builders all on site at different times with different incentives and different infrastructure provision put in, but that requires the local authority, development corporation or a joint venture to have much stronger place-making powers. At the moment we are just challenging the status quo. We are challenging what we have rather than saying there are different ways of doing this. This is not about criticising the private sector. They have a very specific role to play, and they are doing their post-war average build at the moment, and they might increase it a bit. If we want to really increase numbers, though, we need to think about different models of delivery.

Shaun Spiers: I agree entirely with that, and I think that the housing delivery test has the wrong target. There is a reference to private discussions with the housebuilders about persuading them to increase their output, but if the target is local authorities, local authorities are allocating lots of sites. They have their plans in place; they are giving lots of permissions. When I talk to CPRE branches they regard the system out there as totally developer-led. One in six appeals, even where the local authority has the five-year supply, is going with the developer against the local authority. They have Gladman and firms like that buzzing around lots of villages, putting in speculative applications here, there and everywhere. They certainly don't regard it as a system that is stacked against developers, where the solution is to arm-twist local authorities to allocate more sites or give more permissions. Yes to a housing delivery test, but a test on the housebuilders.

Q21 Chair: That leads on, then. If it is clear that the delivery test is being failed and simply in the sense of, "This is the number of homes that we need in an area that the local plan has identified. This is the

number being built—somewhat less,” what should the consequences be and for whom? What should actually be done in that circumstance?

Kate Henderson: You could reduce the timeframe of planning consents from five years down to three years. We have done that before. You could turn the question around, and ask, “Who is going to build the homes that we need?” We cannot just rely on a private sector delivery model. At the times when we have met our housing need in this country, we have had the public sector also contributing hugely to that. There is a huge amount of appetite within local government, so perhaps the question is what more can we do to free local government up, working in partnership with housing associations, community land trusts, self-build and with the private sector, to really increase output? I think the question is wrong.

Richard Blyth: It is also where you can relate it to incentives, as I said before. Take a county council or a conurbation. Why would they want to produce houses? Because they recognise people need homes. How is that going to be possible? It is going to require spending on the NHS; it is going to require spending on roads and public transport. If there is a deal done between having sites provided and then these mechanisms that support the delivery of housing on two sides of a scale, it is a bit easier than a test that seems to be suggesting, as other witnesses have implied, that all the ability is within the power of the local authority to control, and a lot of these issues are not and are held up. Infrastructure is a huge barrier to housing supply because it is just not there, and communities get very concerned about impact on the NHS, and on the traffic and so forth. But if an area is told, “These things will be brought in in parallel with the housing, but you do need to make sure that there are no planning barriers to that housing arriving,” then a deal with the community can be made where the path is smoothed to higher rates of housing completion.

Shaun Spiers: Kate put her finger on it when she said that housebuilders are building at their average post-war rate, give or take peaks and troughs of the economy. If you really want to build 250,000 houses a year consistently, as the country did when the state was building about half of them, then you need a whole lot of different mechanisms, including an increase in state funding, which is happening, including more support for SMEs, which is happening, including self-build and looking at some of the examples from abroad, which is beginning to happen. However, you probably need all of that on a much bigger scale. It will not make a huge impact, but you also need to look at the way that housebuilders eke out supply to keep up prices and take steps to open up the process of viability, open-book accounting, open up the process by which land is traded. Something like 20% of land is traded privately, never entering the public market,

which freezes out smaller builders. There are a whole lot of ways in which you need to look at the way the housing market works. Planning is part of that, but planning gets all of the attention and the other bits get very much less.

Q22 Chair: We are going to have some changes, no doubt. The Government are consulting. If the Government come to a conclusion that changes are necessary, should there be a transitional period and how long should it be? Two-word answers.

Richard Blyth: 24 months. We have seen this issue of plans needing to be up to date to the current NPPF. There is a 2017 deadline for that. It would be an awful shame if not having a sufficient transitional period drives a coach and horses through the drive to make sure that there are enough local plans compliant with the current NPF.

Q23 Chair: Could it actually stop the process of getting local plans adopted?

Richard Blyth: Yes.

Kate Henderson: I do not know what the optimum timeframe is, but we do need to avoid that issue of plans being automatically out of date, when they have just been adopted, and we need absolute clarity so we avoid legal challenges. Spending a lot of time in the courts is the thing that slows down delivery hugely. We want to avoid that.

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

Examination of Witnesses

Witnesses: **Rachel Fisher**, Head of Policy, National Housing Federation, **Peter Andrew**, Deputy Chairman, Home Builders Federation, and **Councillor Martin Tett**, Vice-Chair, Local Government Association Environment, Economy, Housing and Transport Board, and Leader of Buckinghamshire County Council, gave evidence.

