



Communities and Local Government Committee

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

Wednesday 24 February 2016

Ordered by the House of Commons to be published on 24 February 2016.

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

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Evidence from witness:

Questions 45 – 95

Witness: **Brandon Lewis**, Minister for Housing and Planning, Department for Communities and Local Government, gave evidence.

Q45 Chair: Minister, welcome to the Select Committee, as always—it must feel like always.

Brandon Lewis: I am pleased to be back for my weekly visit.

Chair: I was going to say that we had not seen you for a couple of weeks, but we had the recess in between.

Brandon Lewis: It is a pleasure to be back.

Q46 Chair: Thanks for coming again, to do our second evidence session on the DCLG consultation on national planning policy. The NPPF has been in existence now for around four years. The Committee had a look at it in the last Parliament, and you responded to considerations then. How did you decide what areas you as a Government now want to review? What do you think was going wrong that needed to be addressed?

Brandon Lewis: It is not a matter of anything being wrong. The NPPF is working. If we look at the planning permissions granted during the last 12-month period that we have figures for, that number of over 251,000 highlights that that localised system with the NPPF in its spine is working and delivering. As you know, I want to see more and more communities get involved through neighbourhood and local plans. So actually what this consultation is really about for us is not anything being wrong, but that we are a few years on, we have manifesto commitments to deliver, there is the Housing and Planning Bill that we are commencing to deliver, and we are just looking at making sure that we are keeping the NPPF as a relatively living document, up to date with where we are now. That is what the consultation is about, and looking at what we will do in the summer.

Q47 Chair: You could obviously have consulted on the totality of the NPPF, but you have not. You have chosen certain specific areas.

Brandon Lewis: Yes. That is very much down to our drives and focus being around delivering on those manifesto commitments, some of which are in the Housing and Planning Bill. That is about the areas we thought we needed to look at updating to make sure that they are in line with what we are doing on housing supply and doubling the number of first-time buyers, that we are pressing ahead to deliver on our commitments and that we are making some specific changes now, where required, to deliver starter homes and to increase housing supply overall. It still gives us a chance to carry out more fundamental review, if needed, later in the Parliament. We will have a look at that if it is needed. We also want to take on board some of the findings of other ongoing initiatives that could impact on or require potential changes to planning policy in future, such as we are seeing from the work on local plans or of expert groups. We will see when their reports come out whether that has something to feed into this as well. Ultimately, it is about speeding up and streamlining the planning process.

Q48 Chair: Presumably, the areas that you chose were ones that you had concerns were not working properly. So out of the whole range of things that the NPPF covers, the areas you did choose to consult on must indicate that you are not totally satisfied with the way in which they are working.

Brandon Lewis: It's simply that we are a few years on from the origination of the NPPF. We have had a general election that included manifesto commitments, and we are just fine-tuning and making sure that the NPPF delivers on those commitments and is working alongside

the other things that we are doing to drive up housing supply and home ownership.

Chair: Well, we will make sure that we come on to those in more detail in a minute.

Q49 Kevin Hollinrake: Minister, the original consultation was due to last seven weeks. You kindly gave us an extra four weeks to look at this. Why was the consultation period so short originally?

Brandon Lewis: I have to say I don't think it was that short. I am very much of the view that, if it is something people care about, they have plenty of time to have a look at it and come back; but, among others, the Committee itself made a request and a recommendation. I have said in the past—and the Secretary of State himself has also been very clear about it—we take the views of the Committee very seriously. So we looked at that and thought, "Okay, fair enough." We listened to the Committee and were happy to make sure we gave that extra bit of time for people to come back. It is an important thing. We put great importance on making sure we had a full and constructive consultation. I am very happy to take on board the views of the Committee in doing so.

Q50 Kevin Hollinrake: And how many responses have you had, to this point? Have you had sufficient responses to inform—

Brandon Lewis: We've had over 1,100 responses so far, so I am sure you will appreciate I am not yet in a position to tell you exactly what is in every response, but some of the team sitting behind me this morning will be working through that merrily over the weeks ahead.

Q51 Kevin Hollinrake: Following on from that—the publication of the consultation—it is going to take you some time to sift your way through 1,100 responses. When is that likely to be?

Brandon Lewis: I would expect that anything we are going to do around the framework we will probably be in a position to do over the course of this summer.

Q52 Kevin Hollinrake: You seem to have a number of things going on at once—obviously the Housing and Planning Bill and the John Rhodes expert panel. There is also now a technical consultation, I understand—further consultation for the technical details on the planning

changes. How are you going to co-ordinate all those three different things?

Brandon Lewis: I'm struggling with a head cold, so excuse me coughing.

The flippant answer is that I like to busy and make sure that we deliver those things, going forward; but, actually, there is a very serious side to it. I said to the Committee before that we are very determined to deliver that increase in home ownership and housing supply. For us, that means moving as quickly as we can in areas where we can, and not using up time.

There are things we are doing now, as many of you round the table will know, in housing and planning, the impact of which will come some way down the line by the time any changes are made, by the time they are embedded and by the time they have an impact on planning applications, etc. So not wasting time, and getting on and doing things quickly, is quite important. Doing things in parallel, therefore, is I think a huge opportunity—rather than doing things sequentially. It means we can move somewhat quicker; but also if we are doing things in parallel, it does mean when we get towards the summer we can make sure these things are knitting together properly and actually bring them together, with those pieces of the jigsaw starting to come together as one whole piece—hopefully, one whole beautiful piece as well.

