



PLANNING, HOUSING, LEVELLING UP AND THE ECONOMY

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1. The Independent Business Network

The Independent Business Network speaks for the overwhelming majority of the business across the country who are family run or family owned. We want to ensure every part of the business community has the chance to seize the opportunities Brexit provides. Following the Covid pandemic we seek to ensure that British businesses are able to grow and recover from the lockdown.

We believe that Brexit Britain should be pro-enterprise and work to break down the power of monopolies and their domineering influence on public policy and the regulatory landscape. We believe that family owned and family run businesses must have a greater voice in public policy.

The majority of businesses in the UK are family owned or family run. Including the self-employed, they constitute 84 per cent of the private sector and employ almost 55 per cent of all workers. These businesses are the backbone of our economy and we must ensure they are allowed to flourish so that we can generate the wealth for the public services and investment we need.

The IBN works to ensure the best possible business environment for our supporters, through lobbying, research papers, articles in the press and via our social media. This research paper is a contribution to creating that competitive environment.

We have decided to produce a paper on housing and planning because through consultation with our supporters we have found it to be a crucial issue impacting on business. As an organisation we respond to our supporters and the issues they raise and ensure they reach decision makers.

When the government wants to speak to a constructive business voice the Independent Business Network is ready and eager to engage.

Brendan Chilton
Chief Executive

2. Executive Summary and Recommendations

House building is one of the most important tools in a nations armoury to generate economic growth, to provide employment and an opportunity for workers to learn new skills. House building is vital to ensure that the population is housed and that families and communities can flourish. It underpins the ability for businesses to create economic growth and is essential for levelling up. However, house building is not happening fast enough. Successive governments have tinkered with elements of Planning Policy and regulatory frameworks, which have led to temporary increases for short periods of time. However, the big and fundamental changes that need to take place in the UK Planning system have not occurred for a number of reasons that will be explored in this report.

Housing is an issue that is extremely important to firms. Business owners want to own property and want their children to be able to purchase their own home. Consumers living in good housing are able to spend money on furnishing those properties from local businesses. The services that properties require are opportunities for businesses to win contracts in communities. The construction of properties creates jobs and opportunities for individuals to learn new skills through training. There is a whole ecosystem around house building that is of vital importance to the British economy.

Domestically of course the lack of housing supply is a crucial social issue. The unaffordability of housing in the United Kingdom means that for many people the dream of home ownership will forever remain a dream. The majority of spending by individuals is their mortgage or rent and other costs associated with housing. In the middle of a cost of living crisis this is now one of the most important issues to be resolved. The high costs of housing and unaffordability is simply due to the fact that we are not building enough homes.

The pandemic has resulted in more people working from home. Many people have set up businesses from their own homes and we have seen considerable movements in populations from cities to smaller towns. The Planning system is therefore going to have to change to accommodate the emerging new normal and ensure that we have a planning system and a regulatory framework that acts as a catalyst for house building and not as a hindrance to development. The governments levelling up agenda must include a comprehensive commitment to massively increase house building and the fundamental reform of the planning system.

Our regions require wealth creation not welfare. A fundamental target of levelling up is the availability of well-paid jobs in the regions. The ability to work remotely is key to this and the provision of high quality housing will encourage the levelling up process. The fact of the matter is that the planning system does not only impact on housing but also on business establishment and expansion which is often discouraged by slow planning responses copied with disincentives via the burdensome planning system.

The Independent Business Network has examined existing government Planning guidance we believe that in order to stimulate the sector and grow the economy significant changes need to take place. Outlined in this report are the considerations and recommendations from our investigation, which we hope the government will look at in a sympathetic way and which we hope will serve as useful campaigning tools for industry leaders, local authorities and developers. Central to the need for increased house building is the opportunities it provides to local businesses, to create jobs and increase prosperity. It is also vital that we make housing affordable to those who wish to own their own home.

Recommendations

The Independent Business Network believes that the following recommendations would support the government's objectives of meeting housing demands and would support growth in the economy and levelling up.

1. The government to undertake a wholesale review of the impacts of the Green Belt on house building and on economic growth in the UK and report within two years.
2. In those areas where local authorities do not have an adequate land supply, the boundaries of the Green Belt should be immediately reviewed to enable those properties to provide space for housing need.
3. Loosen NPPF planning restrictions on land that already has been developed within the Green Belt.
4. The government should specifically explore the opportunities for more flexible planning policy arrangements in designated growth corridors to ensure housing supply is able to generate and sustain those growth corridors.
5. Government should undertake a review of environmental protection policies and their impact on economic growth and levelling up.
6. Government should amend NPPF to ensure that Planning authorities should be required to accommodate at least 20% of their housing requirement through smaller parcels of land.
7. Government should explore tax incentives to encourage larger developers to bring forward more land for development.
8. Government should consider what penalties should be imposed on developers who bank land, which as a consequence distorts land values and property values.
9. The government should review the current arrangements for Permitted Development Rights with a view to liberalizing them to support the local economy.

10. The government should work to monitor local plan development and regularly publish summaries of local plan progress in England annually.
11. The government should also maintain its original commitment to ensure all local authorities have up to date local plans by December 2023.
12. The government should explore the introduction of a temporary single test to determine the soundness of local plans- the Prosperous development test, to be reviewed every five years to deal with the housing crisis.
13. Government should review the advice provided by Natural England to local authorities concerning nutrient mitigation to reflect the public interest benefits of house building to meet the housing crisis and support the economy.
14. Reduce Planning Application Decision making period from eight weeks down to five weeks.
15. Reduce Planning Applications Decision making times for major sites down from thirteen weeks to ten weeks.
16. Applications requiring Environmental Impact Assessment should also be reduced to ten weeks.
17. Statutory Consultees who fail to meet deadlines should be deemed as approving of applications.
18. The Planning Inspectorate should be required to determine appeals within six months maximum.
19. Introduce an appropriate fee for Planning Appeals in order to deter frivolous appeals.
20. Government should explore compelling Local Authorities who fail to process applications in the designated period to return a proportion of the planning fee made by developers to the authority.
21. Government should report quarterly to Parliament on the number of Public Land disposals that have been processed for new development with a view to accelerating the number of disposals for housing and business sites.
22. The government should undertake a review of the devolution of Planning legislation across the four nations of the United Kingdom with a view to harmonizing planning legislation and planning policy guidance across the country to accelerate housing delivery.
23. In England, the government should remove the additional test of 'reasonable in all other respects' in respect of Planning Conditions.

24. Government should establish a joint Commission with the Construction Industry to develop a national strategy for hastening the use of AI within the Construction Sector to increase growth.

25. Government should work with the Construction Industry to set a national target of increasing the number of STEM students entering the construction sector.

26. Government should require all sixth forms and colleges to include construction firms in local careers fairs.

27. Government should review the careers service with Industry to ensure that the Construction careers service is as bespoke as possible to attract more young people into the sector.

28. Universities and Further Education colleges should collaborate to promote the jobs in Construction to graduates to encourage increased take up in construction jobs from students.

29. Government should re-introduce compulsory work experience for Key Stage 4 and to include an academic and technical element to that work experience.

3.National Policy and Proposed Changes to Planning

In 2021, the government outlined its plans for changes to the Planning system in the Queens speech in the House of Lords. It read, “Laws to modernise the planning system, so that more homes can be built, will be brought forward”¹.

The Department for Levelling up, Communities and Local Government² revised the National Planning Policy Framework (NPPF) in July 2021³. This document established the governments planning policies for England and explains how local planning authorities should apply them to their local community. The NPPF revisions were a missed opportunity to accelerate house building in England to help meet demand and drive economic growth.

Existing Policy

The NPPF states that “the purpose of the planning system is to contribute to the achievement of sustainable development.” In meeting this purpose there are three objectives summarised below:

The first objective the government has set is an “economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.”

The second objective the government has set is a “social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering well-designed, beautiful and safe places, with accessible services and open spaces that reflect current and future needs and support communities’ health, social and cultural well-being.”

The third objective is an “environmental objective – to protect and enhance our natural, built and historic environment; including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.”

The Planning Inspectorate⁴ is a government department responsible for planning appeals and the examinations of local plans.

