



HOW TO MEET ENGLAND'S HOUSING NEEDS

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About the author

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FOREWORD

The United Kingdom faces a housing crisis. We have not built enough homes to keep pace with an increasing population. That housing shortage has driven up rents and priced the next generation out of ownership. Our existing housing stock is very often in poor repair, especially in the social and private rented sector, and we need to improve the quality of millions of homes.

Ensuring, however, that we build the homes we need in the right places, beautiful buildings with the right infrastructure, while we also safeguard the environment and, where possible, enhance the natural world is not easy. In this thoughtful and wide-ranging study, Simon Randall considers how to balance these important principles. I commend it whole-heartedly.

The Rt Hon Michael Gove

AUTHOR'S NOTE

The first draft of this pamphlet was prepared before the July General Election. Following the change of government, the pamphlet has frequently been amended as policy initiatives and anticipated housing proposals streamed out of the Ministry of Housing, Communities and Local Government.

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COVER IMAGE

Where should we build or not build? Photograph taken on 7th January 2024 of the flooding of fields and roads, in the town centre and around the Abbey, where River Avon joins the River Severn at Tewkesbury.

INTRODUCTION

The Conservative Government had, through Michael Gove, presented a number of new initiatives, described by one commentator as *“the first step towards the housing policy we need”*. The Labour and Liberal Democratic parties also produced a range of policies over recent years.

The Labour Party housing spokesperson considered that *“home ownership was the bedrock of emotional security”* in support of retaining the right-to-buy. A contemporary housing paper put home ownership as one of Labour’s key policies. *The Times* commented that the Labour Party was *“stealing the Tory Party’s clothes to become the party of home ownership”*. Labour subsequently set out various policies to increase house building, in their General Election Manifesto stressing their commitment to affordable housing, including home ownership.

Not to be outdone, the Liberal Democratic 2023 conference won the auction for the planned number of homes at a figure of 380,000 per year, despite their parliamentary candidates in recent by-elections opposing house building proposals. A leaflet from their candidate (now MP) circulating in Witney praised the Liberal Democratic/Labour/Green controlled district council for halving the former Conservative controlled authority’s housing targets.

Over the year, before the election, the newspapers have had acres of space devoted to articles, letters and material about the housing crisis. In addition, every think tank and specialist housing and local government journals have produced their own commentaries about the causes with suggested solutions.

This paper not only outlines how the new Labour Government is approaching housing issues, considers the key issues and builds upon the suggestions with further ideas. It principally covers England, as housing and planning matters are devolved matters in Northern Ireland, Scotland and Wales. Since the Election as new policies have been unveiled the broadsheets have spelled out the consequences of the Labour Government’s housing plans with headlines which have been combined below:

“Local communities and councils will lose right to block new homes which need not to be beautiful, and environmental rules will be lifted to allow rivers to be polluted leaving protection of nature later – swathes of Green Belt could be set aside for new homes at knock down prices”

This paper questions these and other policy decisions, draws attention to the missteps which should be avoided and comments upon some of the controversial changes to the National Planning Policy Framework (“NPPF”); we refer to the former as NPPF 2023 and the revised version as NPPF 2024.

