



Ministry of Housing,  
Communities &  
Local Government

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Chair of the Committee of Public Accounts  
House of Commons  
London  
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Dame Melanie Dawes  
Permanent Secretary

Ministry of Housing, Communities &  
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2 Marsham Street  
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10 February 2020

Dear Meg,

**PAC Report 26 June 2019 – Planning and the Broken Housing Market**

1. In the Government's response to the Committee's report entitled *Planning and the Broken Housing Market*, dated 26 June 2019, we promised to update the Committee on a number of actions that we have taken to address your recommendations. In my letter of 18 December 2019, I said I would provide a further update to the Committee on these actions in the new year.

**Local Plans**

2. Since the publication of the Department's response in October 2019 (Treasury Minute 103), the Government has committed, as part of the Queen's Speech, to publishing a Planning White Paper later this year. This will include measures to address the failure of local authorities to produce plans. The Department will provide a further update to the Committee following publication of the White Paper.

**The Planning Inspectorate's performance**

3. As I explained to the Committee at the oral evidence session on 29 April 2019, the Planning Inspectorate began its Transformation Programme in 2017 to modernise the way it works and to recover poor performance. Early results of this are set out in more detail in Annex A.

4. The Inspectorate will also have a new organisational structure in place by the end of this financial year and has piloted a new online appeals portal, which is expected go live during 2020.

5. Since January 2019, the Inspectorate has recruited a significant number of new Inspectors to increase capacity to deliver timely decisions. In December 2018 the Inspectorate employed 287.1 FTE Inspectors. This has risen to 366.6 at December 2019 and a further 12 are arriving

this month. This is already recovering performance across all PINS services, and I hope that further improvement will be demonstrated in the Inspectorate's Annual Report, which will be published in July.

6. Attached as Annex B is the updated Action Plan published by the Inspectorate in September 2019, in response to the Rosewell Review of Planning Appeal Inquiries. This sets out the detailed actions and milestones to implement each of the 22 recommendations made in the review. The Inspectorate will provide a further update to the Department at the end of February, and will publish this online.

### **Developer contributions**

7. In July 2019 the Department commissioned external research on developer contributions in order to understand the early effects of the latest reforms. The completion and publication of this research was delayed because of the General Election, and the researchers are currently preparing their final report, which we expect to be published this Spring.

### **Build quality**

8. The Government has committed to ensure that homes are safe and of a high standard, and to set up a New Homes Ombudsman to provide redress for new build homebuyers. The Government is also committed to legislation to require developers of new build homes to belong to the New Homes Ombudsman. Last year, the Department consulted on the design and delivery of the new body, including whether a Code of Practice for developers should also be underpinned in statute and how requirements can be enforced. We are currently considering feedback from this consultation, and will publish a response very soon.

9. On the specific issues of building safety following the Grenfell Tower fire in 2017, the Government is putting in place widespread reforms that include, and go significantly beyond, the initial recommendations both of the Grenfell Public Inquiry and from Dame Judith Hackitt in her Independent Review of 2018. These include a more effective regulatory system that will hold industry to account, a more stringent regulatory regime for higher-risk buildings, a stronger voice for residents and greater competence across relevant professions and regulators.

10. The Department is working constructively with stakeholders on this through a combination of routine steering committees and governance groups. These include the Joint Regulators Group, Early Adopters, and the Industry Safety Steering Group - which is Chaired by Dame Judith Hackitt – alongside other government departments, including DWP, Home Office and HMT. The Department is currently considering feedback from its consultation entitled *Building a safer future: proposals for reform of the building safety regulatory system*, and will publish a response detailing the shape and functions of the new building safety regime in the coming months.

11. In advance of the new regime, on Monday 20 January the Secretary of State announced a series of measures that the Government is taking now to reform the system. These include:

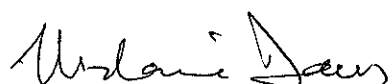
- Immediately establishing the new Building Safety Regulator in the HSE – initially in shadow form pending legislation;

- Consulting on the use of combustible materials including proposals to lower the 18m height threshold to at most 11m;
- Extending the ban to cover hotels, hostels and boarding houses; and to introduce a complete ban on unsafe ACM cladding for use on any building;
- Publication of a call for evidence seeking views on the assessment and prioritisation of fire risks associated with external wall systems;
- The publication of updated and consolidated advice on the steps building owners should be taking to address a range of safety risks. This advice included clarification that more action is needed to review the risks in buildings below 18 metres, that ACM cladding with an unmodified polyethylene core should not be used on buildings of any height and the actions building owners should now take in relation to fire doors.