¹ <https://hansard.parliament.uk/lords/2021-05-11/debates/BC29801C-46D0-4BBF-A1F2-9B2B46633134/Queen%E2%80%99Speech>

² <https://www.gov.uk/government/organisations/department-for-levelling-up-housing-and-communities>

³ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

⁴ <https://www.gov.uk/government/organisations/planning-inspectorate>

Government White Paper on Planning Reform

In August 2020 the government launched a consultation on planning reforms to modernise the planning process with the desire to “bring a new focus to design and sustainability, improve the system of developer contributions to infrastructure, and ensure more land is available for development where it is needed.”

The government published its responses to the consultation process in April 2021⁵. Nearly a year has passed and there has not been any further progress on the White Paper leading to uncertainty in the housing market and frustration among planners and developers⁶. Without substantial Planning Reform the government will not meet its housing targets on house building and the question of home ownership and housing policy could become a major issue at the next general election. It is also a major stimulant to economic growth, which must be taken seriously.

Levelling Up

In February, the government published its Levelling Up White Paper⁷, with a commitment to transform the UK by spreading opportunity and prosperity to all nations and regions. Housing plays a key feature in the Levelling Up agenda. The government have committed to scrap the maximum affordability areas which will see an extra £1.8billion in brownfield funding being diverted to brownfield sites in the North and Midlands, of which £120million will be allocated to Metro-Mayors.

The government are also committed to building more affordable homes and introduction a new Social Housing Regulations Bill.

Key is the announcement that the government has launched a Levelling Up Home Building Fund⁸. This fund will provide finance from £250,000 to cover development costs in supporting small and medium sized enterprises and developers to build more homes quickly.

Central to any public expenditure and policy changes is the need to pursue policies that create the conditions for strong economic growth. No individual, no business, no town or region wants subsidy. They all need growth and this paper will explore how Planning policy can ensure growth.

⁵ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

⁶ <https://committees.parliament.uk/publications/8354/documents/85292/default/>

⁷ <https://www.gov.uk/government/news/government-unveils-levelling-up-plan-that-will-transform-uk>

⁸ <https://www.gov.uk/guidance/levelling-up-home-building-fund-development-finance>

Levelling Up and Regeneration Bill

The Levelling Up and Regeneration Bill⁹ was published in May 2022 and contains some planning elements. These are mostly those elements that were abandoned in the Planning Bill. One controversial measure is the power to allow residents to hold a ballot on whether or not planning permissions should be granted. This measure will almost certainly result in fewer developments being permitted at a time when there is a chronic shortage.

⁹ <https://bills.parliament.uk/bills/3155>

3. Challenges

A range of challenges exist to the level of housebuilding. This section of the paper summarises those challenges and presents solutions to some of the problems the housebuilding industry faces.

The Green Belt

The Green Belt was a policy originally designed with good intentions. The first proposed green belt was the Metropolitan Green Belt in 1935¹⁰. The Town and Country Planning Act 1947¹¹, extended powers to local authorities to designate green belt areas in their communities. The purpose of the measures was to limit urban growth in order to protect green space, open countryside and natural habitats as outlined in the governments NPPF¹². As of March 2020, the Green Belt is estimated to be around 16,158km², which is 1% smaller than it was in 2006¹³.

While the Green Belt has been defended by policy makers, considerable planning challenges exist as a result of the policy. We know that the UK is desperately short of homes with estimates showing that the UK needs to build up to 300,000 homes per year just to match demand and to keep housing costs affordable¹⁴. Unfortunately, the UK continues to miss its house building targets resulting in higher demand year on year¹⁵.

The average price of a house in the UK now stands at £256,400¹⁶, making the UK one of the most expensive property markets in Europe. In London property prices are on average £655,840 while the average price paid has reached £707,466¹⁷. The average salary in the UK as of 2020 is £31,461¹⁸, making property ownership an impossible dream for young people, and an extremely difficult task for most people on average incomes. This is despite the governments extensive Help to Buy schemes targeted at first time buyers and those on lower incomes¹⁹. The relationship between housing cost, the cost of loans from property loan providers and the growth of the two worker household is essentially a fiction of higher wealth.

¹⁰ <http://www.ebgreenbelt.org/what-is-the-green-belt.html>

¹¹ <https://www.legislation.gov.uk/ukpga/1947/51/enacted>

¹² <https://www.gov.uk/guidance/national-planning-policy-framework/13-protecting-green-belt-land>

¹³ <https://commonslibrary.parliament.uk/research-briefings/sn00934/>

¹⁴ <https://www.centreforcities.org/housing/>

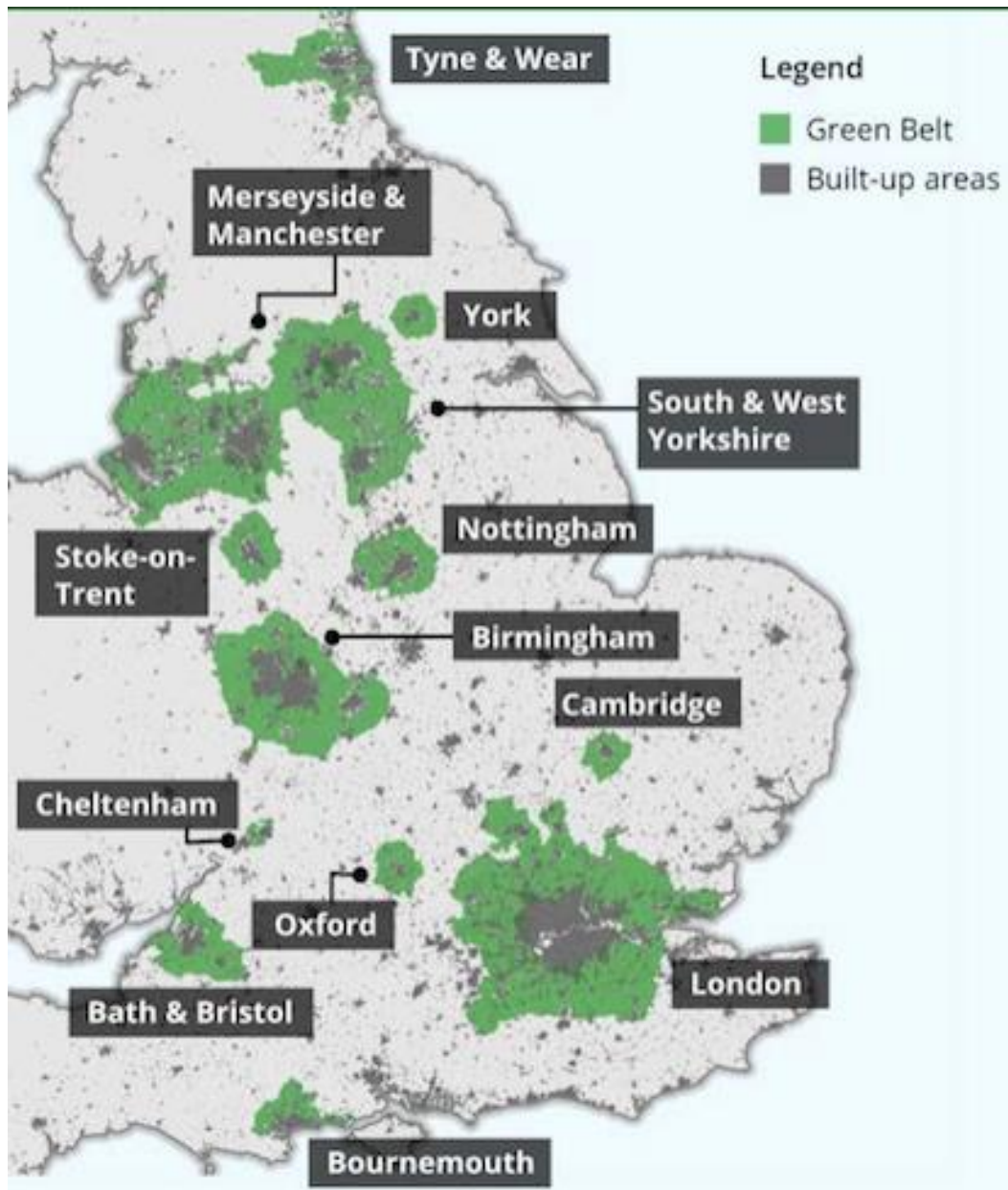
¹⁵ <https://www.independent.co.uk/news/uk/politics/government-housing-target-300000-b1784575.html>

¹⁶ <https://www.statista.com/statistics/751605/average-house-price-in-the-uk/>

¹⁷ <https://www.google.com/search?q=london+average+price+of+home&oq=london+average+price+of+home&aqs=chrome..69i57j0l5.3433j0j4&sourceid=chrome&ie=UTF-8>

¹⁸ <https://www.cosmopolitan.com/uk/worklife/careers/a33179/average-job-salaries-uk/>

¹⁹ https://www.ownyourhome.gov.uk/?utm_source=Google%20Search&utm_medium=Search&utm_campaign=Homeownership



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While it is completely right and proper for government and local authorities to protect open spaces for purposes of conservation, preventing urban sprawl and ensuring green space for local residents it must also examine the consequences of such restrictions on planning and on business opportunities. It is perfectly reasonable and sensible to examine how the Green Belt has impacted on Planning and House Prices and on growth and to explore whether or not alterations to the policy, or a new policy altogether is required to meet the²¹ challenges of today, both in respect of house building and protecting green space. The Independent Business Network would urge the government to undertake a wholesale review of the impacts of the Green Belt on house building in the UK and on economic growth and report within two years.

