

Housebuilding Market Study
Response by Redrow Homes Limited

Planning working paper

4.1 – We agree that planning risk is a key issue in the planning system. In a plan led system there needs to be full, or close to full, coverage of local plans for it to work effectively and guide applicants and local residents on where and how much development can take place. As it currently stands nearly 60% of LPA's do not have an up-to-date local plan which can only cause uncertainty and risk for all concerned.

In addition, our short-term political process, where many LPA's face an election in three of every four years, adds a political uncertainty to the process. We have seen the rise of the NIMBY (also known as the vocal minority) over the last few decades and local politicians often get elected on a no development ticket which can add further delay to both the local plan process but also determination of planning applications.

Where a site is allocated in an adopted local plan then the local politicians should not be able to object to or revisit the principle of development on that site, and the technical issues, such as highways, drainage, education etc, should be managed by the professional officers. We would like to see an increase to the delegated powers given to local authority officers where an application is made in accordance with the local plan. This would help to reduce some of the uncertainty experienced by applicants in the planning application process. We would support the HBF position on the introduction of a national scheme of delegation.

4.2 – We agree that the current level of planning, policy and regulatory costs will threaten viability on a number of development sites. In particular in those areas where Natural England add additional burdens without notice e.g. the recent addition of requirements for SANG to reduce recreational pressures on some SAC sites – i.e. Chiltern Beechwoods and Strensall Common. As well as nutrient neutrality. These were introduced overnight without a solution that left many sites undevelopable, until a solution is found, and will undoubtedly lead to some of those sites being unviable, particularly for SME's who's whole business could be put in jeopardy as a result.

In addition, we agree with the HBF position that the regulatory and planning costs could push the price of land below the level a landowner is willing to accept, thus contributing to under-delivery of housing. This is particularly true in those areas the government is looking to level up where house prices, and therefore gross development value, are typically lower.

We also agree with your analysis that the length and complexity of the planning system contributes to under delivery. All of the factors listed at a – e are valid and often interlinked. Local authority resourcing is a key factor that needs to be addressed urgently. Planning fees should be ring-fenced to ensure the service can deliver what is required of it in a timely fashion. After all if the system can produce more planning permissions and therefore more houses then additional revenue will be forthcoming via S106 contributions, delivery of infrastructure, new homes bonus, council tax etc.

It is important to note that it is not just the grant of planning permissions that hold up delivery on site. Clearance of conditions is a particular issue across most LPA's as this can hold up a start on site or worse require a slowdown or stop on site if matters aren't cleared in a timely fashion. The deemed discharge route is not open to many relevant conditions here and this could be looked at as a way to help speed up the process. In addition, some form of sanction on statutory consultees, who currently have no sanctions for slow delivery would be a

massive help. Failing that some form of mediation or short appeal route for non-determination of these matters could help.

4.3 – We agree that the Standard Method (SM) with urban uplift may not reflect accurately the housing need in a particular area and we would endorse the approach of the HBF on a redraft of the SM to one based on a percentage of housing stock for each area with uplifts for affordability. This should better reflect the housing need in an area.

In terms of impact on delivery the current SM is undoubtedly unpalatable for many local politicians, and this has contributed to many LPA's stalling or not starting their local plan reviews. This is particularly true in LPA's with footnote 7 land where the presumption in favour of sustainable development does not apply, and very special circumstances have to be proven to attain planning permission in the Green Belt.

At para 4.145 you make the point that the presumption in favour of sustainable development led to a loss of local control by facilitating speculative applications. However, LPA's only lose control in the main because they do not have an up to date local plan, less than 5 year land supply or failed the delivery test. With the odd exception all LPA's have it within their gift to get a local plan in place and meet the other two tests. The presumption only kicks in where they have failed to do so, and we therefore have no sympathy with this view. Fundamentally it is those in housing need that suffer, and the system needs to ensure there is a route to achieving planning permissions and housing delivery where LPA's do not fulfil their duties.

We would go further and suggest the presumption needs to be strengthened and applied to land in the Green Belt. This would highly incentivise LPA's in those areas to get their local plan up to date.