Q24 Chair: Thank you very much for coming to give evidence this afternoon. Just going down the table, could you indicate who you are and the organisation you represent?

Peter Andrew: I am Peter Andrew from the Home Builders Federation, and I am deputy chairman.

Martin Tett: I am Martin Tett. I am representing the LGA, and I have to be clear that is a cross-party organisation. I am not here representing Buckinghamshire County Council, of which I am Leader.

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

Q25 Chair: Thank you very much. The Government have come up with some proposed changes to the NPPF and it is consulting about them. That is why we are here this afternoon. Have these changes come out of your experience of what has been happening to the planning system since the NPPF was introduced? Is it addressing concerns you may have about how the system is currently operating?

Peter Andrew: The NPPF has been in for four years. In general, it has been pretty robust. We are seeing more planning consents coming through. The fact it has lasted four years without any significant change has shown that it is working pretty well. That said, there are some tweaks that need to be done. That is what this session is about. I do believe that it is right to look at a lot of what is being talked about in the consultation, yes.

Martin Tett: I might have a slightly different twist on that. As the LGA, we support the Government's objective of trying to build something like 230,000 houses in a year. That is the right thing to do. We think the introduction of the NPPF was a very positive step forward. Virtually every local authority supports that and they have actually been working very hard to deliver against it. We are seeing local plans now coming into place, but actually, the local planning-process is quite a long-drawn-out one. They are only just beginning to come into place in a lot of areas. As the LGA, we have argued that there ought to be a proper review of the impact of the NPPF so we look at the impacts and assessment of it in the way you would do in any other area, rather than basing changes on what appears to be, quite frankly, a fairly ad hoc and anecdotal series of feedback by vested interests. We would argue for a much more thorough and logical review of the impact of the NPPF.

Rachel Fisher: Like my colleagues, we also welcomed the introduction of the NPPF and we think it has been a positive step forward in terms of planning. I would also welcome a more robust and in-depth assessment of what the impact of the NPPF itself has been on the delivery of housing. Obviously, we have seen an increase in planning permissions granted and we have seen an increase in housing starts, and we welcome that. But the terms of NPPF consultation at the moment, like the NPPF itself, are quite pithy, so we don't have a huge amount of detail behind the proposed changes that we see happening. It would be important for us to reflect that in any comments on the NPPF changes.

We would always want to see more detail just to know what the impacts are going to be.

Q26 David Mackintosh: Do you think the details in the consultation are enough for their impact to be properly understood and assessed?

Rachel Fisher: No, to give a very short answer. On some things we have more detail than on others, but it is quite a light consultation and there are a number of things, particularly around starter homes and the changes to the definition of affordable housing, about which we would want to see more of an impact assessment undertaken. We would need to have more details to be able to do that impact assessment. We are still waiting for the full consultation on starter homes. That is not due out for a while. So we won't actually be able to tell you what the impact of this is going to be. We would want to see more before we could say what the impact is going to be.

Martin Tett: I would absolutely concur with that. We have a situation here where we are talking about changes to the NPPF almost in parallel with the Housing and Planning Bill going through Parliament, which itself may well get amended. So you have two variables, really. Logically, wouldn't you put one in place and then look to change based upon it? Trying to change both at the same time seems to be slightly illogical to me.

The other issue is this. I completely agree with Rachel. There are some very vague recommendations in the proposed changes, which are quite hard to pin down in terms of their impact. Starter homes is an obvious one. I suspect you will ask more questions on that in due course, so I won't do that now, but even stuff down to the definition of commuter hubs—they are terribly vaguely defined: an interchange between a train and something that has a cycle capability. You can park a bike outside a railway station; does that make it a commuter hub?

Peter Andrew: I would agree. There is still detail to come out, particularly on starter homes. I am in agreement with my two colleagues here.

Q27 David Mackintosh: How much will the outcome of the consultation be affected by the Housing and Planning Bill and the findings of the expert panel on local plan making proposals?

Martin Tett: I think I have sort of replied to that question just now. I would not do the two in parallel. You have two variables. Logically, you would wait for the Bill to have gone through the Lords. You would assess any changes that have been made as a result of the lobbying

there that may or may not be accepted by the Government in due course, and then you would do a proper assessment of the NPPF in the light of both the Bill, and its practice in the real world and how it has actually worked. Then you would bring forward the changes. It seems as if it is driven more by anecdote, and perhaps the Government's agenda in terms of starter homes, than by any logical review.

Q28 David Mackintosh: What do you think about the provisions in the Housing and Planning Bill that allow pilots for alternative providers to process planning applications?