²⁰ <https://researchbriefings.files.parliament.uk/documents/SN00934/SN00934.pdf>

²¹ https://www.savills.co.uk/research_articles/229130/309483-0

When Green Belts were established they were designed to work with economic growth. They are now a direct barrier to growth and urban development. They were sold to the British people as being parts of the country that would be accessible to all. However, most of the green belt is intensely farmed²², approximately 66%, and is not open to the general public, and considerable portions are in private ownership. The public access benefit of the Green Belt is therefore highly questionable.

In the governments Planning proposals²³, the Green Belt remains a protected area²⁴, which means more stringent controls are in place in respect of developments. For local authorities with an inadequate land supply, these restrictions pose additional challenges. Many of these local authorities are in parts of the country where significant portions of their area are covered by the Green Belt. These local authorities should be able to sustainably review local Green Belt boundaries to enable them to meet that supply. This could include permitting limited development around existing transport infrastructure networks²⁵.

Growth corridors have been identified in the UK as being of vital importance to the prosperity and growth of the British economy over the next few decades. Significant inward investment and infrastructure projects are taking place to facilitate that growth²⁶. In order to generate and sustain that growth policy makers are going to need to consider how best to facilitate the supply of housing to meet the inevitable growing demand that will arise. Looking directly to these areas, some of them to fall within existing green belt areas. Most notably, the Oxbridge Growth Corridor²⁷.

Recommendations:

1. The government to undertake a wholesale review of the impacts of the Green Belt on house building and on economic growth in the UK and report within two years.
2. In those areas where local authorities do not have an adequate land supply, the boundaries of the Green Belt should be immediately reviewed to enable those properties to provide space for housing need.

²²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856100/Green_Belt_Statistics_England_2018-19.pdf

²³https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/958421/Planning_for_the_Future_web_accessible_version.pdf#page=28

²⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/958420/MHCLG-Planning-Consultation.pdf

²⁵ <https://www.centreforcities.org/wp-content/uploads/2019/09/Homes-on-the-Right-Tracks-Greening-the-Green-Belt.pdf>

²⁶ <https://www.godwingroup.co.uk/the-growth-corridor-the-future-of-the-uk-economy/>

²⁷ Note: The Oxbridge Corridor is an economic zone stretching from Cambridge to Oxford and on to Milton Keynes.

3. Loosen NPPF planning restrictions on land that already has been developed within the Green Belt.
4. The government should specifically explore the opportunities for more flexible planning policy arrangements in designated growth corridors to ensure housing supply is able to generate and sustain those growth corridors.
5. Government should undertake a review of environmental protection policies and their impact on economic growth and levelling up.

Land Banking and a Lack of Smaller Developers

At present there is no real incentive for developers to bring forward more sites for development, and no penalty for those who do not. Development companies forecast how many properties they need to build and sell to make a profit and proceed on that basis as any commercial firm would. If a Development Company were to build too many houses the overall value of properties would fall, and consequently the share price of that company will be affected. Many of these large developers have significant influence over policy²⁸, essentially creating a monopoly and cementing unfair competition.

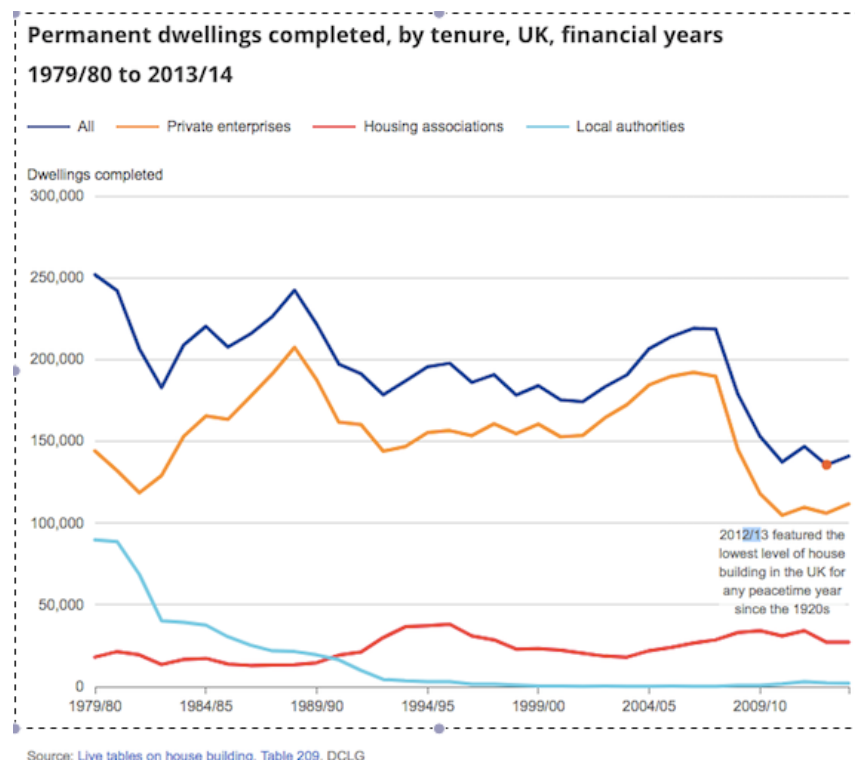
In order to deal with this we need to explore how we can incentivise existing developers to bring forward more sites, and how we can get more medium sized house builders to enter into the market to support the building of new homes. This is not something that will happen overnight, but that will change over a period of time, as new conditions become a reality. In 2019²⁹, the biggest house builders were some of the UK's largest house building firms³⁰, with very few medium-sized house building companies featuring at all. This compares to the 1980s when two thirds of new homes were built by smaller developers³¹. The more diverse the market the better the competition for businesses.

²⁸ <https://www.independent.co.uk/news/uk/politics/conservative-donations-developers-angela-rayner-b1893724.html>

²⁹ Note: We have examined figures from 2019 as 2020/2021 were severely disrupted by the Covid pandemic.

³⁰ <https://www.pbctoday.co.uk/news/planning-construction-news/uks-housebuilders-of-2019/69319/>

³¹ <https://hansard.parliament.uk/lords/2018-01-11/debates/5C593D58-0CC2-404C-8C69-32472C5C0C81/Housebuilders>



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Britain saw some of the largest number of new homes built in the 1960's and 1980's, and this coincided with house buildings companies being best able to start up, grow and establish themselves as significant contributors to local and regional economies. Despite the obvious and positive link between an increased numbers of smaller house builders, policymakers have apparently continued to be neglecting them. One of the biggest single issues smaller and medium sized developers face is the lack of smaller parcels of land allocated by local authorities for development, with overall preference being afforded to larger sites. From the local authorities perspective it makes perfect sense to focus on larger sites, as they are able to ensure larger developments to meet housing targets as opposed to more integrated and detailed work on smaller sites that do not yield the same number of homes to meet the requirements of a local plan.