12. On 21 January, the Government published its response to the Grenfell Tower inquiry phase 1 report, accepting all the recommendations for central government. The response is provided at Annex C. The Secretary of State also set out that he was minded to lower the height threshold for sprinklers following our consultation on this last year and confirmed his support for the Home Secretary in delivering the Fire Safety Bill and associated regulatory changes. This Bill will place beyond doubt that external wall systems, including cladding, and the fire doors to individual flats in multi-occupied residential blocks, fall within the scope of the Regulatory Reform (Fire Safety) Order 2005. These changes will affirm the ability of local partners to carry out enforcement action against building owners who have not remediated unsafe ACM buildings.

I hope that the Committee finds this update useful.

*Yours sincerely,*



**MELANIE DAWES**



## **Annex A – The Planning Inspectorate's performance**

1. The Planning Inspectorate handles planning appeals through a number of different processes – some involve inquiries, some hearings, and some are considered on the basis of written representations. The Inspectorate also considers appeals on enforcement matters which are held through similar processes but which are managed separately. This annex sets out progress on raising performance in all processes.

### Planning Appeal Inquiries

2. Planning Appeal Inquiries were the subject of the Rosewell Review and tend to be the biggest and most complex cases. By way of a reminder Annex B sets out the updated Action Plan published by the Inspectorate. The Inspectorate is on track to implement all recommendations by June 2020 as planned. On average planning appeal inquiries now take less than half the average time taken prior to the review. Since early-2019 all inquiries are being progressed under 'Rosewell principles' and to date over 30 decisions have been issued with all except one issued within the relevant target set in the review – and 97 per cent were completed within 24 weeks. On average the cases took 22 weeks to decide and 10 were decided in 20 weeks or fewer.

### Planning Appeal Written Representations:

3. The vast majority of planning appeals – 96 per cent, or c.14,500 cases a year – are handled by the Inspectorate on the basis of written representations. Since 2013 the volume of appeals submitted has risen each year, and the Inspectorate has not been meeting its performance targets as a result. MHCLG has invested £11.5m in performance recovery during 2017/18 and 2018/19. This has enabled the Inspectorate to recruit new Inspectors, bring in Non-Salaried Inspectors as a flexible resource, and employ 20 Appeals Planning Officers.

4. We are now seeing the results of that investment. In the second and third quarters record numbers of decisions were issued by the Inspectorate: 5,449 and 5,840 respectively. As the backlog of cases is cleared and newly recruited Inspectors complete their training, the speed of decision making is improving. In December 2018 only 14% of cases were completed within the 18-week target, but by November 2019 this had improved to 46% of cases. The Inspectorate is therefore confident that it will be meeting its target by averaging 18 weeks for written representations cases by the end of this financial year.

### Planning Appeal Hearings:

5. The Inspectorate will undertake work to identify whether any lessons from the Rosewell Review can be applied to hearings (e.g. setting the date of the event to take place within a fixed number of weeks from receipt of a valid appeal).

6. The increased availability of Inspectors is having a positive effect on the performance for hearings. In May 2019 the average time from validation to decision was 51 weeks, and in December this had reduced to 35 weeks. This is still not good enough but is expected to improve further during 2020/21.

### Enforcement:

7. As the Inspectorate makes progress on planning appeals it can now begin to focus on enforcement work. The Inspectorate now has 53 trained Inspectors working on enforcement, a significant increase on the 20 previously specialising in this area prior to July and early signs of performance recovery are being seen. The Inspectorate has established a Board for performance recovery in this service area, which meets monthly to progress service improvements. As with hearings, it intends to apply any lessons from the Rosewell Review to enforcement work.

8. The Inspectorate forecasts that for more straightforward cases the target of dealing with cases within an average of 36 weeks will be met by October 2020. For more complex enforcement cases, often involving inquiries (of which there are nearly 500 outstanding), the Inspectorate forecasts that these will be dealt with in 47 weeks, in line with the target, by October 2021.

9. All this must be seen alongside the fact that the Planning Inspectorate has continued to meet targets for Nationally Significant Infrastructure Projects and Local Plan examinations.