

Written evidence submitted by Liam Clegg [FPS 019]

I work at the University of York, in the Department of Politics. I have for many years been interested in the politics of housing provision, and have recently begun to focus on the politics of housing provision in England.

My response is informed by analysis undertaken in:

Clegg, L. (2019) '[Economic geography and the regulatory state: Asymmetric marketisation of social housing in England](#)', *Environment and Planning A*, 51(7): 1479-98.

Clegg, L. and F. Farstad (2019) '[The local political economy of the regulatory state: Governing affordable housing in England](#)', *Regulation and Governance* Online EarlyView: 1-17.

Clegg, L. (2020) '[Taking one for the team: Partisan alignment and planning outcomes in England](#)' (under review).

Off the back of this work, I am best placed to respond to issues 1, 2, and 4 as outlined in the HCLG Committee call for evidence for their inquiry into [The Future of the Planning System in England](#).

- 1) Is the current planning system working as it should do? What changes might need to be made? Are the Government's proposals the right approach?

Party politics seems to play a significant role in shaping planning outcomes in England.

In Conservative-controlled local authorities, lower levels of affordable housing are planned-in to large new developments (Clegg and Farstad 2019).

In Labour-controlled authorities, we see higher rejection rates of applications for permission to build large new developments (Clegg 2020).

While the Planning Inspectorate plays an important oversight role in particular in relation to rejection rates, more attention needs to be placed on the role of party politics on outcomes within the planning system.

- 2) In seeking to build 300,000 homes a year, is the greatest obstacle the planning system or the subsequent build-out of properties with permission?

The volume of new homes granted planning permission each year has increased substantially throughout the 2010s. In 2017/18, 382,997 new homes were granted permission ([Shelter 2019](#)). However, as noted in the [Letwin Independent Review of Build Out](#), large developments have very low build-out rates, of somewhere between 3.2% and 6% on average (i.e. a typical large development of 1000 houses will complete between 30 and 60 units each year).

- a) *Private developers will remain a key pillar of housing supply in England. However, we know that the 'absorption capacity' of local housing markets will always remain restricted. As such, it is important to acknowledge that market-based development represents just one pillar in the delivery of 300,000 homes a year.*
- b) *Housing Associations constitute an important second mechanism for supplying new housing. Associations need to be supported to supply affordable rental accommodation at scale, and without having to rely on 'cross subsidisation'. Cross subsidisation sees Housing Associations using profits from market-based sales to support their affordable rental new constructions; this practice introduces enhanced risk into Association operations, and also limits the volume of affordable housing that can be provided off the back of a given planning permission application (as a proportion of housing is in effect reserved for market-based sale).*
- c) *Local authorities represent an important third pillar. In recent years, authorities have resumed house building operations. Since 2014/15 around half of local authorities have completed new housing, and across the period 2019/20-2023/34 plans are afoot for around 80,000 new homes (mainly for affordable and social rent) ([Barker 2019](#)). DHCLG needs to ensure that good practice is identified and shared, and barriers to local authority supply identified and overcome.*
- 3) What approach should be used to determine the housing need and requirement of a local authority?

It seems that the affordability of housing (median house price: median local wage) impacts on local authority planning outcomes. Where affordability is low, local authorities push for the inclusion of higher levels of affordable housing in new developments, and display a higher propensity to approve large residential planning applications (Clegg and Farstad 2019, Clegg 2020).

It also seems that local authority housing waiting lists do not significantly influence planning outcomes (Clegg and Farstad 2019, Clegg 2020). It is desirable that mechanisms be created to ensure that evidence of under-supply of affordable rental accommodation (e.g. local authority waiting lists; ratio of lower quartile rent to lower quartile income) be integrated into plans.