Q53 Kevin Hollinrake: Lots of work for your team there. When you get the final proposals, will there be a further period of consultation on those?

Brandon Lewis: No, I don't think at the moment we are particularly looking at having any further consultation. Particularly having extended the consultation, we will be taking those consultation responses into account, and I think we will probably be in a position to do something with the framework in the summer.

Q54 Chair: In evidence in our previous session, given that planning issues can often end up as part of a legal argument because of the details of the wording, one of the concerns raised was that the consultation is about generalities, in some cases, rather than the specifics of very detailed wording. Is there going to be no further consultation on the specifics, maybe to tease out different understandings that there may be of proposals?

Brandon Lewis: At the moment, we do not consider that there is a need for any further consultation on the precise wording of our changes, but we are very focused—and we will be, obviously, in the months going forward, once we go through those consultation responses—to make sure that we are very clear that any changes deliver the outcome that we have been looking to deliver. So no, at this point, there are no plans for further consultation on this.

Q55 Chair: Right, so when the specific wording comes out, if there is any concern then raised about ambiguities in that wording, you would not be in a position to respond to them.

Brandon Lewis: I am always happy to respond to all comments; but responding to comments is different to a consultation.

Chair: Interesting. We will move on.

Q56 Mr Prisk: Can I turn to the section in the consultation on new settlements? As you know, many local planning authorities are currently wrestling with their local plan and its adoption, and clearly settlements are an integral part of that for some—whether they choose to have them or not. What do you feel is at the heart of perhaps the weakness in the existing system? What do you hope to strengthen in terms of the ability for new settlements to come forward within this consultation?

Brandon Lewis: We are looking at how we can provide some further impetus and support for new settlements. A few areas are starting to talk to us more and more about this. It seems to be picking up a real head of steam.

There is an issue as well around the fact that there had not been any new settlements announced for a considerable period of time. Over the last year or two, we managed to get a few areas moving forward—not just Ebbsfleet, but if you look at what has happened at Bicester, Basingstoke, Northamptonshire and areas like that, that has given others the confidence to come forward.

It is about making sure people are aware they can do these sites. We are very keen to work with them on some of the new settlement strategic sites, including the garden cities and, indeed, garden settlements, garden towns—and other phrases people want to put to them. There is a great opportunity there in terms of housing need, and it can for some areas be quite an important part of making sure they have that five-year housing supply. It is about making sure there is a focus on

it, making it something people are aware of and, if we can, putting some impetus behind it as well, where that is appropriate. But as always, these things will have to be very much locally led.

Q57 Mr Prisk: That leads me to my supplementary: the Housing and Planning Bill now gives you considerable powers to incorporate housing into the infrastructure planning fast-track process. Do you have any expectation that that may form part of your response to this consultation?

Brandon Lewis: I had a conversation about this at a previous Committee visit. The change is with the NSIP and some of those large-scale infrastructure projects being able to have housing within them, rather than have housing going through NSIP per se. We are very focused. If we are going to develop garden cities, new settlements—or whatever phraseology people want to use, depending on where they are and the size and scale of them—they need to be locally driven.

It's the same with the estate regeneration work. Clearly, this has to come from local areas that want to do this kind of work, and we will then work with them and support them to make it happen. I see us very much as the facilitators. I make no apologies for the fact that I will be out there, talking about this and the opportunities it brings, to encourage people to do it; but ultimately, it has to be something done with and by the local area.

Q58 Mr Prisk: I mentioned the fact that local planning authorities are, while this consultation is taking place, trying to put their local plans together. The vexed issue of five-year supply for some and trying to square that circle is quite a difficult one if an integral part of that is a large settlement. How will land allocated for new settlements, which clearly would take longer than smaller elements, be addressed in terms of the issue of five-year land supply? There is a tension there, and it is not clear that it has been resolved yet.

Brandon Lewis: Well, I am going to be a bit limited in what I say because, obviously, we are not yet responding to the consultation. I want to let the consultation feed in and then we will respond to it, particularly in the light of what we do with the framework. In a more general sense, through doing the local plan process, one of the things an area has to test is its five-year supply and how it can demonstrate that that is achievable.

One of the points I have made regularly is that new settlements have a very important part to play. A number of local areas have said to

us that, rather than having urban sprawl, they would like to go and do a new settlement with the right infrastructure and do something very much locally driven, in a very positive way. That is a really good thing to look at, but it does not change the overall comment I have made quite widely now to local government that one of the things they need to look at is having more small sites coming forward.

One of the challenges for local government when they are looking at these larger sites is that they take a long time to deliver, not just in terms of the planning process itself—bringing the land together, getting it ready and getting to the planning processing stage, which, obviously, will take longer than an easy, small site—but physically building out. Whether it is a site like Ebbsfleet of 15,000 homes or a site of 2,000 homes, much as I would like developers to be building more than their average of 48 homes a year on a site, getting to 2,000 on any one site in a year is beyond anything anyone will be able to do in the reasonable future—although I will keep pushing them.

I was in Didcot a few weeks back, where they are delivering about 400 homes a year, and I have been visiting sites in the last couple of weeks where they are looking to deliver between 100 and 200 homes a year. That is a vast improvement on what we have seen for a very long time, but if you have a site of 2,000, even if you are delivering it at 200 a year, which is good, you are still on a 10-year programme of delivery. Areas need to be very aware that these large sites are an important part of their land supply over a period of time, but that, in and of themselves, they are not going to be able to satisfy. A 2,000 site isn't going to give them 2,000 homes in five years, under usual progress, although with the way they are doing it at Didcot, they may well get pretty close to that.