We also agree that internal inconsistencies in the system do not help, however if housing was not as emotive a subject, then we are convinced that the system would operate more effectively. As noted above the NIMBY's have significant influence over the system and shout the loudest. There is a complete disconnect between housing need generally and housing need in their back yard. Most accept there is a housing crisis, but most do not want any development anywhere near them. Perhaps if housing were a statutory duty for local authorities, then they might act more seriously in trying to meet their needs.

4.4 – As Redrow is not an SME we cannot comment specifically about your analysis. However, we agree that the costs of promoting a site through the local plan process and then submitting planning applications is likely to be disproportionately higher for an SME with smaller sites.

It is true to say local plans have tended to lean more towards larger sites over the last decade or so, however each local plan includes a windfall allowance which generally provides for smaller sites more likely to be built by SME's. Local plans are also required to allocate 10% of their housing need on smaller sites but we haven't seen much evidence of this happening in practice. In addition, most large allocations include a requirement for self-build and custom-build plots which could also be acquired by an SME. Perhaps the policy could be amended to include SME's specifically alongside self and custom build.

If a national scheme of delegation were introduced with a threshold below which officers could make a professional decision, then this could speed up the decision making process and also help SME's.

5.1 – Yes, we agree that the administrations in England and Wales should review their existing methods of calculating housing need. In England we concur with the view of HBF that this should be based on a percentage uplift of housing stock in an area with further uplifts for affordability or economic growth.

Once set however we do not think this needs to be recalculated on too regular a basis in order to give certainty to the local authority and the players in the development market to enable them to plan properly. The numbers should really be fixed for say five years rather than reviewed every time there is change in household or population projections.

There should be a national policy on housing requirement such that all local plans should add up to the total requirement over a plan period, accepting that there will be peaks and troughs in delivery. As noted elsewhere that total should be sufficiently high to ensure that housing delivery meets the relevant needs.

5.2 – Incentivising LPA's to produce local plans should be by both carrots and sticks. To assist with funding local plan production perhaps they could be forward funded centrally and then repaid via a proportion of planning application fees over time, or an element of CIL. We also think planning application fees should be ring-fenced to ensure the revenue generated is not lost to other local authority services unless a surplus is generated.

New homes bonus could also be increased for faster delivery of local plans, or maybe a proportion of NHB could be paid when a local plan is adopted based on the number of houses the plan allocates. This would incentivise LPA's to get on with their local plans to improve revenue.

PINS will also need to be adequately resourced to deal with the volume of local plans coming through the system. This is particularly true in the short term where so many local plans are currently out of date and the number of planning appeals are also likely to be high. Maybe some of the services could be outsourced to the private sector in order to free up officers' time.

In addition, there need to be stiff sanctions for LPA's who fail to progress their local plans. The SoS needs to consider using their intervention powers more frequently. Alternatively, powers could be given to county councils or neighbouring authorities to take over a failing local plan.

This combined with a stronger presumption in favour of sustainable development would act as a stick to encourage LPA's to get on with their local plans or risk losing control of the process or planning appeals.

With regard to land supply constraints, we believe there needs to be a root and branch review of Green Belt to make it fit for purpose in the 21st century. GB is a blunt policy tool that has worked very well for many decades but it is now preventing development occurring in the areas of most need and often in the most sustainable areas i.e. adjoining our major towns and cities.

We would not object to a no net loss of GB in any review, although this would need to cover across local authority boundaries where an LPA is locked in by GB. To make the review robust it would need to identify land allocated to meet current development needs and include safeguarded land for longer term needs. This would ensure the review is only carried out once over 15 year period or so.

Currently LPA's are afforded a significant level of protection from development in GB areas such that they are not incentivised to produce local plans unless the LPA wants to meet its housing or economic growth needs. In the past decade many politicians have been elected in these areas on a no development ticket and have absolutely no intention of meeting their housing needs. This log jam needs to be broken.

