



Two days of Government Announcements:
The Budget and
“Planning for the Future”

TFA

Boyer

What does this mean for house building?

The Budget was impressive in its content and delivery with Rishi Sunak showing considerable political skill in offering a positive vision for the Country at a time of anxiety and uncertainty due to the Coronavirus.

We saw great emphasis on bridging the temporary economic effects of the virus through public investment and economic stimulus under the mantra “we’ll get it done”. For the development industry we learned of:

- Renewed commitment to create at least 1 million new homes in England by the end of Parliament and 300,000 homes p.a. by the mid-2020s
- A financial settlement of £12bn for affordable housing
- An increase in Growth Deal funding of around £222m
- Investment in rail to consolidate the go ahead for HS2, including Northern Powerhouse Rail
- £4.2bn of funding for current Mayoral Combined Authorities
- Road Investment Strategy 2 (RIS2) investment of over £27 bn between 2020 and 2025
- £400 million for Mayoral Combined Authorities and local areas to establish housing on brownfield land across the country
- 2% stamp duty increase for non-residents purchasing UK homes
- HIF funding of nearly £1.1 bn of allocations across nine areas to build nearly 70,000 new homes

This was followed today by a Government statement on planning and housing in “Planning for the Future” where the messages for the industry are perhaps more mixed and the proposals may add to the climate of uncertainty.

A brownfield and urban emphasis

It all starts well with a commitment to home ownership and the messages that we should “work together, across the country, to build more homes”, that the planning system currently “fails to deliver enough homes” and a proposal to “accelerate planning decisions”.

Beyond this, there is an overwhelming emphasis on building in urban areas and on brownfield land rather than the principle of releasing land for housing. Much of this is reminiscent of the brownfield first approach of Government Planning Guidance issued almost exactly 20 years ago in PPG 3 (Planning Policy Guidance Note 3: Housing, March 2000).

The emphasis is on housing led regeneration of high streets, building upwards on already developed land and stations, densification, and making the most of brownfield land. This is all backed by yesterday’s Budget announcement of £10.9bn of funding to support the commitment to build at least one million new homes by the end of the Parliament, including £400m to regenerate brownfield land.

There is the clear statement that “The Government will back brownfield, encouraging greater building in urban areas”.

Among the new initiatives are a “national brownfield map” and new permitted development rights to allow vacant commercial buildings to be replaced by new residential units.

Curiously, the Government seems to confuse the issue of how much housing is needed with where it is to be built. Somehow, a new formula to calculate housing need will emphasize “greater building within and near to urban areas”.

The key question is whether the emphasis on brownfield land will encourage investment and incentivise urban development (which is welcome) or deter greenfield release (which could seriously constrain housing delivery).

Positive Measures

That said, there is positive intent here in proposals for up to four new development corporations for the Oxford-Cambridge Arc, a new deadline of December 2023 for local plans to be in place, renewed commitment to the Housing Delivery Test, reforming the New Homes Bonus and a new £10bn Single Housing Infrastructure Fund. The proposals also include application fee rebates where appeals are successful but a suggestion of increased fees to ensure planning authorities are properly resourced.

New Planning Policy

We have yet another change to the NPPF in prospect, this time to “embed the principles of good design and placemaking”. Also the Government says it will look to take forward many of the recommendations of the “Building Better, Building Beautiful Commission” report with suggestions of strengthening policy to ensure new homes “conform to local residents ideas of beauty” with a greater role for design guides and codes.

There is also talk of a “green housing revolution” of attractive and environmentally friendly homes which will include a review of policy on building in areas of flood risk and the Future Homes Standard (FHS) that will require 80% lower carbon emissions from new homes from 2025.

There is a clear issue for the industry in whether it interprets and applies these new requirements to its advantage or resists them as constraints and additional costs.

A New Planning System

There are numerous references to the Government’s intention to make radical changes to the planning system via a comprehensive review but very little on the scope of the changes. The references to reforming the planning system may pick up the agenda of the recent Policy Exchange report “Rethinking the Planning System for the 21st Century”. One of the authors, Jack Airey, is now Housing and Planning Advisor to the Prime Minister so the Policy Exchange report is a good place to look for clues. That said, many of the ideas in that report may prove too radical for Government adoption.

What is encouraging is that the Government is looking to work with stakeholders over the spring and summer to shape its programme of planning reform, including SMEs, housebuilders, local groups and the construction industry which improves the chances of a pragmatic rather than ideological approach to the planning reform agenda.

Whether the principle of major planning reform at this point in time is welcome is very much open to question. Planning has long been a political football and now the Government is suggesting both short term tinkering and radical long term reform. Whether this serves the objectives of stability, confidence and private sector investment at a time of economic uncertainty (and short term anxiety) is a moot point.

Published by TFA and Boyer

Any data or analysis from this report must be reported accurately and not used in a misleading context. If using any information from the report, then its source must be acknowledged.



www.tfa-ltd.co.uk

Tel: 0117 452 0273

Email: enquiries@tfa-ltd.co.uk

 Tristan Fitzgerald Associates (TFA)

Boyer

www.boyerplanning.co.uk

Tel: 0203 268 2018

Email: planning@boyerplanning.co.uk

 boyer-planning