For larger developers, smaller parcels of land are not necessarily as attractive for development as they would be for smaller or medium sized development companies. The government recognises that "small and medium sites can make an important contribution to meeting the housing requirement of an area, and are often built-out relatively quickly." The NPPF states that planning authorities should "identify, through the development plan and brownfield registers, land to accommodate at least 10% of their housing requirement on sites no larger than one hectare; unless it can be shown, through the preparation of relevant plan policies, that there are strong reasons why this 10% target cannot be achieved." To encourage the supply of smaller parcels of land and to support smaller and medium sized development

³²<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/housingandhomeownershipintheuk/2015-01-22>

companies the government should look to increase this target. Planning authorities should be required to accommodate at least 20% of their housing requirement through smaller parcels of land.

It is also true to say that local planning authorities tend on the whole to prioritize larger developments as they enable the local authority to achieve a large quantity of development faster and thus achieve their housing targets. This means that smaller developments don't necessarily receive the same level of respect and value as larger developments. We need to create a level playing field to increase house building to support economic growth. This also applies to individual applications such as housing extensions and improvements. Conservatories, living rooms extensions or annex buildings do not necessarily contribute to local planning authorities achieving housing targets, but they do play an important role in growing the local economy, creating jobs and in providing opportunities for businesses in a community to obtain contracts and boost their profits. These are largely able to proceed without seeking Planning permission and are called Permitted Development Rights³³. Recognising the importance of smaller specific works should be a priority for the government and the government should review the current arrangements for Development Rights with a view to liberalizing them to support the local economy and to provide jobs for businesses and individuals.

Attached to these issues is also the problem of land banking. Although this is not the primary reason for the housing crisis it is a contributing factor. Landbanking is a process whereby property developers purchase land with a view to developing it for housing, but then hold the land until its value increases to secure the maximum profit on the development. Landbanking has been attributed to the slow rate of house building in the UK and a factorial cause of the rising prices creating a monopoly. During the pandemic some of the UK's largest developers increased the volume of landbanking plots by 4%³⁴.

The previous Secretary of State for Housing, Rt Hon. Robert Jenrick was considering employing a 'Use it or lose it tax'³⁵, to penalize developers who deliberately hold on to land when they should proceed with development. However, developers challenged this view and suggested that the primary cause of the lack of development was due to the UK's complicated planning system³⁶. The reality is that both are a contributing factor and therefore measures need to be taken to address both using both carrot and stick.

Unimplemented permissions is the term used to describe the number of Planning permissions granted that have not been developed. While this reflects the general position of development it does not always necessarily

³³ <https://www.legislation.gov.uk/uksi/2015/596/contents>

³⁴ <https://www.propertyreporter.co.uk/construction/ajority-of-britains-biggest-housebuilders-banked-more-land-during-the-pandemic.html>

³⁵ <https://www.telegraph.co.uk/news/2021/05/17/pandemic-shows-britains-planning-system-not-fit-purpose-warns/>

³⁶ https://www.hbf.co.uk/documents/11045/LPDF_-_Taking_stock_Research_-_May21_Final.pdf

accurately reflect the position on the ground. Between getting planning permission and properties being built there are a number of regulatory checks that must be completed which can mean developments can take almost a year to start once permission has been granted. Under these circumstances it would not be fair to tax developers when the responsibility for the delay rests with the local planning authority. The number of unimplemented planning decisions has grown enormously over the past few years³⁷. This paper explores further how the regulatory burden can be reduced to speed up development in a later section.

However, in order to deter developers from hoarding land and to penalize any who are, the government should consider implementing a charge to discourage this activity. Requiring developers to pay the Council Tax for those properties not developed after two years could be a measure that is implemented by government. This will help businesses, as it will ensure that developers land banking do not hinder local economic growth. Businesses will be guaranteed that sites will begin being developed within two years and can plan their businesses accordingly. Local authorities will also receive income to support their local area.

Reccomendations:

1. Government should amend NPPF to ensure that Planning authorities should be required to accommodate at least 20% of their housing requirement though smaller parcels of land.
2. Government should explore tax incentives to encourage larger developers to bring forward more land for development.
3. Government should consider what penalties should be imposed on developers who bank land, which as a consequence distorts land values and property values.
4. The government should review the current arrangements for Permitted Development Rights with a view to liberalizing them to support the local economy.

Burdensome Regulation

Whether one is a developer or an individual seeking to make changes to their property, the world of planning regulation has become burdensome and extremely costly to individuals, businesses and the wider economy as a whole. The Independent Business Network believes as a first principle that regulation should be kept to a minimum to avoid delays and disruption to commercial activity, which generates economic growth. Where possible,

³⁷ https://lginform.local.gov.uk/reports/lgastandard?mod-metric=4613&mod-period=6&mod-area=E92000001&mod-group=AllRegions_England&mod-type=namedComparisonGroup

regulations should be removed altogether to give maximum freedom to develop and grow the economy. The governments Levelling Up White Paper expressed a desire to improve the Planning system and contained within it key reforms to accelerate house building.

One of the biggest barriers to successful housing developments is the failure of local planning authorities to agree a local plan or development plan for their area. Local plans are fundamental and important documents that determine the policies by which local planning applications are determined. In May 2020 the Campaign to Protect Rural England³⁸, found that only one third of local authorities were operating under an up-to-date local plan³⁹, which leads to uncertainty for developers and individuals. The government sought to remedy this with its Planning White Paper. It included recommendations to ensure that all Planning Authorities had an up-to-date local plan by December 2023. As the government has abandoned its Planning Reforms it is now not correct to say that we operate under a plan led system. The government should work to monitor local plan development and regularly publish summaries of local plan progress in England annually. It should also maintain its original commitment to ensure all local authorities have up to date local plans by December 2023. Of course there is an argument around whether or not local authorities should have the level of discretion that they currently enjoy in producing a local plan or whether not stringent national policies should simply apply. That debate is for another paper.

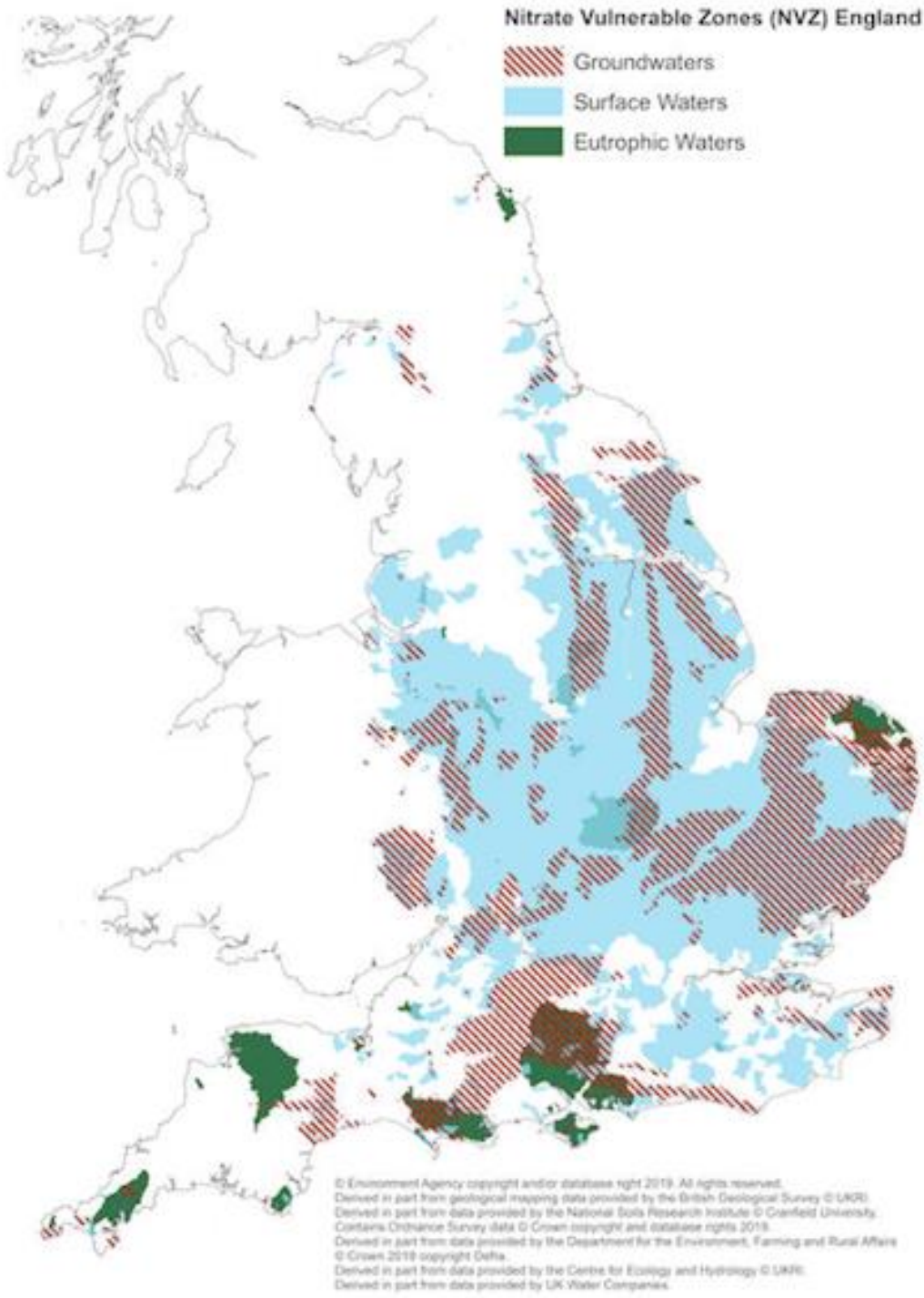
Once a Planning Authority has produced a local plan it is submitted to the Secretary of State who appoints an Inspector to carry out an independent examination. There are four tests set out in the National Planning Policy Framework, which have to be met before the Local Plan can be adopted. This examination takes place in public where the Local Authority, local people and interested parties can make representations to the Inspector. The four tests consider whether the Local Plan is positive prepared, justified, effective and consistent with national policy. The government proposed to replace these four tests with a single sustainability test and the removal of unnecessary assessments that cause delay and challenge the current system. The move would be a sensible one as it would streamline the planning process and enhance opportunities for development.

