



## Dear CMA house-building team

We urge you, in this final stage of the CMA house-building study, to consider:

- What homes we actually need
- Focus on small & medium-sized housebuilders
- Support Sustainability and the importance of Community Input

## What homes we actually need

Whilst we agree that “*everyone needs a place to live*” and that it is necessary to have objective targets for housing (that meet local need, are reviewed regularly and are up to date), such targets should be defined with input from local communities, not determined nationally, based on significantly out of date household projections that are now substantially over-stated.

In addition, the target should be based on genuine need. The Government’s current housing target appears to be 100% focused on market housing, despite the actual housing crisis being limited to homes for social or affordable rent. The large developers will always continue to build homes that will bring them huge profits, including proposing schemes on land which should be protected to support the mitigation of the climate emergency and to encourage nature’s recovery.

There is no such incentive in relation to social housing. As a consequence, the ONS Live Tables relating to Affordable Housing Supply<sup>1</sup> confirm that there has been a pitiful number of completions of social housing for the last 10-year period, significantly lower than previous years.

2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
10,924	9,331	6,803	5,827	7,049	6,363	6,766	6,051	7,620	9,561

2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
22,661	21,674	23,633	24,683	29,643	31,122	33,491	39,562	37,677	17,580

1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
48,941	52,190	56,949	42,465	35,780	33,579	28,794	27,087	26,810	23,955

The figures do not achieve the numbers we need. Shelter, for example, suggests that we need to build at least 90,000 social homes a year<sup>2</sup>. The gap to meet need must be filled by the state as this is the only way social homes will be delivered at scale.

## Focus on small & medium-sized housebuilders

Having spoken to several local small building firms, many believe their viability is marginal at best, especially when faced with issues such as the pandemic, the financial crisis (increased interest rates, fluctuating – mostly increasing -pricing, changes to the minimum wage). They are certainly not achieving the 20% profit margins that are protected by planning guidance for the larger developers. They tell me that their profits are typically less than 5%, which gives them little scope or flexibility when issues arise.

<sup>1</sup> ONS Live Tables 1006-1008 <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>

<sup>2</sup> Shelter Report: [https://england.shelter.org.uk/professional\\_resources/policy\\_and\\_research/policy\\_library/briefing\\_the\\_social\\_housing\\_deficit](https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/briefing_the_social_housing_deficit)



The recent minimum wage increase, for example, whilst welcome for their apprentices, means that they also have to give a rise to all other employees to maintain the differential related to their expertise level. They are also now only looking ahead between 6 and 12 months when quoting for new work, rather than their previous approach, which typically looked forward by up to 2 years. This is because of the instabilities in the costs of materials, which have caused problems in their contracts over the past few years.

In addition to “*the disproportionate financial burden*” placed on SMEs, the planning system has made it easier to secure approval for large sites, excluding the smaller players from the process. Relaxing planning rules will only serve to further imbed the current imbalances in the system.

Your report suggests that developers secure a profit of c£50-80k per unit, so the major housebuilders do not struggle with profitability. Yet, it is clear that communities are not benefiting from those viability guidelines that provide and protect 20% profit margins for developers.

This approach to viability leads to very poor outcomes for communities and the public sector, which must pick up the consequences of any shortfall in services or infrastructure requirements. Locally, one developer, building on a greenfield site, in a high-cost market housing area, suggested, for example, that they could not incorporate **ANY** affordable homes within their scheme. The current system is failing communities.

## Support Sustainability and the importance of Community Input

The planning system is predicated on the achievement of Sustainable Development, yet this is not what is currently delivered. The most up to date data shows that over one million homes sit empty<sup>3</sup>, there is the opportunity to repurpose unused offices and significant brownfield sites<sup>4</sup> could be renovated to breathe life back into existing communities.

Whilst we are very pleased to see the investigation into land-banking, we are concerned about the inference that community engagement in the planning system increases timescales for approvals and the likelihood of appeal. The real issue here is that planning is not driven by local communities, they are forced to object, rather than being part of the process to determine what is needed in their locality.