That is why, and I am quite happy to be on the record about this, I still think that local authorities need to look more and more at getting more of these small sites away and to be more focused on small sites, because at the same time as we are seeing the pretty much record number of planning permissions for homes going through—more than 251,000—it is on a smaller number of applications, which in itself means we are seeing more bigger sites coming through. We need not only to continue to see these sites coming forward, but to see more of these smaller sites, which turn over much quicker. We need to be building out those sites of 10 to 20 homes, even up to 100 homes, but those sites of smaller size need to be an important part of the mix as well.

Q59 Mr Prisk: The danger there might be that that militates against a more ambitious total.

Brandon Lewis: This is why I think that local authorities—and all of us, as loud and, hopefully, lead voices in our communities—should be very clear that, actually, we should be looking for both. We should be driving for that delivery and getting those smaller sites up, running and away for the shorter term, while also planning for the longer term for our communities.

I have used this phrase quite openly. I have been at a few events where I have said to groups, and to councils as well, “We all agree that we need to build more homes”—and everybody nods, as some Committee members are doing right now—“but we also now need to move on and start to build these homes in our communities.” We, across local government, have a very important part to play in making that positive case about why development is really good for our area. It is good in terms of making sure that our children and our children’s children will have homes in future that they can afford and live in, and that our friends can move to. As our population ages, we are creating the housing supply that we need as we live longer and stay in our own homes longer. It is good for the local economy as well, and I don’t just mean for the council in terms of the council tax and the new homes bonus; the homes being built creates jobs and a supply chain.

Again, I come back to the fact that that is why the small sites, as well as those bigger sites, are really important. Generally, the larger sites will be delivered by the larger housing developers and housing associations, just because of the financial implications, but the smaller sites are really good because they tend to be driven by local and regional builders. That creates more and more local jobs and improves the local supply chain—not only for the physical building site but the supply chain right the way through. There is a huge opportunity for the local economy. I very much come back to saying: actually, we should be looking at both and being very ambitious for both in our own areas.

Mr Prisk: Okay.

Q60 Julian Knight: Minister, I want some more clarity on the proposals for the presumption in favour of brownfield development. How will factors such as biodiversity or infrastructure play with that? How will they be taken into account in the proposed presumption in favour of development on brownfield sites?

Brandon Lewis: Well, infrastructure is important and we have to make sure that it is there for a couple of reasons. One is that for land to be viable in terms of having homes that people can live in and from which they can access work and life, you obviously need the infrastructure there

to facilitate that. It also plays a very large part in having community support. We have seen community support for housing roughly just over double since 2010. I think that is a mixture of things: it is partly people having more involvement in the planning process than before through neighbourhood and local plans, but it is also around areas where people are being very strong on infrastructure.

There are various reasons why you sometimes see people arguing against housing developments. Sometimes, it is that people don't want development near them, but more often than not, it is about people wanting development only where they feel the infrastructure can support it. Putting that infrastructure in and making sure it is coming through in the right way is quite an important part of building support. We are very clear that we want to see 90% of suitable brownfield sites having permission by 2020, but also local authorities have to be very clear about the need for that infrastructure to be coming through as part of their planning processes.

Q61 Julian Knight: But what is the difference between that idea that you have there and what currently happens in terms of biodiversity and infrastructure? You say that you want infrastructure—yes, absolutely—but I still haven't got to the bottom of how that actually plays in with the presumption in favour of brownfield development.

Brandon Lewis: Well, it is part of what councils have to do in their assessments to get land through the planning process. They have to take a view: if brownfield land is going to be viable, part of that is down to whether it has the infrastructure support around it or whether we can put the infrastructure in to make it a viable piece of land for development.

As I say, I am not going to go too far and risk prejudging the outcome of a consultation, but we are very clear that infrastructure is an important part of housing development. There is actually a very strong argument that housing itself is infrastructure, but we need to make sure it has the support work around it so that if somebody is buying a home there they have access and are able to get to and from things.

Q62 Julian Knight: So effectively the presumption in favour of brownfield development may actually apply more to other areas than just, say, biodiversity and infrastructure. They are not to be laid aside.

Brandon Lewis: No, and actually by definition one of the things that I find when I go around—I am being slightly generalistic here—is that most of the brownfield land that we look at, by definition of what it is and

why it is brownfield in the first place, has got infrastructure in place, so the challenges around that are generally not as big. The challenges around brownfield land tend to be around the viability of the land itself, rather than the infrastructure around it, just by definition of what it is.

Q63 Julian Knight: What assessment have you made of the potential cumulative effect on a local area if multiple small sites are developed?

Brandon Lewis: Again, that is a matter for the local authority. It has to look at that. My point is that, particularly when they are doing their local plans, they have to look at this in a strategic way. They have to look at what is right for their local area and how they can develop more small sites. The advantages of small sites are not just to the local economy. You can tend to get them moving more quickly, and communities are generally much happier about having two or three appropriate homes in appropriate places, particularly in villages, rather than seeing a big development that they feel is inappropriate and is a carbuncle in the wrong place.

If a new assessment is going to build support, communities need to see homes coming forward over the short term, and smaller sites can deliver that while the case is made for delivering a good plan for new assessment, if that is appropriate for the local area over the medium and longer term.

Q64 Julian Knight: You may want to look in Solihull, actually. We have a lot of small site development, although that always brings an element of garden grabbing to the fore.