However, the problem with a 'Sustainable Development' test is the second element, namely the question of development that make prevent the needs of future generations from meeting their own needs. It is impossible for this generation to determine the needs of future generations, economically, socially or environmentally. For example, previous generations planned for conditions where economic activity centered on high streets. As retail moves online the traditional high street model is being fundamentally changed. Today's focus is on building huge warehouse distribution centers for delivery businesses to bring goods direct to people's homes. The key point,

³⁸ <https://www.cpre.org.uk/>

³⁹ <https://www.cpre.org.uk/about-us/cpre-media/only-third-councils-have-up-to-date-local-plan/>

particularly on securing economic objectives is you cannot create a stagnant plan for a fast changing dynamic economy. The market determines economic objectives and local plans should serve, as a mechanism through which that progress can be delivered not hindered. Businesses should not be restricted because of conditions that may or may not present in the future. Businesses serve the needs of customers now, not the future.



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⁴⁰ <http://www.ukso.org/static-maps/nitrate-vulnerable-zones.html>

The government is right to simplify the tests that local plans need to meet to be adopted. But instead of having a single ‘sustainable development’ test the government should have a single test of ‘Prosperous development’. This test should be focused on one objective, delivering prosperity for the community, the country and the economy and would be a presumption in favour of development. It is one that would suit the needs of business and focus policy makers on the needs of business. This test would be met if the development adds to economic growth and could be reviewed in five years. The purpose would be to focus planning authorities on the single objective of increasing house building to help the country deal with the housing crisis now.

Hangover EU regulations are also stifling house building in the UK. The government has committed to removing unnecessary EU regulations⁴¹, and the new Brexit Opportunities Minister has been given the responsibility for delivering on this pledge. One of those regulations concerns nutrient neutrality standards, which are used by Natural England⁴², to support and advise local authorities.

The current advice is based on EU case law and has led to “several stoppings by local planning authorities on the determination of new planning applications, reserved matters and discharging conditions”⁴³, according to the Construction Leadership Council⁴⁴, (CLC) Co-Chair, Andy Mitchell. The Councils own research demonstrates that an estimated 40,000 homes are delayed across thirty-five local authorities in England and the delivery of future homes is also in jeopardy. It is also seriously hindering opportunities for family run and family owned businesses who, at present, are unable to secure new contracts.

Providing nutrient mitigation could add up to £24,000 per dwelling. This would have dire consequences for smaller and medium sized house builders who would not be able to absorb the impact on incurring such costs. It would also make home ownership even more difficult as any construction company would have to add those costs onto the final value of the property. It will also make an already unaffordable housing market even more unaffordable. In the short and medium term, solutions to this problem need to be found. Certainly in the short term the government should look to revise the advice provided by Natural England so as not to delay house building and hinder growth.

The current advice is also presenting major problems for local planning authorities. On the one hand the government is tasking local authorities with the responsibility for delivering more homes, while at the same time it is preventing local authorities from proceeding until mitigation strategies are put

⁴¹ <https://www.thesun.co.uk/news/17603553/sun-readers-tell-me-of-eu-regulation-abolished/>

⁴² <https://www.gov.uk/government/organisations/natural-england>

⁴³ <https://www.constructionleadershipcouncil.co.uk/wp-content/uploads/2021/11/Andy-Mitchell-Letter-to-SoS-Gove-25-November-2021.pdf>

⁴⁴ <https://www.constructionleadershipcouncil.co.uk/>

in place. Local authorities have been unable to deliver housing in the areas affected as a result.

Recommendations

1. The government should work to monitor local plan development and regularly publish summaries of local plan progress in England annually.
2. The government should also maintain its original commitment to ensure all local authorities have up to date local plans by December 2023.
3. The government should explore the introduction of a temporary single test to determine the soundness of local plans- the Prosperous development test, to be reviewed every five years to deal with the housing crisis.
4. Government should review the advice provided by Natural England to local authorities concerning nutrient mitigation to reflect the public interest benefits of house building to meet the housing crisis and support the economy.

Slow Decision Making

One of the big criticisms Planning Departments face is the length of time they take to determine an application. Similarly, the Planning Inspectorate responsible for any appeals are also fairly casual in time they deem necessary to make a decision. Time is money. All of this is at a time when the country is facing a serious housing crisis. Under the circumstances speed should be of the essence to help address the problems the country is facing.

At present, the Planning Authority must determine Planning Applications within eight weeks. This is unless applications are of such a size, scale and complexity that further work is required in which case applications can be extended to thirteen weeks. The full details of government guidelines on determining planning applications are published on the government website⁴⁵. This means that in a worse case scenario up to four months can pass before a developer can even begin to start work on an approved development site. Given the huge housing crisis the existing length of time seems to be wholly inappropriate and a more entrepreneurial approach needs to be adopted.

Reducing the time it takes to determine a planning application should increase the rate of build and improve efficiencies in Planning Authorities. The Statutory time limits⁴⁶ should be reduced. In relation to an application for a major development the thirteen weeks should be reduced to ten weeks and a application which is not a major development should be reduced from eight weeks to five weeks. At present, if an application is subject to an Environmental Impact Assessment applications can take up to sixteen weeks. In order to simplify the existing regulations and to streamline activity it is

⁴⁵ <https://www.gov.uk/guidance/determining-a-planning-application>

⁴⁶ <https://www.legislation.gov.uk/uksi/2015/595/article/34/made>

proposed that sites subject to an Environmental Impact Assessment should also be reduced to ten weeks. If Local Authorities fail to process applications in the designated period then a proportion of the planning fee made by developers to the authority should be reimbursed.

All applications received by planning authorities are required under legislation to undertake consultations with statutory bodies and consultees⁴⁷. These bodies have a right to comment upon applications to be considered by members of the Planning Committee. However, statutory consultees do not always provide comment on applications and this can hinder the progress of an application and lead to deferrals of applications, or even refusals. Planning Committees give considerable weight to these statutory consultees. In order to ensure the focus of all organisations involved is on the delivery of homes to deal with the crisis there needs to be change. Statutory consultees who do not reply to invited consultations from Planning authorities within the given time period should be considered as having deemed approval for the application and responses that fail to meet the deadline should not be included in the evidence placed before Planning Committees.

The Planning Inspectorate, which is the body responsible for appeals presently, has dire standards in terms of the time it takes to determine an appeal. The latest evidence shows that the mean time is thirty-two weeks for written representations and that inquiries can take forty-one weeks⁴⁸. Again, this is another example of the decision-making bodies failing to realise the urgency of the situation facing the country. The extended time also has cost implications to the public purse, individuals and to developers in terms of potential revenue. An appeal should take no longer than six months and a national target should be established to ensure that appeals do not exceed this.