Rachel Fisher: From our perspective, that is one of those situations where there are some places where this is already happening. Barnet has already started outsourcing some of its planning applications and that has been seen to speed things up.

What we really need to be talking about is actually resourcing of planning departments in the main. It is not just a situation where it is the decisions that are being taken; it is a situation where we need to be able to properly resource planning authorities to objectively assess their housing need and then work out where those places should go, figure out their five-year land supply. All of these things take a lot of resource and a lot of time. I am not convinced that taking the decision-making stuff out of that pool is necessarily going to solve the problem we have with planning for housing.

Peter Andrew: I would agree with that. It is a wider picture and it is certainly around resourcing in local authority departments, both for plan making and decision making. It will drive some more decisions, if that makes sense, but it needs to be looked at in the round, around local authority resourcing in general.

Martin Tett: If I can build on that as well, the issue for me, as I understand it, is not that the final decision making will be taken away from councillors, but the processing of the applications will be done, potentially, by a third party. The fundamental problem is the lack of proper resourcing in local authority planning departments. We are haemorrhaging staff at the moment, quite frankly, predominantly to the private sector, which can pay significantly more than local authorities can. That is starving local authorities of key skills that we need, quite frankly, at a time when we are trying to get more planning applications through and also produce good plans. That is the other thing. It is not just about the extension next door; it is about producing really good plans to help build communities. You need that whole team in place. Outsourcing bits of it will actually detract from the whole, in my opinion. You have to look at this holistically.

Potentially, I would argue, unless good safeguards are put in place, there is actually a problem of conflicts of interest. If you are outsourcing it to an organisation that may be even remotely involved through, potentially, other departments in planning applications in the same area, you have to make sure that very strong Chinese walls exist between those who are assessing an application and those who are promoting, potentially, a hostile development elsewhere.

Peter Andrew: Certainly, my view would be that it ultimately has to be about local authority resourcing, getting resource to the local authority and the local authority delivering for its community. However, I would not want to see a slowdown, looking to outsource some of this work, if you like, and for it to be brought back into the local authority for decisions and that slow up the time period in which we can get resources into local authorities. There is a longer-term play and a short-term play and we need to be aware of both.

Q29 Chair: How can a local authority make an independent decision if negotiations about the application, including all of the conditions, are made by a private sector alternative provider? Presumably, then, that provider is going to be the one that advises the committee before they make their final decision.

Martin Tett: To whom is the question directed?

Chair: Anybody who would like to answer it.

Peter Andrew: I see the work that would go out of house, if you like, to some consultancy is around technical issues. These are technical matters that some decisions will need to be made from. As long as the decisions come back in with a recommendation, of course, to the local authority, that would be fine.

Martin Tett: I partly answered your question just now. There is massive potential for conflicts of interest. I understand entirely that you can have Chinese walls—lots of organisations do—but if it is a controversial application I can see all sorts of grounds for potential judicial review, which could actually slow down the planning process rather than speed it up. I add that word of caution.

Q30 Helen Hayes: During the Housing and Planning Bill Committee stage, several members of the Committee argued that the solution to the resourcing problems that councils have is simply for councils to innovate, share resources, commission external providers and so on. I wonder if you could comment on that very briefly, because it

seems to me that is quite a significant response to a problem that has been given and we should hear from you.

Martin Tett: I guess that question is directed at me. I gave evidence before. The issue of innovation is an important one, in so far as I completely support the sharing of resources, just as a general principle. We have two councils locally, Chiltern and South Buckinghamshire District Councils, which are both separate and which share departments and save a lot of money by doing so. But the fundamental issue in planning is that, generally, councils are haemorrhaging staff, particularly to the private sector. That is not even a sticking-plaster on the problem, quite frankly. Generically, yes, you can save a lot of money, but it does not address the fundamental issue that we don't have the right planning skills, we can't retain the staff, and they are going out to much better-paid jobs in the private sector. Quite frankly, we need to have an attractive profession that pays adequately to return people to the public sector.

Q31 Mr Prisk: As some of you will have heard, I was raising the question around sustainable new settlements with the previous witnesses. This may be more to do with the LGA. I know the LGA said it feels that the consultation's proposals are necessary, but I wonder whether any of you feel that any of the proposals will make a difference in the promotion of sustainable new settlements. Is this a missing piece in the long-term answer for the housing jigsaw? We have talked about lots of initiatives, but the one thing that has not seemed to have advanced much in the last 18 months does seem to be the question of a sizeable number of notable new settlements identified and progressed. If I can start with the LGA, clearly this is a vexed issue from local authorities' points of view.