We would suggest that the presumption should apply in areas of GB where the local plan is out of date or there is five-year land supply shortfall or failure to meet the housing delivery test. We firmly believe this would incentivise those LPA's to get on with their local plans in these areas.

In urban areas clearly there is a constraint on capacity unless densities are significantly increased. These sites also often cost more to build or hold an existing use value that makes viability of a housing scheme difficult or impossible. Looser policies on affordable housing or other infrastructure could assist in these locations, however we need to be cognisant of the fact that the developments themselves will place pressure on the local infrastructure which LPA's may not have the resources to improve.

5.3 – We agree that uncertainty in the planning process is a key factor impacting housebuilders and others needing to invest in land and development. We also agree that short term local politics (attitudes to development) plays a key role in creating uncertainty and that a clearer rules-based system would make it easier to plan and manage our businesses.

However, we do not believe switching to a European based strict zoning system would work in the UK. We do however believe that once sites are allocated in a local plan, provided the subsequent planning application is in accordance with the allocation and relevant policies of the plan then a greater degree of delegation should be given to professional officers to decide.

We understand the need for people to have a voice in our democratic society, but that voice has to be proportionate to the development proposed. We have advocated in previous government consultations that applications should only be taken to committee if the net number of objections to the development represent a reasonable proportion of the local population in much the same way a neighbourhood plan needs a majority vote to pass the referendum. It is well known that the vocal minority tend to object to development more frequently and that the silent majority do not tend to get involved in the process, despite supporting or having no objection to development. However, decisions generally favour the vocal minority.

Perhaps the scheme of delegation could refer to the need for say 51% of the local population would need to object for the matter to be referred to committee.

In response to the options tables at para 5.31 we consider the following:

- a) There needs to be some form of approval process confirming the proposal is in accordance with the local plan. We couldn't countenance a position whereby development was commenced on a self-certification type basis for fear of misinterpretation then leading to having to stop works having already purchased the site and commenced building.
- b) This option is more workable and could be subject to the delegation powers and reference to committee referred to above, provided the application was in accordance with the local plan or the presumption kicked in. It would be down to the professional officers to decide most applications on this basis.

- c) There could be some areas, such as in urban locations, where this could apply, similar to the Permitted Development rights that exist for change of use from commercial to residential at present, whereby technical details have to be submitted and it is only these that are scrutinised by the LPA. This could also be applied to other designated areas such as Enterprise Zones, Freeports etc subject to them meeting the requirements of that designation.
- d) As much as we would like to remove politics from planning as far as is suggested here, we don't think this would be feasible.

All of these options would require significant investment in the local plan process to ensure that sites allocated have clear and detailed policies attached to them and that they are technically deliverable and viable. It would be worth the additional time and investment in this process if it increased the speed and number of planning applications that were subsequently approved.

5.4 – The impact of increased planning fees on viability depends upon the extent of the increase, size of the development proposed and the location of the site. Fees cannot continue to increase indefinitely without impacting on development viability at some point.

There appears to be a myriad of planning fee schemes appearing currently, from local plan pre-app, planning application pre-app, standard application fees, PPA's, LPA legal fees for S.106 and now there is talk of paying for statutory consultee advice. Where LPA's outsource some of their services the fees are becoming extortionate and to be honest don't really speed up the process.

On brownfield sites, small sites, and sites with significant infrastructure requirements the impact on viability will be greater and SME's are likely to be affected disproportionately.

As a national housebuilder we don't mind paying a little bit more if it guarantees a level of service that delivers consents more quickly.

In terms of availability of qualified planners more resource needs to be ploughed into planning schools, and time invested in secondary schools to show students how diverse and rewarding the planning profession can be. Planning is an excellent vocational subject that can be learnt on the job whilst attending university or college on a day release basis. Greater access and availability of these courses needs to be provided.

In the short-term qualified planners should be added to the immigration list to attract planners from overseas.

5.5 – Whilst not an SME ourselves we would agree with the suggestions made. It would also be helpful for SME's to get access to specific funding for the planning application process underwritten by Homes England and repaid out of receipts when the houses are sold, or when full development funding is attained from conventional sources.

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