At present, there is no fee required for an appeal. This means that any application can be appealed without any significant cost if the Planning authority refuses an application. In order to ensure that frivolous appeals can be deterred, an Appeals fee should be introduced. The fee should be proportionate to the size of the application. This should reduce the workload on the Planning Inspectorate and drive efficiency improvements as well as supporting the new target of six months for determining any appeals received.

Recommendations:

1. Reduce Planning Application Decision making period from eight weeks down to five weeks.
2. Reduce Planning Applications Decision making times for major sites down from thirteen weeks to ten weeks.

⁴⁷ <https://www.gov.uk/government/consultations/planning-application-process-statutory-consultee-arrangements>

⁴⁸ <https://www.gov.uk/guidance/appeals-average-timescales-for-arranging-inquiries-and-hearings>

3. Applications requiring Environmental Impact Assessment should also be reduced to ten weeks.
4. Statutory Consultees who fail to meet deadlines should be deemed as approving of applications.
5. The Planning Inspectorate should be required to determine appeals within six months maximum.
6. Introduce an appropriate fee for Planning Appeals in order to deter frivolous appeals.
7. Government should explore compelling Local Authorities who fail to process applications in the designated period to return a proportion of the planning fee made by developers to the authority.

Public Land Disposals

The government, its agencies and quangos currently own an extraordinary amount of land. It is known as public land. Across England and Wales Approximately 8% of land is public land.

In 2020 the government updated its Public Land Housing Programme⁴⁹. The plan, described as, “an important part of the governments plans to reform the housing market and boost the supply of new homes. It is a key part of the governments plans to deliver a million homes by the end of this parliament.”

In 2016, a report commissioned by Savills⁵⁰, highlighted that 900,000 hectares of all freehold land in England and Wales is owned by public sector organisations.

In 2019, the National Audit Office⁵¹, undertook an investigation⁵², into the governments land disposal strategy and programmes. The land owned by the government was estimated to be worth £179billion and the government had a target to deliver £5billion of receipts up to 2020 through the release of surplus land for development for 160,000 homes in England.

The Government Property Agency⁵³ published its strategy for 2030⁵⁴, which included ambitions for increasing land disposals for housing and associated

⁴⁹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863615/Public_Land_for_Housing_programme_2015_to_2020_handbook_Feb_2020.pdf

⁵⁰ <https://pdf.euro.savills.co.uk/uk/residential---other/new-homes-on-public-sector-land.pdf>

⁵¹ <https://www.nao.org.uk/>

⁵² <https://www.nao.org.uk/report/investigation-into-the-governments-land-disposal-strategy/>

⁵³ <https://www.gov.uk/government/organisations/government-property-agency>

development. The agency has a target of achieving £1.4billion of savings by 2027⁵⁵. This is only five years away but the country is facing a housing crisis and so the absolute priority should be to dispose of more land for housing or indeed business facilities such as business parks, light manufacturing centres or associated venues. Given that slow progress has been made over the past few years in the delivery of sites on Public Land the government should report quarterly to Parliament on the number of Public Land disposals that have been processed for new development.

Recommendations:

1. Government should report quarterly to Parliament on the number of Public Land disposals that have been processed for new development with a view to accelerating the number of disposals for housing and business sites.

Devolution and the Planning System

This paper has been largely concerned with the Planning system in England and this is because planning law and planning policy are not uniform across the whole of the United Kingdom. Planning policy is devolved to the four nations. In Scotland, the Town and Country Planning (Scotland) Act 1997⁵⁶, is the basis for planning in Scotland and was updated by the 2006 Planning (Scotland) Act⁵⁷. In Northern Ireland the Planning Act (Northern Ireland) 2011⁵⁸, replaced the Planning (Northern Ireland) Order 1991⁵⁹, and in Wales, the primary legislative framework is broadly the same as England, but the Planning (Wales) Act 2015⁶⁰ did introduce differences.

Planning and building development is crucial to the economic growth of all four nations of the United Kingdom. It does not matter whether you live in the Highlands, the Welsh valleys, southern England or Causeway Coast, the positive economic impact that development has is unquestionable. However, the variations in planning law and planning policy do not contribute to a general drive for growth for businesses because developers, whether large or small, have to incur extra costs and deal with multiple regulatory variances when working across the four nations. A report by the House of Commons highlighted the variances between the four nations⁶¹.

⁵⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/988168/GPA_Strategy_2020-2030.pdf

⁵⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/988166/Government_Property_Agency_Business_Plan_2021-2022.pdf

⁵⁶ <https://www.legislation.gov.uk/ukpga/1997/8/contents>

⁵⁷ <https://www.legislation.gov.uk/asp/2006/17/contents>

⁵⁸ <https://www.legislation.gov.uk/ni/2011/25/contents>

⁵⁹ <https://www.legislation.gov.uk/nisi/1991/1220/contents>

⁶⁰ <https://www.legislation.gov.uk/anaw/2015/4/contents/enacted>

⁶¹ <https://researchbriefings.files.parliament.uk/documents/CBP-7459/CBP-7459.pdf>

An example of this is the Community Right to Build Order outlined in the Localism Act 2011⁶². In England, communities are able to permit specific types of development such as houses, shops and pubs without seeking planning permission, but in the other four nations no such right exists. Different buildings are afforded different Use Classes, which break different types of buildings down into different categories. In England there are four classes⁶³, in Scotland there are eleven⁶⁴, in Wales there are 17⁶⁵, and in Northern Ireland there are 15⁶⁶. For developers this adds to the administrative burdens on development, which in turn adds to the costs. This dead hand of bureaucracy is particularly burdensome to smaller developers and individuals who struggle to absorb additional costs.

Planning Conditions are imposed by local planning authorities to require that something is done or not done by the developer in order to make the development acceptable. They are determined by Planning Committees at local planning authorities. As Planning is a devolved matter, the approach to Planning conditions varies across the United Kingdom. In England there are six tests that must be met if a condition is to be imposed and in Scotland there are five. In this case, Scotland is more sympathetic to developers than England. Both nations have the same five tests of: necessary, relevant to planning, relevant to the development, enforceable and precise. But in England, the additional test of reasonable in all other respects widens the scope for additional Planning conditions to be imposed, at cost, to developers. In Northern Ireland a similar approach to planning conditions is in operation⁶⁷ and the Welsh government has also issued guidance⁶⁸.

Recommendations:

1. The government should undertake a review of the devolution of Planning legislation across the four nations of the United Kingdom with a view to harmonizing planning legislation and planning policy guidance across the country to accelerate housing delivery.
2. In England, the government should remove the additional test of 'reasonable in all other respects' in respect of Planning Conditions.

Labour Supply and Skills Shortage

The success of any industry is in ensuring the adequate supply of a sufficient number of skilled workers to fulfill the positions available in the sector. In addition, the construction industry requires the education system to provide

⁶² <https://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

⁶³ <https://www.legislation.gov.uk/uksi/1987/764/contents/made>

⁶⁴ <https://www.legislation.gov.uk/uksi/1997/3061/schedule/made>

⁶⁵ <https://gov.wales/planning-permission-use-classes-change-use>

⁶⁶ <https://www.legislation.gov.uk/nisr/2015/40/article/3/made>

⁶⁷ https://www.planningni.gov.uk/index/advice/practice-notes/dm_practice_note_20_use_of_conditions.pdf

⁶⁸ <https://gov.wales/building-planning>

the students and graduates skilled and qualified to the standards required to enter into the profession and develop their careers. Unfortunately, in the United Kingdom, the construction industry is suffering with a chronic shortage of skilled workers.

The Construction Industry is a key British industry. Around 3.1million people are employed in the sector, around 9% of the workforce⁶⁹. The UK Construction Industry is worth £117billion, or 6% of UK GDP⁷⁰. It is therefore vital that the skills shortages in the industry are remedied as a matter of priority. Housebuilding is a key driver of economic growth. For every £1 spent on construction, the UK economy benefits by £2.84⁷¹.

The existing construction workforce is an ageing one with around 20% of tradespeople being in their 50s and 15% being in their sixties⁷². The shortage has major knock on effects for the industry, such as higher recruitment costs, the inability to fulfill contracts, insurance, inflated salaries, and turning down lucrative contracts. All of these individual issues have a broader impact reducing growth in the economy.