Martin Tett: The issue of new settlements is best determined locally, quite frankly. With great respect to both the previous Labour Government, a couple of terms ago, with all the eco-town proposals, and the Coalition, with the new towns that were being proposed, there is a real danger of top-down prescription on these sorts of things. Unless you actually understand the local circumstances in an area, the housing need in the area, the mix that is required locally, the availability of land, the local constraints, the infrastructure and so on, there is a danger that top-down prescription that, "You will have an eco-town" or, "You will have a new town" is actually hitting the wrong mark.

I think it should be—it is actually quite clear in the NPPF—that there is a requirement for a five-year housing land supply. It is deliverable. Local councils are bringing those forward. They know the best places to place those houses. Particularly in two-tier areas, the county would normally ask them to put them in areas that are sustainable. In other

words, you want them around existing urban settlements, because that means you can provide facilities much more cost-effectively, be it children's services, adult social care, health services and so on, rather than scattering development around rural areas. There are lots of forces that actually bring sensible planning down at a local level. If you try to impose something from the centre that may be overruling local decision making, I worry that you will end up with bad plan-making.

I would argue that everything you need is already in the NPPF. Where it is appropriate, councils will bring forward either new settlements or urban extensions. But imposing them top-down is more likely to lead to local resentment. Do you remember the campaign against the eco-towns about eight years ago? It was not a terribly popular one for certain people in Government. Personally, I think it is barking up the wrong tree.

Mr Prisk: Do you see no role for small new settlements?

Martin Tett: No, I am sorry. With respect, that is not what I said. The top-down imposition of new settlements is misguided. New settlements will be brought forward and they will be brought forward by local planning authorities, who understand the local need, the local land availability, the infrastructure that is available in a local area and what can be provided. Where appropriate, they will bring them forward, either as new settlements entirely or as significant urban extensions. That will be with the will of the community and the support of local councils, rather than having something imposed downwards in a quasi-judicial fashion from a central Government. Is that clearer?

Q32 Mr Prisk: Yes, I am the last one to suggest imposition downwards. As I mentioned to the others earlier, it is more looking at whether small districts will naturally focus on their five years. At some point, I want us to step back and think about 25 years in larger geographical areas—in counties, sub-regions and city regions.

Martin Tett: Of course, that is a slightly different question. Then you go back to why they do not have structure plans, which were abolished about 15 years ago. Because I am a county councillor, I might well argue that they were very good things and they actually provided a much better geographic focus than the mosaic of district council planning. However, that is stepping outside my remit on the LGA.

Mr Prisk: Very wise.

Peter Andrew: I am in agreement with that. Any new settlement really needs to be driven locally and have as much local support as it can get. I caution against new settlements that are too grand in scale.

Garden cities, for example, will be very difficult to bring forward in any kind of timescale—purely because of the scale that is being looked at. However, smaller settlements—1,500 to 5,000 units—are eminently deliverable. They can grow over a period of time. There is a place for new settlements, be it on the edge of town or, actually, on new locations. There is a lot to be said for having new locations and settlements. I would support it absolutely, but it needs to be measured in terms of scale and we need to grow it over time. We should get a settlement and grow it, rather than go for a 20,000-unit settlement from the start.

Rachel Fisher: Yes, there is something to be said here for political leadership, vision and political will that bring the community with you. That can happen at a local level. I wonder whether the duty to co-operate has a role to play. We were going to have some further guidance on how to give the duty to co-operate further teeth, which is still forthcoming. I wonder if something in that could support the development of larger settlements.

Obviously, we have a severe housing shortage and we are going to need to employ all the tools in our toolbox. Some of that is going to be about small sites and small developers; some of that is going to be thinking very big. That will be large-scale urban extensions, garden cities and those sorts of things. As long as local authorities are able to work together to be able to develop the strategic vision and the plan, with good place making and homes for everyone at different price points—all of these sorts of things that we know how to make good places; there is not a lack of information on what good place making looks like—hopefully we will then be able to deliver this. However, it is going to take political leadership and a lot of political capital to get any of these off the ground, otherwise we would have seen more of them coming through already.

I welcome the two paragraphs in this particular consultation on the NPPF because it is keeping this issue on the agenda, not necessarily because it is actually solving the problem.

Q33 Mary Robinson: The Housing and Planning Bill will require local authorities to maintain a register of brownfield sites suitable for housing development. At the same time, the consultation has a presumption in favour of development on brownfield land. Is this likely then to lead to a “brownfield first” approach?

Rachel Fisher: We would welcome the introduction of the register and the delivery of homes on brownfield land, where it is appropriate. Again, I go back to the idea that it is important we ensure we have

good place making and this brownfield land is actually in the right place.