Brandon Lewis: I was in Solihull not too long ago, looking from the estate regeneration point of view at some of the very interesting work that has been done with the tower blocks.

Q65 Julian Knight: In Chelmsley Wood.

Brandon Lewis: Exactly. I was there with Caroline Spelman, who is the Member there. There is some really interesting work going on there, particularly in terms of feeding into what the estate regeneration panel is doing and how you make good use of land.

We tend to see this quite a lot in London, and it can apply elsewhere as well—we are keen to see this around the country—but one

of the interesting things for the estate regeneration panel is that, as well as giving an opportunity to improving life choices and life chances through an improved environment, in a lot of places where we have real pressure on housing supply one of the problems is that some of the designs and planning that were done some decades ago do not make good use of density. It puts somebody in mind of a concrete tower block, and I have a fairly caustic view of that, I have to say. You can improve density at the same time as bringing back the street scene, low and mid-rise housing and a much more attractive environment. There are some really big opportunities there.

Q66 Julian Knight: A final question—a techie question. Why are small sites defined by the number of units, rather than the size of the site?

Brandon Lewis: That is primarily because we are focused on the number of units—I do not like that word. We are focused on the number of homes that we can provide in a given area.

In some areas, if you go by the sheer size of land—Ebbsfleet is a good example; there are parts of it that at the moment are a quarry and a substantial water feature. You will have that in other areas; Northstowe is another example. There are parts of the land there that are substantially a water feature. You could spend a lot of money infilling that, or you could make it a feature. The focus for us being there is not necessarily just the sale of the land, but how many homes you can put on it in a good environment. For some areas, if you did it by land, you could have a very large piece of land that could not provide that many houses because of the topography. It is much more logical to focus on the number of homes.

Julian Knight: Thank you for clearing that up.

Q67 Kevin Hollinrake: How will the presumption in favour of small sites work in the context of neighbourhood plans?

Brandon Lewis: I would like to see them work wonderfully well together and in great harmony. We have just more than 140—it might be 150 now—adopted and sound neighbourhood plans. We have more than 1,100 going through the process, with 6 million people being covered by neighbourhood plans, but that still means that there is a huge part of the country, frustratingly including my own constituency, where we do not have neighbourhood plans going forward at all.

For the majority of the country at the moment, small sites can continue to progress, but neighbourhood plans are a perfect example of how when communities come together and have those conversations, they are in the perfect place to work out where those small sites might be and how they can be made best use of, and they can be very proactive about it. So I think neighbourhood plans have a huge part to play in driving some of these smaller sites.

There are some areas where, despite neighbourhood plans being pretty focused in terms of the geography—it tends to be quite a small, parish area or neighbourhood area—they will occasionally start looking at something more strategic. Depending on the type of area they cover, they might well look at a new garden village kind of approach. But generally those larger developments tend to be driven in a more strategic way by the local authority, unitary authority or metropolitan authority. So the neighbourhood plans are a really good place to see the smaller sites being delivered—being identified and being brought forward.

Q68 Kevin Hollinrake: But if there was a small site and the local plan had not identified that small site, the developer would still be able to develop it, even though it was not in the neighbourhood plan.

Brandon Lewis: Generally, once a neighbourhood plan is in place—it has been found sound and been out to a referendum—and particularly if there is a local plan as well, for a developer to get planning permission on something outside the neighbourhood plan, unless they have managed to convince the community it is something they want, should be pretty much impossible.

Once you have a neighbourhood plan and particularly if you have a neighbourhood plan with a local plan, that is the development framework for that area. It is possible. A developer may identify a piece of land they think is ideal, work with the local community and get community agreement and support for it, and then the local authority can decide to approve it. Local authorities are the planning authority. But if they were to take the view, “No, that’s outside our neighbourhood plan and our local plan”—I don’t think there is an example of that happening where the developer has been successful at appeal. I might be proved wrong on that; I’ll double-check. But I’m pretty sure you will find that where there is a made neighbourhood plan with a made local plan, any development outside it that has been turned down by the local authority—I would expect to see that backed up.

Q69 Kevin Hollinrake: And this presumption in favour won't change that.

Brandon Lewis: Well, no, because the two work hand in hand.

Q70 Mary Robinson: On that question, let us say a local plan is put in place this year and next year a neighbourhood forum decides on a neighbourhood plan. Does that neighbourhood plan then incorporate itself automatically into the local plan?

Brandon Lewis: If a local plan is in place, the neighbourhood plan has to work with that local plan. It can go beyond it. For example, there is one area in particular where the council had done its local plan and all the housing allocation, and the villages started doing neighbourhood plans and all of them have identified areas they want to develop that the local plan had not put down for development, so technically this area now has a housing and five-year land supply of more than 100%, which is great. What we are generally finding is that neighbourhood plans are actually—I'm getting slightly generalistic—creating more development rather than less, because they look at it in a very proactive way.

I think I have said this to the Committee before. If you speak to people who have done a neighbourhood plan, then even if they privately admit to you they started off to make sure nobody built anything near them ever again, they eventually have that very sensible conversation where somebody says, "Actually, I've got two kids and I'd quite like them to be able to live locally," and then the shopkeeper says, "Well, you know, sustainability-wise..." And the publican makes the same comment. The view is, "Okay, we need some houses. Now let's think about where we'll have them."

So they get to a very sensible place—and many start off from that point, to be fair, which is why I am very defensive against claims of nimbyism. What neighbourhood planning is proving is that the people involved in the process—British people are anything but; they are very pragmatic about seeing housing delivery. So yes, the neighbourhood plan does have to work with the local plan, but it can go beyond it as well.