While the government has set itself an ambitious target of building 300,00 new homes each year⁷³, it will not be able to meet this target as part of its levelling up agenda⁷⁴, if it doesn't adequately deal with the severe shortage in skilled workers in the construction industry. This challenge is even more stark given the numbers of young people entering the construction industry is at an all time low. In 2019 a survey by L&Q⁷⁵ found that just 9% of young people would consider entering into the construction industry⁷⁶.

Salaries in the construction sector are on average 20% higher than the average UK full salary⁷⁷, which makes it an appealing industry for applicants, and also one of importance to the economy as employees have increased spending power. Though it should be stated that the nature of the work is more labour intensive and physically demanding and can lead to health conditions later in life.

⁶⁹ <https://www.gov.uk/government/publications/construction-sector-deal/construction-sector-deal>

⁷⁰ <https://www.google.com/search?q=size+of+uk+construction+industry&oq=size+of+uk+cons&aqs=chrome.1.69i57j0l5.3610j1j7&sourceid=chrome&ie=UTF-8>

⁷¹ <https://housingevidence.ac.uk/housebuildings-role-in-stimulating-economic-recovery/>

⁷² <https://www.ukconstructionmedia.co.uk/case-study/skills-shortage-rising-cost-construction/>

⁷³ <https://commonslibrary.parliament.uk/research-briefings/sn06416/>

⁷⁴ <https://www.gov.uk/government/collections/new-levelling-up-and-community-investments>

⁷⁵ <https://www.lqgroup.org.uk/en>

⁷⁶ <https://www.insidehousing.co.uk/news/news/fewer-than-one-in-10-young-people-would-consider-construction-career-says-lq-60151>

⁷⁷ <https://www.linearrecruitment.co.uk/news/highest-paying-construction-jobs-uk>

To meet the UK's housing needs, infrastructure requirements and government targets the sector needs to grow its workforce and there are specific efforts the government and indeed the industry could undertake to incentivise more young people into the sector and that significant re-training of existing workers also takes place. As mechanization and automation increases as our economy undergoes an enormous digital transformation, lifelong learning will become more and more important. The World Economic Forum⁷⁸ expects AI to create an extra 133million jobs worldwide⁷⁹, with a large proportion of these in labour intensive sectors. The global pandemic has sped this process up considerably.

In the UK, the construction industry has not experienced huge levels of growth since 2010⁸⁰. Globally, construction has grown by about 1% per year over the past few decades⁸¹. There has been an almost direct correlation between this stagnation and fewer people entering the sector. Another key issue is the industry's slow progress in adopting AI, transforming the way in which construction firms and associated businesses can operate⁸².

Despite the skills challenges and the huge increase in AI, the construction industry does have a bright future if the skills shortages can be addressed. Lifelong learning and re-training needs to be a central focus of the industry to ensure existing workers maintain their levels of skill and interest. The Industry already is stepping up to provide training to school leavers, the unemployed and those looking to enter the industry⁸³. This is vital to family run and family owned construction firms who need to refresh supply of labour to grow.

The apprenticeship levy introduced in 2017 has made it easier for firms to take on apprentices⁸⁴. There is a huge range of opportunities for apprenticeships in the construction sector. The key to generating that interest is to engage with young people as early as possible. The government should ensure that primary schools facilitate opportunities for construction visits to schools at an early opportunity and that sixth forms and colleges ensure local construction firms attend careers fairs. The government should review the careers service⁸⁵ to ensure that young people have as bespoke a careers service as possible in relation to construction.

⁷⁸ <https://www.weforum.org/>

⁷⁹ <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/deloitte-analytics/ca-covid19-upskilling-EN-AODA.pdf>

⁸⁰

<https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/bulletins/constructionoutputingreatbritain/may2021>

⁸¹ <https://constructible.trimble.com/construction-industry/the-benefits-of-ai-in-construction>

⁸² <https://constructible.trimble.com/construction-industry/the-benefits-of-ai-in-construction>

⁸³ <https://www.citb.co.uk/about-citb/partnerships-and-initiatives/construction-skills-fund/>

⁸⁴ <https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

⁸⁵ <https://nationalcareers.service.gov.uk/job-categories/construction-and-trades>

Unfortunately in 2012 the Coalition government removed compulsory work experience for pupils in Key stage 4⁸⁶. This is a critical time in young peoples education as they are starting to develop their career options, and moreover young people would like it to be part of their curriculum⁸⁷. To ensure careers in the construction industry are accessible to young people, statutory work experience should be re-introduced at Key Stage 4 combining an academic and technical experience. This is essential if we are to encourage more young people to start their own business, whether that be in construction or any associated industries.

Students at Universities are not fully aware of the range of jobs available in the construction industry. The perception of construction is that it is complete a 'hands on' profession and therefore not suited to graduates. In 2019/20 only 44,305 students were studying planning, building and architecture at UK universities⁸⁸. The UK is forecast to be one of the worlds largest construction markets by 2030⁸⁹, as the country seeks to address its critical infrastructure and housing shortage and so should be a prime opportunity for careers for graduates. Universities and the Construction Industry need to work more closely together to attract more graduates into the sector.

Recommendations:

1. Government should establish a joint Commission with the Construction Industry to develop a national strategy for hastening the use of AI within the Construction Sector to increase growth.
2. Government should work with the Construction Industry to set a national target of increasing the number of STEM students entering the construction sector.
3. Government should require all sixth forms and colleges to include construction firms in local careers fairs.
4. Government should review the careers service with Industry to ensure that the Construction careers service is as bespoke as possible to attract more young people into the sector.
5. Universities and Further Education colleges should collaborate to promote the jobs in Construction to graduates to encourage increased take up in construction jobs from students.

⁸⁶ <https://www.educationandemployers.org/wp-content/uploads/2014/06/Consultation-report-work-related-learning.pdf>

⁸⁷ <https://www.careercolleges.org.uk/uk-teenagers-call-work-experience-made-compulsory-curriculum/>

⁸⁸ <https://www.hesa.ac.uk/data-and-analysis/students/what-study>

⁸⁹ <https://www.theb1m.com/video/top-5-construction-markets-by-2030>

6. Government should re-introduce compulsory work experience for Key Stage 4 and to include an academic and technical element to that work experience.

6. Other Innovative Options

As well as the measures outlined in this paper the government should also explore other innovative methods to accelerate housebuilding immediately. The two ideas that should be given serious consideration are an Emergency Planning Act and a British Tama 38 Programme.

Emergency Planning Act

In order to meet the extraordinary demands placed on the British government, the Olympic Games and Paralympic Games Act⁹⁰ was passed to ensure the British government was able to comply with its responsibilities and obligations to deliver a successful Olympic games. This was following the decision by the International Olympic Committee to award London the 2012 Olympic games. The question of the Olympics is not pertinent to the theme of this paper, however the

The Act provided the Secretary of State and the bodies and authorities it created via the legislation with sweeping powers to cut through legislation and regulations, demolish buildings, purchasing land and buildings, develop the Olympic park and undertake any measures deemed necessary to deliver the games. While there were challenges to the powers of the Secretary of State the method did enable quick decision-making and streamlined processes.

This paper has outlined some measures that we believe could accelerate homebuilding in the United Kingdom and it has also explained the economic and business benefits of doing so. However, the measures we have outlined are affecting existing legislation and regulations and passing them could take a considerable amount of time, especially in relation to harmonising those areas that are currently devolved. While these measures would go some way to helping resolve the housing crisis they would not provide the immediate remedies required to radically increase house building and deliver the crucial element of affordability to people trying to buy a house.

At present the average deposit required for a home in the United Kingdom is 15%. This equates to approximately £53,935 as an average across the country, and an extraordinary £115,759 in London⁹¹ in 2021. The average salary across the UK is £31,772⁹². The average price of a property in the UK

⁹⁰https://www.legislation.gov.uk/ukpga/2006/12/pdfs/ukpga_20060012_en.pdf

⁹¹ <https://www.statista.com/statistics/557891/first-time-buyer-average-deposit-by-region-uk/>

⁹²<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2021>

stands at £274,000⁹³, and in London the average price is £519,934⁹⁴. To try and mitigate the impact of soaring house prices the government has brought forward several schemes to try and support people onto the housing ladder⁹⁵. While these efforts are to be commended they do not deal with the fundamental problem of the long-term consequences of rising prices due to an inadequate supply.