Some assessment that has been done of this shows that we have enough brownfield land for about a million homes, which is about four and a half years of housing supply. Yes, it might be brownfield first, but that does not mean we are going to have to have brownfield only. It is going to come back to the local planning authority to make a decision on where the right place for housing is going to be. Whether that is brownfield, greenfield or, indeed, green belt, we need to have a grown-up and nuanced conversation about where the homes are going to go so we ensure they are in the right places.

Martin Tett: As a general principle, we support the idea of building on brownfield rather than greenfield. That is our first priority. It comes down to what you mean by brownfield, for a start. I remember the campaigns against garden-grabbing, which were very popular about six years ago. How big does a garden have to be before it is a brownfield site? You can also stray into some very unpopular policies down this road. There is also the issue of infrastructure and location. It is good to say, "Let's build on a brownfield site," but where is it? What access does it have to facilities? How near is it to a major road? Is there a railway station anywhere nearby? Does it have access to health facilities? Are you creating something that, quite frankly, is just a blob of housing in the middle of nowhere that you would never normally allow if it was just an application on a greenfield site? You need to look at it in the round context. That is why I keep coming back to the fact that local councils are best placed to make these sorts of decisions. Normally, we would prefer brownfield sites, but there may be other factors.

Q34 Mary Robinson: The LGA would not necessarily support these proposals. Are they necessary?

Martin Tett: We support the idea of a brownfield register, which is in the Housing and Planning Bill. We would support a hierarchy, effectively, of decision making based on brownfield first, but you have to have—dare I say it?—a common-sense approach to this, which does not always creep into Government documents, whereby local decision makers can overlay that with the real world that says, "It may be brownfield, but there is no transport, there are no roads, there is no employment nearby. You are just creating an unsustainable place where you are going to create more cars going backwards and forwards to the nearest urban centre. This is not a logical place to build houses despite being brownfield."

Q35 Mary Robinson: From the housebuilding point of view, how should the higher costs of developing brownfield land be met?

Peter Andrew: Ultimately, the extra cost of brownfield development has to be met by the landowner or the developer, effectively. There is a viability argument when that links into section 106 and CIL requirements. Ultimately, however, it is a balance between all of those.

Coming back to the brownfield register, at HBF we are supportive of that. We would be concerned if a brownfield register turned into brownfield first so that we went back to a sequential test. We think both greenfield and brownfield land need to be developed to produce the number of homes that we require. This links in with small builders, the SME point that gets raised, which is about the fact we have lost about 80% of our smaller developers over the last seven or eight years since the recession. Part of that is due to the number of small sites that are coming through the system. A brownfield register will help that, without a doubt. We need a mixture of all sizes of sites, be it a garden city or garden village at one end right down to the sites of two or three at the other end, to get the number of homes built.

Sites are not actually the key point; it is the number of outlets that homebuilders have in terms of their outlets to sell. That is the key thing. We may go a little further, actually, and say that there should be a presumption for brownfield development within a settlement boundary that is slightly further than what is proposed at the moment. However, our view would be that if we really want to get lots of small sites and we want to get developers back into this business—because they are going to find these sites rather than local authorities—it can be in partnership with local authorities to help that through, but we have to activate the marketplace to find these small sites and then bring them through the system. We are heading in a good direction. I would just take it that little bit further so we can energise the smaller end of the marketplace to go and find these sites and bring them through on to the register.

Q36 Mary Robinson: Would that be done as part of the site allocation process?

Peter Andrew: It would, but it needs to be a constant thing. The presumption I am thinking of is a constant presumption. Sites are coming forward all the time as these guys find sites a local authority or somebody like you or me would never even think of. That is what they did back in the 1980s.

Q37 Mary Robinson: Would that negate the local planning process, though, in a way?

Peter Andrew: No, they could come through as exception sites or windfall sites. It feeds in to the local plan process, but it also feeds in to the ongoing five-year land supply.

Chair: It could count as a windfall site, could it not? They are allowed under the NPPF.

Peter Andrew: Yes.

Q38 Kevin Hollinrake: This is to do with a point that was covered already, which was the presumption, proposed within the consultation, in favour of small sites as well as brownfield sites within settlement limits. What are your thoughts on that, really? Obviously, this is adjacent to settlement limits as well. Do you have any concerns about or thoughts in this area?

Peter Andrew: From my perspective, we are pretty supportive of that, for the exact reasons I have just said. If we are going to solve the housing problem we have, we need to bring more players back into the marketplace, wherever they come from. With an 80% reduction in small builders, we need to get some of these guys back. These are the sites they will bring through the process and develop, rather than the big developers.

