



CHALLENGES IN GETTING BRITAIN BUILDING

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The new Labour government has some very clear aspirations for house building. Their aim, to build 1.5 million new homes in this parliament, is a response to what is now a national housing crisis that I think few in local government would disagree with. The difficulties however come in how you 'get Britain building', a challenge that the last government struggled with and sadly the new government seems determined to make the same set of mistakes, just on a larger scale.

The planning process and housing delivery are complex, made much more so by constant tinkering by Westminster with new legislation: protection

for nature, for water quality, changes to affordable housing and infrastructure provision to mention but a few. Then there is the development industry where slow and steady delivery rates that maintain high house prices are in the interest of developers. Throw in regional variations in house prices, when you can buy a 4 bed terraced house in Liverpool for £125,000 yet building new one costs more than £200,000 where is the incentive to develop compared to the significant margins that can be made in the South East of England?

Labour have taken the same approach that the last Government used, that all that is required to deliver more houses is to unblock the planning system, but on a much larger scale. They are increasing housing targets across the country but with a significant emphasis on more

building in rural areas. There is some logic to this, building in the open countryside avoids the expensive decontamination and preparatory work that goes with brownfield development (building on disused urban sites). It however fails to take in account that the group in society who struggle most with housing, younger people, for the most part want to be living and working in cities, closer to concentrations of jobs and more vibrant night life.

Labour are going further and unblocking development in the Green Belt. Legally defined and protected, the Green Belt comprises swathes of land surrounding some of England's cities designed to stop them from 'sprawling out' into the towns and villages around them, it does not however apply to most of England's countryside. This protected area, much

cherished by those living near to or in it, has constrained the growth of some of our cities. The Government plan to classify some parts of the Green Belt as new 'Grey Belt' land. This is where the countryside has already been replaced by some form of development. It will become available for building with Council's being told to even use 'full' Green Belt for development if they have no other options, an action which will be extremely controversial.

Most concerning in my view is the fact that, in an attempt to force more planning permissions to be granted, government is increasing the strength of the Five Year Land Supply metric adding extra 5% buffers. This

is designed to ensure that all councils have a pipeline of planning permissions. On the face of it a simple enough idea yet one that developers can manipulate. By slowing development in some areas, delaying the signing of section 106 agreements for example, the future pipeline of housing can be reduced which means that councils cannot demonstrate a 5 year land supply. At that point the 'tilted balance in favour of development' comes in, meaning planning applications can be put in on sites that are not included in local plans essentially creating a planning free for all where the Planning Inspectorate ends up approving sites that would otherwise not be considered suitable for development.

This process makes a mockery of the entire planning system. Government asks local authorities to create local plans. Widely consulted on, these plans identify where the housing need for an area should be precisely built over the next 5 years and broadly over the next 15. The sites in it are put forward by developers, tested and determined to be developable before delivery trajectories are agreed. As a result there should be certainty for residents and developers alike showing where houses will be built. Local plans are incredibly complex and time consuming to produce, they are contentious but at least at the end of the process sites have been tested, genuine consultation carried out and people accept the outcome. To see developers then turn that work on it's head, sometimes for good reasons, sometimes not, instead then get permission to build on sites rejected by a local plan destroys all faith in the planning process.

Whilst there are examples of local authorities not providing the planning permissions that they should be to meet government targets the overall picture is far more nuanced than Government would like to pretend. In the Wiltshire Council area, my local authority, there are (just before the time of me writing this) 18,837 planning permissions that could be built, yet only just under 8,000 are claimed by developers as being able to actually be built. As a result there are speculative planning applications being approved by the planning inspectorate all over the county. The big question however is whether any of these new planning applications will actually get built.

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This highlights the key problem with the Government's entire plans for housing. The problem we face as a country is a shortage of houses, not planning permissions. It is estimated that there are over 1,000,000 planning permissions that could be built right now. The industry however isn't building those houses. There are some valid reasons for this, some are held up by nutrient neutrality legislation, some by electricity supply issues or the delivery of infrastructure. Most however are sitting in the system where the land value and the future value of the houses is steadily increasing driven by the inexorable rise of house prices. What company wouldn't sit on assets that accumulate in value

for no effort? It is an artificial investment bubble that is actually hindering the delivery of houses. Why build and sell when instead you can get permission on a site then sell it to a land banker to sit on and accumulate in value whilst not actually having to build anything.

If Government wants to actually build houses, it needs a new approach. Instead of forcing planning permissions through the system, they should look for ways to force developers to build out the permissions they have applied for, an entirely reasonable idea. I would suggest that when planning permissions are granted, a schedule of completions is agreed as part

of any section 106 agreement. That would then give a timetable for houses to be built and as they reach the point at which they should have been finished, they would become available for council tax, payable either by the new owner living in a new house helping fix the housing crisis, or by a developer sitting on an empty site, a site that developer argued should be built as a house. If the house isn't started yet or is incomplete why don't we charge them double council tax as an incentive to deliver what they asked for.

Government needs to fix the real problem here and build houses, not stoke an investment bubble of planning permissions.