We provide a case study below highlighting the issues for a local site, which demonstrates the lack of community engagement (and a lack of conscientious consideration of the feedback provided) throughout the process, the lack of community support for the proposed development, the lack of honesty and transparency that communities face.

In this example, Trafford is a participant in a regional spatial plan, originally known as the Greater Manchester Spatial Framework (now known as Places for Everyone because one of the 10 GM districts dropped out of the plan due to the insistence on unnecessarily releasing Green Belt).

That spatial plan (which now covers 9 local authorities), among many other issues, has significantly over-inflated the requirement for market housing and warehousing, has insufficient provision of desperately needed genuinely affordable homes, has disregarded rural communities and the rural economy (despite Green Belt covering almost 50% of the land area), has relegated the requirements of vulnerable groups such as the Traveller community to future local plans, and proposes to unnecessarily release over 2,000 hectares of Green Belt, leading to a huge impact on climate change mitigation opportunities, the environment and nature’s recovery.

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<sup>3</sup> Local Government Association November 2023 <https://www.local.gov.uk/about/news/empty-homes-england-rise-nearly-10-cent-five-years#:~:text=Adam%20Cliff%2C%20Secretary%20and%20Policy,in%20the%20city%20of%20Manchester.>

<sup>4</sup> CPRE’s State of Brownfield Report <https://www.cpre.org.uk/wp-content/uploads/2022/12/State-of-Brownfield-2022-FINAL-FORMATTED-15-12-2022.pdf>



## Places (& Jobs) for Everyone—Some People

**Only market housing & warehousing (Affordable homes target no longer in Policy)**



There is sufficient existing land supply in the Strategic Land Availability Assessments to meet the government's formula (without releasing Green Belt)

Government housing need formula result for Plan Area	<b>175,185</b>
Available land supply more than meets this need (which is significantly overstated as it is based on 2014 data)	
Available land supply across the Plan Area (WITHOUT the release of green belt)	<b>178,766</b>
Sufficient homes for over 425,000 new residents	
Projected Population Increase	<b>165,600</b>
at an average housing occupancy rate of 2.38 people per home (2011 Census), results in a need for <b>69,580</b> homes	

**Brownfield supply equivalent to creating**  
**TWO NEW BOROUGHs**  
**in Greater Manchester**

**And warehousing numbers have a 65% buffer!**

(meaning 50% will be developed on Green Belt)

In total, GM will lose over **2,000 ha** of green belt, an area the size of over **2,500** football pitches, despite there being sufficient existing housing land supply to support housing development for over **425,000** people (against a natural population increase of around 165,000 people) without releasing green belt anywhere in GM!

Despite the total lack of support by local communities, the spatial plan will, at a local level, result in the unnecessary destruction or significantly damage to:

- a 335 hectare peat moss (a rare and unique habitat, capable of recovery to sequester carbon)
- Grade 2 agricultural land (growing wheat, potatoes, carrots and other staple foods which would provide food security at a low carbon footprint via local produce for both humans and animals)
- wetlands (capable of soaking up huge volumes of water), the deterioration of which could cause future local flooding
- woodland (extensive areas, thousands of trees, will be felled as a consequence of this plan) again impacting Trafford's (and GM's) ability to meet its carbon neutral ambitions
- important habitats supporting red listed birds and endangered/protected wildlife (putting their populations at greater risk of extinction).

Parliament, the region and the local authority have all declared a climate emergency and are aiming to achieve carbon neutral targets. There is now a recognition that nature in the UK is severely depleted. That land such as this is proposed for the development of 3,800 homes and 100,000 m2 employment space should of concern to everyone, especially given the huge amount of "[suitable, available and achievable](#)"<sup>5</sup> existing land supply set out in the region's Strategic Housing Land Availability Assessments and the Strategic Employment Land Availability Assessments.

According to government guidance, once land is allocated and the plan is adopted, planning applications can be more or less waved through, despite the lack of ecological appraisal and other evidence that should have been considered prior to submission.