Martin Tett: If I understand your question correctly about the small sites aspect of the proposed changes, in general terms it is a good idea to develop small sites. I get that. The definition that is proposed is: fewer than 10 houses. Two issues arise. One is: what is fewer than 10 houses? If you have five-bedroom houses, that can be quite a large site. If they are 10 flats, that could be quite a small site. They both meet the same definition. Do you have a consistent definition of what a small site is? I am not sure there is in this. Would it be better actually to have one based upon the acreage? That dates me a bit; convert that into metric. The actual land take might be a better definition than the number of units.

The other issue we have is, quite frankly, that in a lot of areas you are getting multiplicities of small sites, quite often adjacent to each other. Quite often, where there were once big houses, they come down and you get a replacement of blocks of flats or whatever. Very quickly, the next one will go and then the next one will go. Individually, each one is a small site; cumulatively, there is a lot of extra housing there that puts a big strain on local infrastructure. You will get lots of congestion; there will be lots of strain on local schools, doctors' surgeries and so on. Each of them, however, is below the threshold for a section 106 contribution. Local authorities get no money to mitigate the impact of what turns into quite a substantial number of new properties, new residences and

so on—whereas, if it had been brought forward as one big site, we would have had.

Although it is a good idea in principle and I can understand where the philosophy has come from, you need to look at the law of unintended consequences here, which asks, “Is the definition right?”—and I think it does not work as it is. Secondly, when you have a lot of these together, which you will get over a period of time in certain areas, the cumulative impact is very substantial and there is no contribution to infrastructure.

Rachel Fisher: I would just echo that.

Q39 Kevin Hollinrake: Would this policy make it less likely that landowners will come forward with rural exception sites for affordable housing to rent, for example?

Rachel Fisher: That is a real concern. One of the worries that we have about a number of the changes that are proposed within the NPPF would be that, ultimately, you would see a rise in the price of rural exception sites and a lack of them coming forward. This is particularly around allowing starter homes on rural exception sites. A number of our rural members are very concerned that this will mean that exception sites will not come forward, because the starter homes would not be affordable in perpetuity. That is the basis on which a lot of these properties are coming forward. That would be a worry.

There are wider issues around smaller sites. We agree that having 10 or fewer is too blunt and the cumulative impact does mean that, actually, you are going to need to have a negotiation between the developer and the local authority to ensure you are going to get the appropriate amount of community infrastructure coming through.

Q40 Helen Hayes: Should starter homes be included within the definition of affordable housing?

Martin Tett: I saw that question coming. As the LGA, there is obviously general support for the principle of affordable housing. We also want to see more people, if possible, become homeowners. However, we recognise that affordable housing actually has to cover a multiplicity of different needs. There will be people who can afford low-cost market housing, but there will also be people who cannot. There has been a lot of analysis that shows that large segments of the population will not be able to afford the sort of starter homes that are currently being proposed.

Therefore, what local authorities should be allowed to do, we believe, is to look at their local circumstances again and look at the type of mix of

truly affordable housing that is required in the area. That may be a mix of social rent, some Help to Buy and some low-price market housing. Really, by looking at your own area and looking at your own circumstances, you can determine the right mix. They need to be allowed to bring forward the right type of developments in their area in negotiations with property developers that will provide that.

The danger of effectively saying that starter homes are “it” is that you will get a lot of these houses, but local authorities will still have the statutory responsibility of housing people, but without any tools to do the job. That will really be a problem for councils all over the country.

Rachel Fisher: From our perspective, the emphasis on starter homes is slightly distracting from the fact that what we are talking about is a change to the definition of affordable housing to include homes that are not affordable in perpetuity. That is a different thing from whether or not we think starter homes should be included as affordable housing. Starter homes are not yet a tested product. We would possibly like to see pilots of starter homes and market-testing. There a lot of theory floating around at the moment about whether or not it will cause the crowding out of other affordable tenures—Help to Buy and all of these sorts of things. Without further detail on starter homes, it is hard to say what the impact of those is going to be.

However, we do think that while our members are keen to deliver starter homes in some areas, this is not the issue. What we really need to be thinking about is how we enable local authorities to plan for their objectively assessed housing need. Martin has laid that out really eloquently. We would be very concerned if the change to the definition of affordable housing meant that you would actually get less truly affordable housing in perpetuity back, because we don’t think that would necessarily represent value for money to the public purse.

Peter Andrew: From an HBF perspective, we are generally supportive of having the definition of affordable housing include some market product. We are in favour of all types of tenure from an affordable point of view. We see a place for some open market product, as well as the rental and shared equity products sitting alongside it. We see them all.