SUMMARY AND KEY RECOMMENDATIONS

1. The Labour Government will use a range of autocratic powers to force over 300 local authorities to have mandatory targets for designating sites over a 5-year period on the basis of at least 4% of the existing housing stock within their boundaries. The Government now regards the changes to the planning system as essential to encourage growth in the UK and will take any steps to defeat local resistance and override concerns about the effects on nature or biodiversity.
2. Their ill-thought-out proposals ignore practical issues such as pressure on housebuilders with increasing costs, insufficiently large workforce and government edict that every development should have at least 50% of affordable housing with emphasis upon social rented homes. In addition, the removal of flammable material from flatted properties needs to be addressed urgently following the Grenfell Inquiry.
3. The changes to the NPPF represent a serious threat to both the Green Belt and the importance of the best and most versatile agricultural land. There is a positive incentive for local authorities to designate the Green Belt or other land where there are no other sites which they consider appropriate. Solar farms or rewilding should not be permitted on either the Green Belt or good agricultural land. However there will be many further changes to the NPPF 2024 together with a Planning and Infrastructure Bill to promote the government's housebuilding challenges.
4. The likely cost of the Labour Government's plans for affordable housing will be a huge burden on the taxpayer and should not be simply an investment but a place to live and make a long-term contribution to our environment. There should be review of funding support for financially-stretched local authorities or housing associations particularly where they are involved in undertaking significant demolition and redevelopment schemes plus remedial work relating to removal of flammable materials or renovation of older housing.
5. There should be no further development on flood plains until the Environment Agency's Map has been updated to take into account recent serious flooding and more accurately predicting incidents in the future.
6. No development should be permitted until there is adequate long-term capacity for current and future sewage treatment as the spillovers into our hitherto pristine streams and rivers is increasing the dangers of flooding and causing huge damage to the natural environment.
7. Contrary to their pre-election publications, the Labour Government now plays lip service to home ownership. As this is the aspiration of young people and couples to own their first home, low-cost home ownership ("LCHO") should be actively promoted through local authorities on their own land. In addition, an LCHO corporation should be created for this purpose and assist local authorities or private landowners.
8. The Labour Government wishes inappropriately to promote unsightly commercial buildings within developments in the Green Belt or other desirable land contrary to local wishes whilst ignoring better opportunities on brownfield sites in our towns and cities.

SYMPTOMS OF THE HOUSING CRISIS

Dwelling stock statistics by tenure illustrate some of the significant changes in recent years as shown in Table 1.

Growth in private renting

Significant features are the growth in private renting – an indication of the number of people unable to buy their first home, and the increase in housing association lettings – matched by the reduction in local authority stock. The latter is accounted for by the number of homes transferred to housing associations through large-scale voluntary transfers coupled with the exercise of

tenant’s right to buy (“RTB”) in the local authority sector and then the housing association sector when transferring tenants retained such right.

The RTB scheme was launched in 1980/81 when 2,328 sales took place, rising in 1982/83 to a record 167,123. Over the years, it dropped to the lowest figure of 2,340 in 2009/10, rising again to 10,978 in 2021/22. Over the period, just under 2 million homes have been sold to tenants in social housing. This is an example of reinforcing a property-owning democracy, although the Labour Government is imposing significant restrictions on RTB, including increasing the requirement for a tenant to live in their home from three to ten years and reducing the discounts to 2012 levels.

Table 1 – Housing tenure (England)

Year	Owner-occupied	Private rented	Housing Associations	Local Authorities
2001	14,735,000	2,133,000	1,424,000	2,812,000
2011	14,827,000	4,105,000	2,255,000	1,726,000
2021	15,858,000	4,876,000	2,524,000	1,581,000

Proportion of dwelling stock in same years – excluding small percentage of other public sector stock

2001	69.5%	10.1%	6.7%	13.3%
2011	64.5%	17.9%	9.8%	7.5%
2021	63.8%	19.6%	10.1%	6.4%

Note: as at 31 March each year.

Universal credit and housing benefit

It is estimated that nearly five million tenants in social housing or the private rented sector are in receipt of either universal credit housing element or legacy housing benefit; 60% of social renters and 34% of private renters are in receipt of such benefits. According to the English Housing Survey, 2020/21 social renters received an average of £85 per week and private renters an

average of £128. The total annual housing assistance cost to HM Treasury is approximately £22 billion and will rise when social housing rents increase by up to 2.7% at the cost to the taxpayer.

Local authority waiting lists

There are 1.2 million people registered on local authority waiting lists. This is the most up-to-date indicator of housing need although it may not be totally accurate as applicants can register at more

than one authority. Many of them will have registered as homeless in the widest definition of the word through not having a permanent home and currently occupying a hotel or bed/breakfast room or other temporary accommodation.