Developments on land previously designated as Green Belt, as with this site, typically lead to the delivery of unsustainable, car-dependent executive homes, with very low provision of affordable homes, a lack of diverse employment opportunities, off-site schools and health facilities, not supporting local need and certainly not what can be considered sustainable development. In this area, increased flood risk and the lack of sustainable passenger and freight transport are also huge issues.

<sup>5</sup> <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

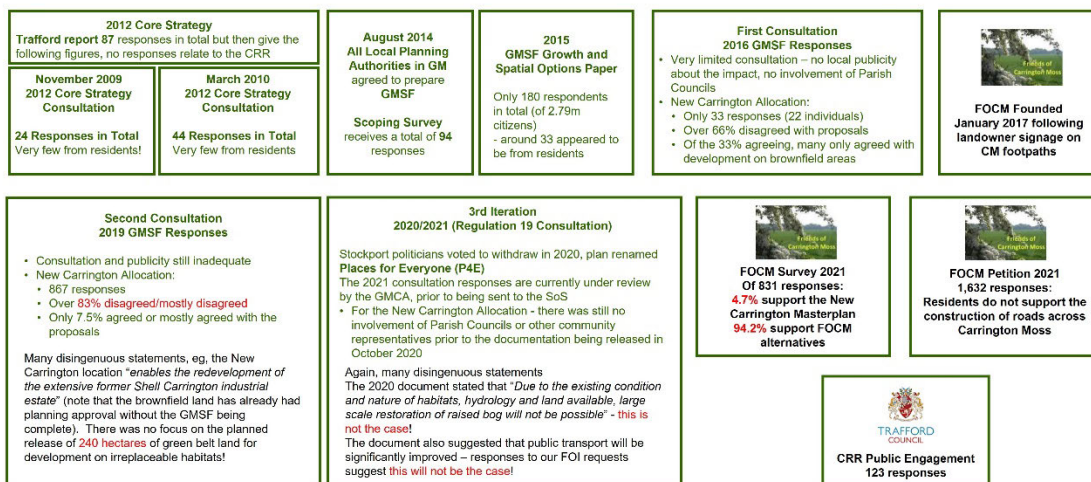
# FOCM Response to CMA House Building Study



That local authorities can proceed with a local plan when there has been minimal input from residents is astonishing given the huge impact these plans will have on communities. There is no requirement to engage with young people, despite the plans having a disproportionate impact on their futures. In this example, physical signage was not put up in local areas until 2021, yet the proposal had been conceived before 2016. Trafford has over 230,000 residents, yet the consultation to the current local plan only secured 87 responses (many of which were from Councillors or businesses). Local residents were unaware of the proposals for this site before 2017. In fact, it was only when the landowner put up “trespassers will” signage on public rights of way, that the local community became aware of the plans (which at that time was for 16,000 homes and 7m m2 employment space).

## Our struggle to secure robust consultation

**Have residents EVER supported the proposals included within P4E?**



We hope this provides an example of the “other side of the coin”, demonstrating why it is important that the large housebuilders do not have undue power within the planning system. The issues we raise do not seem to have been considered in your report. More information can be provided if needed.

In summary, we are extremely concerned by your suggestion that non-statutory stakeholders (communities) should be removed from the planning application process and by the proposal to introduce zoning. We totally object to these propositions.

Planning should be locally driven, procedures must be in place to prevent inappropriate behaviours and decrease the risk of bias to ensure the process does not lead to unintended consequences. The outcome of your review should not lead to, for example, the large housebuilders having even greater powers within the planning system than they do today. Whilst this would be very beneficial to them (and their profit margins), it would be very detrimental to communities, to the climate emergency and to nature’s recovery.

Please ensure that all the outcomes you recommend are rigorously tested to establish their impact on communities and other stakeholders, including the small and medium-sized housebuilders, and the environment.

Kind regards

[Redacted Name]

[Redacted Name] Friends of Carrington Moss

<https://friendsofcarringtonmoss.com/>

@Friendsmoss