Q71 Mary Robinson: In view of the fact that a lot of local plans are being put together and, as you said, not many neighbourhood plans are in process, is there any way the process for neighbourhood plans could be speeded up?

Brandon Lewis: Yes. I am very keen—some of the things in the Housing and Planning Bill, which is in the Lords at the moment, will, when we get Royal Assent, hopefully speed it up. There are a few places around the country where district local authorities are doing their very best to slow down a community who they don't want to get on with it. I am not prepared to have that continue any further, which is why we are putting in some restrictions on that, so if communities want to get on with it and get going, they can get on with it. And I am always keen to look at how we can go further in simplifying it.

Obviously, a neighbourhood plan has to be robust, because it has weight in law, but within the realms of needing to be robust, I also want to make them as easy and as quick as possible. We do put substantial support in as well, and not just financially; there is a pretty big support network out there. I think that is why we are seeing, as I said, over 1,100 now moving forward, but I am always keen to see that grow.

Q72 Bob Blackman: Brandon, one concern that has echoed around, perhaps as a result of consultations, about the discount that will apply for people buying starter homes is that after five years people may well sell those starter homes at a huge profit and affordable housing that has been built will no longer be available. What consideration have you given to controlling that so that we do not have a complete lack of affordable housing?

Brandon Lewis: Well, there are a couple of things. We have a clear determination to keep building these and to make sure we continue with the supply coming forward so that when the first ones are built in five years, yes they will acquire those full rights—I will come back to that in a moment—but more and more starter homes will be coming forward so we will keep driving that supply of homes that are affordable to buy. I make no apology for that. We have been very clear and conscious about this. We want to allow people to move back to the full ability to acquire and to benefit from the 100%.

There are two reasons. If there is no discount you can never realise the full market value—that may also be an issue for lenders—and we do not want to create a second class of home owner. It is the same with right to buy. When someone acquires the right to buy their own home, it is right that it should be their first home as a first-time buyer and their prime and main residence. Five years is a good test for that, but after that they should be able to acquire that right. I appreciate that that also helps social mobility, which is not necessarily a bad thing.

We have seen the benefits of that from right to buy from the '80s coming forward in a way that probably nothing else has done in several generations. I am very keen on that, but it is also about the fact that if someone is a home owner, they are a home owner and should have the same rights as any other home owner to sell or let their property or anything else after that period.

Q73 Bob Blackman: So you are not proposing anything to protect those starter homes that are up for purchase from not being owner occupied.

Brandon Lewis: For five years, they must be a first-time buyer owner-occupier. We are very focused on that, but I want to make sure that when they get to five years they are the same class of home owner and we don't create a different class of home owner from anyone else who has acquired their own home.

Q74 Bob Blackman: Do you not appreciate the risk that those homes may then end up being privately rented out at probably market rents, which may make them unaffordable for some people to rent?

Brandon Lewis: Well, there are two things there. One is that that is why we will need to continue to make sure enough homes are being built that are affordable for people to buy: starter homes and who knows what products we can deliver down the line in future. We must make sure we keep building them. This is not a one-off building project; it is a product we want to see continued.

Of course, the more we create housing supply—the 25% increase in housing starts last year was good—the more we need to keep going. My simple old economics remind me that supply and demand cross over. That means that to keep prices for housing for first-time buyers, particularly new-build homes, at a level that people can afford, particularly without discount, we must continue building them. I come back to the fact that when someone acquires their own home, they are a home owner and should have the same rights as any other home owner.

Q75 Bob Blackman: Okay. Moving on to another area—sites that are now classified as for employment use, but not considered to be necessarily viable for employment use going forward and housing applications taking place. What consideration will be given to specific local circumstances when the potential is that employment land will obviously

be required to create the jobs? We are talking about homes for people moving into these zones.

Brandon Lewis: Well, ultimately, employment land and how it is allocated is a matter for local authorities, which have permitted development rights for office space, but that is something local authorities must take account of when looking at their local area.

Q76 Bob Blackman: One of the considerations in, for example, London is that during the last recession a large number of commercial sites were left vacant for a period; under these proposals they could automatically now be for housing, when they may be required long term for office space or other commercial uses. The risk is that under the current proposed arrangements, the exceptions—I think exceptions were made for the City of London and certain other areas—will no longer apply. Will you update us on that?

Q77 Brandon Lewis: Sure. Once we get the consultation response, I will probably reply more fully on the framework going forward, but in terms of that specific point, there are two things. There is one area just on the outskirts of London where the local authority has been proactive and supportive of permitted development rights—it has taken your very point. I take the view that there was a point when many London-centric companies moved their back offices and offices out to this particular area and there was a huge amount of office space. They have now moved even further out into other parts of the country and they are not coming back, so the office space is vacant. Having residents in it is actually a logical thing to do. Some of the changes that we have made to the extended permitted rights take the experience of that authority being proactive into account.

As for the exceptions, they will continue for a temporary period. The reason for that, from a technical and legal point of view, is that it gives time for those areas to put them in place as article 4s. I have always been very clear that if an area has specific areas of employment land that it feels it needs to protect, that is what article 4 is for. We have done work on that with local authorities in London and elsewhere to ensure that if they are going to go for an article 4, they end up with one that is logical, precise and actually achieves what they want to achieve.