Martin Tett: Can I add support to what Rachel has said? I should have mentioned it before. This perpetuity test is really significant, because if the discount only applies, effectively, for five years and then you can sell at a market price, you will have this constant situation where you produce something that is quasi-affordable and in five years’ time it just goes straight back up to the market price and you have lost that affordability in the local area, and only people who can afford the new real market price can move in. As the LGA, what we have argued is

that that should either be in perpetuity, so that it remains truly affordable for a long period of time, or, if the Government would not accept that, a compromise of a substantial period of time, possibly 10 or 20 years, so that you can block out speculators who are effectively buying it cheaply to sell it on in five years.

Q41 Helen Hayes: The consultation proposed allowing starter homes to be built on brownfield sites in the green belt, rural exception sites, greenbelt land allocated in neighbourhood plans and unused or unviable commercial land. What will the impact of that spread of possibilities be?

Rachel Fisher: It will be different for each of those things, but ultimately, you might see inflation of land prices because of what Martin has just said about the return to full market price of these properties after a five-year period. Obviously, people are going to plan for that.

Helen Hayes: They will buy it as an investment.

Martin Tett: It is not a bad bet, is it?

Peter Andrew: Certainly, where there is land that is allocated for some other use that is demonstrably not coming forward, and the market assessment shows that, whatever marketplace that particular allocation is for, that land should be used for a different use, it cannot stay there in perpetuity not being used. I am generally supportive of bringing land that is not going to be used for its current allocation forward for starter homes

Rachel Fisher: I am in favour of bringing it forward, possibly for a different use, but I am not convinced that necessarily has to be just for starter homes. We need to be able to look at what the other options are. Again, the right place to do that, I would argue, would be the local planning authority.

Martin Tett: There is probably a nuanced difference between Rachel Fisher and myself, in so far as your question was very specifically about green belt, as I heard it. There is an issue here, which is that green belt, as it was originally set out back after the War, was actually meant to be land kept open in perpetuity. If you get to a situation where you start to say, "Well, this bit is not valued; that bit is not valued. Let us build on this; let us build on that," you very quickly have a situation where the openness of the green belt starts to become eroded.

When you go through a green belt review, you have to look at the defensibility of boundaries that are meant to remain for a significantly long period of time. Let's say you build in an area that is

maybe the other side of a natural boundary—perhaps a railway line, but there is a brownfield site just the other side of it. You say, “That is brownfield. Let’s just build on that.” Actually, what is the nature of that brownfield site anyway? It might well be quite an open area that has quite a large wildlife benefit. You break up the openness of the green belt but, much more importantly, you have then breached that defensible boundary. In the period of time afterwards, I predict, someone will come along to the next adjoining piece of land and say, “You have lost that. Let us create a new defensible boundary a little bit beyond that.” Progressively, over time, you will get an erosion of the green belt. That goes against all the principles of the green belt.

If you are going to have exceptions for the green belt, we would argue that it needs to be done through a proper local planning process carried out by the local authorities, where they can test the impact of releases from the green belt, so you have a proper, defensible long-term boundary produced.

Q42 Helen Hayes: What criteria should be used to assess whether a change of use from commercial land uses to residential is appropriate?

Peter Andrew: That is an interesting one. It could be a certain number of years that the land has been allocated and not come forward, and probably some form of study that shows that in the foreseeable future—two years or whatever it happens to be—that land is unlikely to get developed. We can put some tests in place.

Martin Tett: I would have a slightly different view on that. If you have somewhere that really has no viable long-term future in its current use, the general principle of converting that to housing is a reasonable one, but you have to look at the local circumstances. Where is this property? Is it somewhere people would want to live? Does it actually have reasonable infrastructure? Does it actually have transport nearby? Does it have access to doctors’ surgeries? Is the period of time a reasonable one? If it were three years, you might well argue that in a recession that lasts five years, at the end of that five-year period that employment land will be needed again.

Some local councils take a very long-term view of redevelopment of town centres. Actually, what you would want to have is that land considered as part of a bigger site where, actually, you might want to have a more substantial redevelopment of a town centre to rejuvenate it. Again, you have to come back to this question of what the local context is, rather than having hard and fast rules imposed in an NPPF. As opposed to top-down, you have to allow local authorities the ability to look at the individual situation and make the right judgment based on their own local circumstances.

Q43 Chair: Clearly, there is a national problem of not enough houses being built. In a local area, if a local plan says, "This is the number of houses we need to be built," and that number is not being built, is it not entirely reasonable for the Government to bring in a housing delivery test and say, "Something needs to happen here. We are not building the number of homes that are needed"?

Martin Tett: Something must be done.

