

## **Written evidence submitted by Midland Heart [FPS 152]**

We are a leading housing association with 34,000 homes across the Midlands. We have an ambitious development programme, which will see us build 3,000 homes over five years. Last year we built 570 new homes and we now have over 1,000 on site and a further 1,000 in the pipeline. We make an annual investment of almost £90m in housebuilding and have gained extensive experience of the planning system across multiple local authorities. We currently have homes on site across fifteen different local authorities.

We believe that a robust planning system is a critical success factor to achieving our mission of delivering more good quality, genuinely affordable homes for local people. We recently submitted a detailed [response](#) to the Government's Planning White Paper, welcoming many of its proposals, but also highlighting the need for stronger provision on developer contributions towards affordable homes.

I have provided a summary of our thoughts below and would be delighted to share our experience with you in more detail at the engagement event on the 26 November.

### **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?**

No. Applications for large or complex sites are supposed to be determined within 13 weeks. However, in our experience, it is not unusual for such applications to take significantly longer, even up to a year or more in some cases. This has a considerable impact on our development programme. It increases our costs as consultants, architects and engineers all have to invest more time. It also delays us from securing any income through rent or sales. The uncertainty caused by the inefficient planning system has significant economic implications.

We support the Government's plans to simplify the planning system. The introduction of growth zones with permission in principle combined with centrally determined housing need figures could, if implemented successfully, help to achieve a real step change.

### **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 Planning system. The Rt Hon Sir Oliver Letwin undertook detailed analysis of this issue and found that build out rates could be significantly accelerated with greater diversity of tenure on large sites. We

only deliver small to medium sites and always build out as soon as we are able to. However, we understand the limits to market absorption on very large sites. The key is diversity of tenure, the Planning White Paper could offer much more to enhance this.

### **3. How can the planning system ensure that buildings are beautiful and fit for purpose?**

This is a noble aim but the key here is objectivity and consistency. Local plans must set out clear tangible requirements and planning decisions should be based on these alone. There should be no room for subjective assessments that can be used as a means of frustrating the planning process and holding up development, as is frequently the case now.

**4. What approach should be used to determine the housing need and requirement of a local authority?**

We support the approach set out in the Planning White Paper. A move towards centrally determined housing need figures that take account of constraints such as Green Belt would be a significant step forward. This would stop the current practice of local authorities identifying housing need using the standard formula, but then failing to deliver due to loosely defined land constraints.

**5. What is the best approach to ensure public engagement in the planning system? What role should modern technology and data play in this?**

We support the Government's ambitions to digitise the planning process and to make it more accessible to communities. We are particularly concerned about the need for strong community engagement in the early stages of the plan making process, where the boundaries of growth and renewal zones are being set, as this will be most contentious.

**6. How can the planning system ensure adequate and reasonable protection for areas and buildings of environmental, historical, and architectural importance?**

Again, the priority here has to be a clear set of expectations in the local plan. Too often applications are rejected at a late stage, once a lot of resource has already been invested, for reasons which are not set out clearly in the local plan and would have been very difficult for the applicant to anticipate.

**7. What changes, if any, are needed to the green belt?**

One thing the White Paper does fail to address is the correct balance between protecting green belt and freeing up land for much needed homes. Only 12% of land in England is green belt but much of our operating geography, especially in the West Midlands, is completely washed over by it, despite acute housing need. The Government should clarify to what extent it believes green belt should be considered a constraint to delivering new homes.

**8. What progress has been made since the Committee's 2018 report on capturing land value and how might the proposals improve outcomes? What further steps might also be needed?**

The Government's proposals for a new Infrastructure Levy clearly build on the recommendations set out in the 2018 report. We broadly support this approach as we believe it will deliver greater transparency and accountability. However, we are concerned that the new levy is less prescriptive on the need for affordable housing than the existing framework around developer contributions.

We would like to see enhanced provision to ensure the delivery of genuinely affordable housing across multiple tenures on large sites. Without this, we fear there is a potential for discounted homeownership products such as First Homes to displace traditional forms of affordable housing such as social rent and shared ownership. Ultimately this could result in fewer affordable homes being available for those in the most acute need.

I do hope the summary above is useful and wish you the best of luck with this most important inquiry. Please do not hesitate to get in touch if you feel I could be of further assistance.

*November 2020*