We have had a few come through already. One of the reasons why we put the exceptions in for that temporary period is to give the City of London, Westminster and so on the time to get theirs in place, so that they can get the article 4s done. They will then have permanent

protection going forward. That is what article 4 is for. I am expecting those article 4s to be in place.

Q78 Bob Blackman: I just want it to be clear that your current view is that it is article 4 or open season on commercial land.

Brandon Lewis: Well, by definition of article 4, it cannot be open season, because if a council has an area that is important to protect, they can use article 4. If no article 4 is in place, permitted development rights would apply to office space.

Q79 Bob Blackman: So you won't be making any exceptions to that.

Brandon Lewis: No. As I say, the reason why the exceptions for the City of London, Canary Wharf and so on are in place—bear in mind that it is temporary. In the extension, we have temporarily extended the exemptions for a technical and legal reason. We have made the extension long enough to give them time, which is why they are happy with this. We have done this in consultation with those areas. They now have time to put permanent article 4s in place for their area.

Q80 Chair: There is no chance of a local authority being challenged to pay costs as a result of article 4, is there? That was a concern that came up—

Brandon Lewis: This is a concern that local authorities raise. The point that I have made in a few guises—I had this conversation when I was the Pubs Minister around using article 4 to protect pubs—is that, as far as we can see, there is no example of a local authority ever having to pay compensation for an article 4 agreement anywhere in the country. Equally, the reason for temporarily extending the exemption areas, particularly in London, is that if a local authority does it with 12 months' notice, there is of course no compensation. There cannot be. Even without that, there is no example of it ever being taken forward.

Q81 Helen Hayes: Why does the planning consultation focus on the delivery of starter homes over and above other types of affordable housing?

Brandon Lewis: We have been very clear on this. As we said in the Housing and Planning Bill—you and I had this conversation in Committee

if I remember correctly—starter homes are a new product that we want to deliver and we want to ensure that we get these homes built. This is an entirely new product, whereas other forms of affordable housing are already there and are therefore encompassed in the NPPF and planning as it is.

Q82 Helen Hayes: I am very happy to continue the conversation, Minister.

A concern that has been expressed to me more recently by local authorities about this strong obligation in relation to starter homes is that councils will retain the statutory obligation for housing people who are in priority need, but they will lose as a consequence of the obligation some of the tools to ensure that the mix of homes locally is suitable for meeting local need. Can you respond to the concern that we are placing such a strong obligation in relation to one type of housing that some of the flexibility is being lost?

Brandon Lewis: We are creating a new product and it is clear that 86% of our population wanted to own their own home, so we wanted to ensure that we did that. It has been an anomaly for a long time that affordable housing has not been allowed to include housing that is affordable to buy when that is what the majority of people want to do. It is absolutely right that we should have that as part of the mix. With this new product, there is a clear determination to get that moving.

Local authorities will obviously still be negotiating whether they are applicable under their 106 agreements locally, but none of this moves away from the fact that local authorities still have £3.4 billion across the country to build housing themselves if they are looking at council or social rent. Equally, they can use general funds and the land they have to build up homes of other tenures. I would encourage councils to look at that. Indeed, I am talking to the Local Government Association at the moment about working more with local authorities about that side of public sector land and how we get that land into use, which is good financially for the local authority and also good for people who want more homes.

Q83 Helen Hayes: Coming back to the point about the removal of the in perpetuity restriction, in the context of councils' ability meet their local needs, are you not concerned that the removal of that restriction again takes away the councils' flexibility to meet the needs of their own local population? Homes that started life as affordable homes will not be affordable in the future. Don't you think it is a strong gamble to take to see the solution to that as the exponential delivery of new homes, year on

year on year, to replace homes being sold into the market at market value?

Brandon Lewis: There are a couple of things. First of all, there will still be other products out there, particularly in London. Pocket Living have got an excellent product that is in perpetuity—

Q84 Helen Hayes: Pocket Living are very much in favour of the in perpetuity restriction.

Brandon Lewis: Yes, their product is in perpetuity and they will continue delivering that product and that is fine; that works for them. But from our point of view, on the starter homes product we are looking to deliver, we are clear about a couple of things.

One is that if you cannot realise that market value at any point in perpetuity, then arguably you are not getting a discount because you can never realise the benefit of the discount. That is an issue potentially for lenders as well as for home owners, but ultimately I still come back to the point, which I will do time and time again—however many times I am asked by you or anyone else—that I am very much determined that we do not create second-class home owners. I also appreciate that these homes should be for people to buy as their first home to live in, but after five years they should have the right to treat their home like any other home owner—probably like most of us, if not all of us around the table.

Q85 Helen Hayes: How do you consider shared-ownership owners? That is a very important sector that enables a large group of people to get a foothold on the housing market, to build up some equity and then to move on in the fullness of time to other products. We already have different categories and levels of home ownership—

Brandon Lewis: No, no, no, you are wrong there. Sorry, that is a very different thing. The difference is that there is an equity partner. In shared ownership you own a percentage of the property and you only ever own, or buy at that point, a percentage of that property. That is quite different from a starter home where you are the owner of that home. It is a very different product.

The other thing I would say about shared ownership, which I am a huge fan of and I want to see expand further, is I think there are too many restrictions on shared ownership and regulatory work on shared ownership. That is why, as I said before, I am quite keen and working with the industry to see how we can make that easier to deliver more of

it. There is a problem if you are in shared ownership and you want to move from shared ownership to full ownership or to another property in the secondary market: because of the regulations that is actually very difficult and I think we need to do something about that. So I do not think you can draw a comparison between shared ownership and starter homes at all. They are an entirely different product based on a different premise.