Peter Andrew: Yes, something will need to be done, but it needs to be done in partnership between the local authority and developers. I see this as being a partnership. I would like to wind the clock back to the 1980s or the 1990s, when local developers and local authorities sat down on an annual basis and started to look at trajectories from all the sites that are moving forwards, so a local authority's trajectory can actually be based on current information from developers. Then if, for example, one site is not delivering or it is not delivering as much as it was originally intended to, for whatever reason that happens to be, decisions can then be made as to what to do with it: allocate another site, bring forward a site that is further back down the plan period or whatever. I see this as a partnership, but there needs to be a consequence, as such. That can be delivered locally by the developers and a local authority.

Rachel Fisher: I would agree with the need for a partnership approach. Obviously, I would argue that housing associations should be part of that partnership. You can have a table that is genuinely representing the entire housing market to be sure we are able to come up with a way forward together. We are currently developing some thoughts on what kind of censures should be in place for significant under-delivery, which we are putting together back at the ranch, so to speak. Clearly, however, there is a need to hold people accountable for what is being delivered and what is not being delivered. We have seen an increase in planning permissions and not the same increase in housing starts. Clearly, this is a very knotty problem.

Martin Tett: I would answer your question, maybe, in two parts. If houses are not being delivered, should there be consequences? Yes. To whom should those consequences be allocated? I may have a difference of view here, because local authorities are required in a local plan to have a five-year deliverable land supply. We do not believe that local authorities and their granting of planning permission is the problem here. If you look at all the statistics, nine out of 10 applications are being approved by local authorities.

There is a pipeline of something around just under 500,000 units that have been granted planning permission that have not yet been built. Is

there a problem? There is, in so far as approved planning applications are not being built out. That may be for a variety of potentially reasonable reasons and some unreasonable reasons. Some might be to do with the state of the national economy. It might be to do with the availability of mortgages and people's incomes. It might be—though I hesitate to say this—that it is in the interest of some developers to restrict supply and, therefore, keep prices high and, therefore, maximise their profits. That is a quite laudable objective in a market economy, but it would entirely wrong to then blame the local authority and penalise them for that situation.

What we would say is that has to be a consequence and, quite frankly, developers have to accept their partnership share of that. If they have a planning application that is approved, and they are sitting on a significant area of land that could be converted into houses and they choose not to do so for a significant period of time, there should be consequences. I have suggestions on that, but you may wish to ask me a further question.

Peter Andrew: From my perspective, the number of planning consents has gone up. There is no doubt about it. There were 250,000 last year and that is a very positive number. What is quite stark, though, is that the number of operational outlets that developers operate from—certainly the national players—has not gone up. In terms of the number they anticipated to get and the number they are getting, it is stoically stuck. It has been stuck at the same sort of level for about 10 years.

There is an element here of: what constitutes an implementable consent? Getting a planning consent does not enable you to go on site next week. There is a myriad of things, for sometimes up to 12 months, to fix. There is an implementable consent piece of work here on what number of sites is there that have a consent and need to be brought forward.

I come back to this outlets business. The key to getting more homes is absolutely the number of outlets or shop fronts from which housebuilding is delivered. That number is stoically staying steady. We need to find a way of speeding up getting the number of outlets up. The planning consents are there, but it is not trickling through to implementable consents.

Q44 Chair: We are coming to the end of our time. Martin, you were indicating that you had one or two suggestions you could leave us with about how we could break into this particular problem.

Martin Tett: If you would like a couple of ideas, yes. These are not LGA policy, but they are ideas we have kicked around unofficially at the

LGA. I completely accept there will be issues like finalising the planning conditions and things like that; they do not take forever, though, and some of these sites have been potentially undeveloped for years and years and years.

We think there are options whereby, for example, if you do not have the site developed after a reasonable period of time—that will be a number of years—you should start to be able to levy either the community infrastructure levy or, alternatively, council tax as if those sites had been built. The longer they remain unbuilt, the higher the scale would become. You would start at a low level and you would build up over a period of time. It would provide a financial incentive on a developer to bring forward that site. Again, you would have to have a reasonableness test in this. You do not want to penalise a developer that has very good reasons for not developing a site. However, if it is simply based on trying to restrict supply, clearly we think that would be one approach one could take.

The second idea is to actually look, in the extreme, at allowing local authorities to compulsorily purchase land that has been granted planning permission and unreasonably left undeveloped for a long period of time. The compulsory purchase would have to be fast. You don't want to drag through lots of court proceedings, judicial reviews and so on. The compensation would be based upon the original land value, not the developable value of the land. That would provide quite a strong incentive to a developer to get on and build the houses the country needs.

Chair: I suspect we could have quite a long argument about this with Peter Andrew.

Peter Andrew: We might have a debate, yes.

Chair: Anyway, on that quite controversial but nevertheless interesting point for us to consider as a Committee, thank you all very much for giving evidence to us this afternoon. That brings us to the end of the public proceedings today. Thank you.