It is clear that the current approach to house building is not working and given the sheer scale of the challenge facing the country, an unprecedented alternative might be considered. The government should give serious weight to the idea of an Emergency Planning Act to provide immediate relief to the housing crisis and to get the country building more homes immediately. The Act would be composed in a similar manner to the Olympic Act. It would provide the Secretary of State with sweeping powers to cut through existing red tape, regulation, land barriers, inspections, appeals and other challenges to ensure sites across the country are built out. The Secretary of State would be able to grant permission for housing developments of 100 homes or more across the country without the need for an application to go through the usual planning process.

The Emergency Act would remain in force for three years, which would provide time for the one million homes required to be built. The crucial element is that it would remain in place until the homes were built and not simply granted permission. The Act would then be reviewed after the three years to determine whether or not it needed to be repealed, amended or maintained. The importance of building one million new homes is far more important to the economy and to society and indeed to business than the seventeen days afforded by the Olympics Act.

Governments have used Emergency Powers Acts in the past usually in times of war. The Civil Contingencies Act 2004⁹⁶ replaces previous legislation in the 20th century, which enables governments to award themselves powers to deal with emergencies, usually the threat of invasion, war or natural disaster. Applying such an approach to domestic policy would be unprecedented but it would be warranted.

Of course the suggestion of an Emergency Planning Act would face strong opposition from local government on grounds of democratic accountability. However, the country is facing a housing crisis and exceptional measures need to be considered in response.

⁹³<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/january2022>

⁹⁴ <https://www.gov.uk/government/news/uk-house-price-index-for-november-2021>

⁹⁵ <https://www.gov.uk/affordable-home-ownership-schemes>

⁹⁶ <https://www.legislation.gov.uk/ukpga/2004/36/contents>

A British Tama 38 Programme

In 2005 the Israeli government approved Tama 38. This was a national zoning plan placed in legislation and was designed to allow residents and property owners to strengthen the foundations of homes against the threat of earthquakes. Israel is on the Syrian-African fault line and yet many properties were built prior to 1980 and so do not have the most up to date earthquake prevention techniques to help mitigate against such a disaster.

With many of the apartment blocks on major cities in Israel being built in the 1950s, many of those buildings are tired and are in need of investment and repair. Residents alone cannot meet the cost of undertaking such a huge repair task. The Israeli government allowed developers to strengthen the foundations, renovate the apartment blocks and to add extra apartments on the roof that would sell at a profit. This ensured that the threat to buildings from earthquakes was addressed, old buildings got a new lease of life, residents saw their properties improved and new homes were built.

The scheme awards construction rights to residents to strengthen their buildings. The tenants of the buildings transfer these rights to a developer. The developer becomes responsible for renovating and upgrading homes, as well as providing the essential foundation strengthening required to mitigate against earthquakes. The United Kingdom does not have an earthquake threat and therefore the fundamental reasons for such a measure are not comparable. However, the benefits of the Tama 38 programme to house building and urban development are worthwhile for exploration and possible implementation in the United Kingdom. The government foregoes capital gains tax and the local authority forgoes a betterment levy when the construction rights are obtained.

The implementation of a scheme of this nature would need to be worked out carefully. The government should immediately explore the viability of the scheme, including the removal of capital gains tax, fees for development applications and reductions in Section 106 monies. In the first instance the British Tama 38 programme could be for a specified period in specific locations to determine whether or not there is a market appetite for such a scheme. The decision to award Tama 38 schedule could be determined by the Secretary of State.

It should be understood that new apartments placed on existing buildings would create extra pressures on local services as well as parking. These pressures will need to be accommodated. Given the huge demand for apartments in cities and the soaring costs of properties, especially in London, a British Tama 38 programme could be applied to cities in the UK where there is already high density apartment blocks that need to be upgraded and where public transport tends on the whole to be better than in smaller towns and rural areas. Zac Goldsmith supported a similar scheme in 2016⁹⁷.

⁹⁷ <https://www.standard.co.uk/news/mayor/zac-goldsmith-add-two-storeys-on-public-buildings-to-help-solve-london-housing-crisis-a3189821.html>

7. Conclusion

It is clear that we are in the midsts of a housing crisis and this has huge implications for family run and family owned businesses across the country. The Independent Business Network is calling on the government to take urgent action to address the problems facing individuals, developers and businesses. We need to get Britain building homes at a much faster rate once again.

This report has considered a number of key issues, which currently serve as barriers to development and consequently inflated house prices. Some of those challenges can be tackled immediately while others require a change in thinking over the long term, for example, in transforming the labour issues in construction as well as introducing AI into the industry. Others such as changing statutory instruments to require planning authorities to speed up applications can be implemented immediately. There are of course other issues facing developers at present, namely inflation and supply chain problems which also need to be given appropriate levels of attention, but which this report has not considered.

The government needs to take action on removing unnecessary regulation, which was a commitment it gave to business, and this includes leftover regulations from our membership of the European Union. Core Planning principles need to be fundamentally altered so that planning policies and regulations serve as accelerators of house building and not as barriers to be overcome. This will require an entire cultural change from Whitehall down to the Town Hall that focuses on the benefits of development. Government also needs to undertake a wholesale review into the impact of the green belt on the low levels of house building we are experiencing.

Housing supply is becoming an increasingly prominent political issue. With an entire generation of young people simply not being able to get onto the property ladder and with ever increasing property prices, the dream of home ownership is fast becoming just a dream for many. As the cost of living continues to rise this situation will only worsen.

Giving consideration to an Emergency Planning Act would be a bold measure the government could adopt. While in some quarters it could be politically challenging, the scale of the problem facing the country warrants bold action. Precedent for such measures was set with the passing of the Olympics Act and provided the government with the necessary powers to execute the required actions to ensure the success of the games. Given the enormity of the crisis facing the country, socially, economically and financially related to the lack of affordable housing a measure as bold could be successful in remedying the problem. Looking to examples from Israel and the Tama 38 programme could also provide solutions to the United Kingdoms housing problems.

The Independent Business Network hopes that this contribution to the debate on Housing supply and Planning reform will provide some ideas for turning

current challenges into opportunities. Business prospers when home ownership grows and home ownership can only grow if there are more homes for individual and families to buy. The plans and other measures set out in this paper can help make that a reality.

8. Glossary

National Planning Policy Framework: The National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied.

Planning Inspectorate: The Planning Inspectorate deals with planning appeals, national infrastructure planning applications, examinations of local plans and other planning-related and specialist casework in England.

Levelling Up Home Building Fund: The fund provides development finance for building homes for sale or rent and can provide finance from £250,000 to cover development costs.

Planning Authority: The local Planning Authority is the body which determines whether or not Planning Permission can be granted and under what conditions.

Local Plan: Local planning authorities prepare a local plan which sets planning policies in the local authority area. This document and supplementary planning documents are important in determining planning applications.

Planning Permission: Obtaining approval to undertake a certain piece of building work, which may or may not be granted subject to certain conditions or refused.

Permitted Development Rights: These are certain types of work without needing to apply for planning permission

Growth Corridors: Growth corridors are shaped and supported by a collection of plans and strategies that focus on delivering key infrastructure, housing, jobs, transport, town centres and open space.

Green Belt: The Green belt is a designated buffer between towns and between the town and the countryside. It is a planning tool created with the objective to prevent urban sprawl.

Public Land Disposals: Land which is current owned by the government can be identified for development or community use.

Sustainable Development: Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Environmental Impact Assessment: This is a tool, which provides information on the likely impacts of development projects to those who take the decision as to whether the project should be authorised.

Natural England: The government's adviser for the natural environment in England.

Community Right to Build Order: A Community Right to Build Order is a type of Neighbourhood Development Order and forms one of the neighbourhood planning tools introduced in the Localism Act 2011. It can be used to grant outline or full planning permission for specific development, which complies with the order.

National Audit Office: The National Audit Office scrutinises public spending for Parliament and is the UK's independent public spending watchdog.

Use Classes: Use Classes are the legal framework which determines what a particular property may be used for by its lawful occupants.

Planning Conditions: Planning conditions are imposed to require that something is done or not done by the developer in order to make the development acceptable