Helen Hayes: I am sure we will keep returning to this conversation.

Q86 Mary Robinson: With regards to the delivery of housing by local authorities, why do you think that the consequences of housing under-delivery should be that local authorities are required to release more land?

Brandon Lewis: What I think a local authority has got to look at in their own area is what their housing needs are, which is part of the process for delivering their local plan, and then how they best supply it. Obviously within that they have the ability to make a case and show the evidence for why they may have a different figure for what their need is from what their supply can be.

That could be down to environmental constraints like green belt or infrastructure—that is a case for them to make locally—but I think there is a huge responsibility on everyone in local government and all of us who represent our local communities in making sure that if we have housing demand in our areas, we are doing our best to deal with that demand and the supply we need for that going forward, particularly if we want areas to thrive and grow in the future.

I used to have this a lot when I did the high streets and pubs brief: there are too many areas where areas would say to me, “We used to have three pubs in the village and we have now got one and it is struggling.” But when you have only got 40 homes in the village or something like that, it is not surprising, given how life moves on and we spend more times in our homes—our homes have changed over the past 30 or 40 years, as has how we spend our social lives—that there has been a change here.

These things need to be more sustainable, be they the corner shop or the pub. Even in our towns and cities, the high streets have had the same change around footfall. There was a time—I appreciate that this is a little bit before my early memories—when toilets were outside and we did not have satellite TV or flat-screen tellies, or we could not buy our food and drink as cheaply and as easily as we do today in online shops, Tesco

and any other brand names out there. Online was not there either, obviously. People used to go out and spend more time on their high streets, in the local pubs and so on, or in their village shops; now they will spend that time at home entertaining themselves and their friends and family. For places to have more opportunities to be viable, we need more footfall and people in those areas.

Our families are growing. As I said when I touched on this earlier today, one of the biggest challenges for housing numbers and family formation in this country comes from a mixture of things. Roughly 40% of our equity sits with people over 65. It is great that we are all living longer and living in our homes longer, but that changes the pressure on housing supply. A huge number of us—I have mentioned my own parents and in-laws before—are of an age now when they are in their own home, but independent and mobile, whereas it is not that long ago that at their age they would have been looking to live with other parts of the family or in a supported home. They do not need to now, which is good, but that puts pressure on housing supply.

I have two children and, whatever my wife thinks, I would like them to leave home eventually and to be able to buy and live in their own homes. My brother and sister each have two kids. Also, unfortunately, over the last two decades we have been seeing more family break-ups, which means more pressure there for more homes in our communities. We need to make sure that we are doing our bit, as communities, to deliver those homes.

So, yes, there is a huge duty on local authorities to do two things: to identify appropriate land to satisfy that duty; and to look at the land that the local authority has, much as we in central Government are making public sector land available for homes—60,000 homes in this Parliament. We need to see that target not as, “We’ve done it. We’ve got a target”, but as a minimum and as, “What more can we do?”

As I say, I am talking to the Local Government Association at the moment about how we do a similar piece of work with local government, because a lot of local authorities have buildings, property and land that could be used for the benefit of their local community in that way as well.

Q87 Mary Robinson: It is also important that the developers get on and develop the sites that they have planning permission for.

Brandon Lewis: Absolutely.

Q88 Mary Robinson: How will the housing delivery test ensure that that happens?

Brandon Lewis: I think we have got to look at a few things. I am talking to house builders about this at the moment as well. When we have got house builders delivering on average—I appreciate that this is an average—48 homes a year on those sorts of sites, that is not good enough. We know that they can go further, not just because of the off-site construction that I touched on earlier. Didcot is delivering about 400 a year, which is really good, and other sites are now getting up to 100 and 200 a year. We need to see that as the common average, not as an exception that I can talk about.

House builders will talk about saturating the market and supply lines, but there is also a big issue around making sure that we are aware that in too many places we are still taking 20 weeks to build a house when we can do it in three or four. That in itself would make a massive difference. As we have seen in the last few days, we have more and more organisations now looking at making substantial investments in off-site and advanced construction, which will deliver homes in a far, far quicker way, to a very high quality and to very high environmental standards, which mean reduced costs for homeowners and the people who live in those homes.

There are some big opportunities there. I cannot remember where this was written, but I have seen a quote in the last couple of days in which someone has made the prediction that 2016 is the year that off-site construction really takes off. Well, I hope it is, predominantly because it has a large part to play in speeding up our supply. But there is a big job to do on that—a very big job.

Q89 Chair: The Committee might want to come back and look at that ourselves in due course.

Brandon Lewis: Anything we do to put more focus on that—on the build-out rates of the larger developers and the way in which they build out, and on ways in which we can speed things up with the types of construction—is a good thing.

Q90 Chair: I do not know whether you saw the evidence of Councillor Tett, the Conservative leader of Buckinghamshire County Council who also spoke on behalf of the LGA. He made some powerful points along the lines of: if local plans assess housing need and the

number of houses added under the plan is not being built, we have a problem.

What can local authorities do about that problem? They are giving the planning permissions. If they have a need assessment and planning permissions have been given that should meet that need, but that is not happening, what powers do they have? Mr Tett was suggesting council tax or CIL being levied on sites that have planning permission and are not being built on, or shorter periods before planning permission ends. Have you ever looked at those ideas? I thought he made a compelling case. You could at least consider them.

Brandon Lewis: Yes, and I am looking at this. This is something I am quite focused on at the moment. It is a really complicated area, because the tendency is to just look to what might seem quite straightforward answers, like putting council tax on. Actually, that doesn't work.

Having looked at it, just putting council tax on misses a couple of things. First, it could encourage developers to go through their planning application later, and particularly on large sites to do a planning application for a smaller number of homes and then another application and another application when they feel they are ready, rather than speeding up. It could just hide the problem rather than solve it, so I am not sure that it particularly deals with the problem. For some of the large sites and large developers, the council tax bill may not be big enough to really have an impact either. So for various reasons, I am not sure that that works.

Equally, with some of these problems, we have done a bit of a delve—I think the Committee has seen some independent evidence of this a year or so ago—and what that tends to make the accusation around is the land-banking issue, which is not anything like the perception says it is. There are a couple of things going on where things get cast as land banking that technically are not really land banking.

First, there will be developers who have sites they would dearly love to be building on, but they are tied up with up to 200 different planning precondition issues from the local authority, which slows down their ability to get out and develop. We need to do something about that and look at it.

Equally, there is an issue where you sometimes have land agents—I will not name them, but I am sure Members around this room can think of at least one—who get planning applications. They do not develop themselves. They will then spend a period of time, and you potentially then get to a stage—I have had examples of this given to me—where by

the time they get to develop, it is not only up to a couple of years later but the viability has changed. You then have the developer going back to the local authority in an adversarial way when it is neither of those party's fault in the first place.

In terms of the amount of land, that is quite a minor issue. Coming back to Mrs Robinson's point, a bigger issue is build-out rates. At a site like Didcot, where they are building out at roughly 400 a year, they are doing it because there are four outlets. If you look at a site with 200 a year, they will be doing it with two to three or four outlets. If you have a site that only has one outlet, they will still go back to building roughly 50 a year. The outlets might be different ones of the same developer or there might be different developers, but it is not about whether that site can take 200 or 400 a year; it is about how they manage it in terms of the different outlets. There is quite an important lesson there.

I will use an example from my own constituency. I have a developer building out roughly 850 to 900 homes in three planning stages—one developer. If that was three developers, they would be building 150 a year, not 50 a year, so it is not about whether the site can take it. It is about how the developers work, and there is a piece of work to do there.

I am talking to the Home Builders Federation about how we deal with some of those issues and get the builders working in a slightly different way to get those rates up, which would make a big difference. There is an issue for them around capacity and how they deliver that, but if the sites themselves can deliver it—which they can, when they have that number of outlets on them—I would like to find a way of doing it with the same number of homes, but with less outlets, where that applies.

Q91 Chair: I am sure it will be interesting to see what comes out of that. We could all sense Councillor Tett's frustration. The local authority has its local plan, and it has its planning permission, but it has no mechanism to make it happen.

Brandon Lewis: Yes, and there is obviously in the system a number of applications—it is a small number, but I was always taught to take care of the pounds and pennies, and all these small things add up—where a landowner puts in a planning application hoping to get a planning development and make a lot of money, but it turns out once they have the application that it is actually not land anyone wants to develop on.

There are a whole range of things going on here; it is quite a complicated field. I have looked at it, and I still think that the biggest thing we can do to move on development is be able to help developers

get on site and build quicker—that is about the preconditions and pre-start conditions that councils put on—and, once they are on site, build out at a quicker rate than they do at the moment.

One of the problems in the land-banking debate is that, for example, a site of 5,000 homes has permission for 5,000 homes. Let's say they build 100 homes in year one; technically there are 4,900 in the land bank. We need to do something about that.

Q92 David Mackintosh: May I quickly ask about the definition of commuter hub and whether you think it is clear enough?

Brandon Lewis: In what sense?

Q93 David Mackintosh: Within the consultation. Is the proposed definition actually clear? We heard from a councillor who said that he thought it was quite vague and open to misinterpretation.

Brandon Lewis: Oh, okay. Well, I've not had a chance to go through all the responses yet. I will be having a look at the responses to the consultation and I will come back in our response to it in due course.

Q94 Mr Prisk: Just following on from that, is it the intention to publish a clear, specific definition of what is and what is not counted between now and the consultation or only after the consultation as part of this NPPF change?

Brandon Lewis: As what is counted in what respect?

Q95 Mr Prisk: Well, a lot of people are trying to put their local plans together and they are thinking, "Does this count as a local commuter hub and therefore do we need to understand the planning framework for it?" You are saying, "At some point in the summer." I am familiar with the Whitehall definition of summer, which is, shall we say, flexible. There is uncertainty. When might people know what a commuter hub is in planning terms?

Brandon Lewis: I appreciate your comment, Mr Prisk. I will beg the immortal phrase, "You might think that; I couldn't possibly comment" when it comes to the definitions of spring, summer and autumn. What I am very clear about—and this comes back to the point made earlier about planning more generally—is that getting certainty and stability in the

system at the earliest opportunity is right and best for the system to be able to move on and get things done.

I am very aware that areas are working through local plans at the moment. I have a chart of local areas and where they are with their local plans, which I look at regularly. I will be looking to move on with this as quickly as we can to get that certainty for the sector. The reason why I refer to the summer is that we already have more than 1,100 responses to look at. That is a substantial amount and we want to ensure that we give them proper consideration. We also have a purdah period for local and mayoral elections coming up, which will restrict what we can do, so it will be after that. But I am not looking at taking this into anything beyond what any of us would genuinely refer to as the summer.

Chair: Thank you, Minister.