Rough Sleepers

Rough sleepers present a particular challenge and significant effort was put in by the last Government and local authorities as an extract from DLUHC statistics show in Table 2.

Table 2 – Rough Sleepers (single night in the autumn)

Year	England	London	Rest of England
2010	1,768	415	1,353
2012	2,309	557	1,752
2014	2,744	742	2,002
2015	3,569	940	2,629
2017	4,751	1,137	3,614
2019	4,266	1,136	3,130
2020	2,688	714	1,974
2021	2,443	640	1,803
2022	3,069	858	2,211
2023	3,898	1,132	2,766

HOUSEBUILDING STATISTICS

The official statistics shown in Table 3 (overleaf) record all dwellings started during the calendar year commencing with the figures for 1979 and then from 2010 until 2022 divided into categories.

The figures highlight the significant building in the late 1970s and early 1980s. The number of homes built by local authorities dropped dramatically in 1992, and between 1997 and 2009 the number rarely rose above 400 and in one year only 50 homes were completed.

**WHERE SHOULD WE BUILD OR NOT BUILD?
National Parks, AONBs, Green Belt, Flood plains**

England has some of the most spectacular and best conserved scenery in the world evidenced by the fact that England has 10 of the UK’s 15 National Parks within its boundaries covering 10%

of the land area, 33 of the 46 Areas of Outstanding Natural Beauty (“AONB”) covering a further 20% of the land area and Green Belt covering a further 12.6% of the area.

An analysis from the Corine Land Cover inventory shows an overall percentage of land in a more practical sense divided between the four UK nations (Table 4, overleaf). Farmland includes pastures, arable land, orchards and vineyards, whilst “Natural “includes areas such as moors, forests, makes and grasslands. “Built” includes buildings, roads and airports with “Green Urban” incorporating parks, gardens, golf courses and football pitches.

While there are planning hurdles in respect of National Parks, AONBs and Green Belt, there is also a competing demand to maintain agricultural land to maintain our self-sufficiency for food.

Decisions have to be made as to whether we should build on flood plains in the light of the

Table 3 – Housebuilding: local authorities stop building

Year	Dwellings started	Completed	Private	Housing Associations	Local Authorities
1979	190,610	209,460	118,380	16,280	74,790
2010	110,660	106,730	83,280	22,660	790
2011	113,270	94,030	65,890	25,950	2,230
2012	101,030	115,590	88,750	25,440	1,410
2013	124,790	109,450	87,010	21,600	840
2014	140,760	117,820	92,850	23,790	1,180
2015	148,160	142,480	110,700	30,130	1,660
2016	155,150	141,880	115,350	24,430	2,110
2017	164,110	162,470	133,460	27,290	1,750
2018	168,610	162,490	135,220	27,580	2,680
2019	153,000	177,880	143,690	32,000	2,190
2020	129,970	146,660	120,060	25,320	1,270
2021	177,950	174,940	142,140	31,230	1,590
2022	176,390	178,010	144,580	31,830	1,620
2023	149,530	162,800	123,600	35,860	2,360

Table 4 – Land use in 2018

	Farmland	Natural	Built on	Green urban
England	72.9	14.5	8.8	3.8
Northern Ireland	72.2	23.0	3.5	1.3
Scotland	26.4	70.7	2.1	0.9
Wales	59.3	35.1	4.2	1.4

increasing frequency of flooding as the adverse effects of climate change intensify. These issues appear in the revised December 2023 NPPF where no changes have been proposed and are considered below.

FLOODING

Every year there is a striking newspaper picture of Tewkesbury Abbey standing proud amidst a flooded landscape caused by repeated overflowing of the Severn and Avon rivers which merge in the town. The monks clearly had divine guidance because their Abbey is some ten feet higher than the surrounding land. The whole area has been designated as a flood plain by the Environment Agency (“EA”) within one of four categories (see Table 5).

There is a requirement that a site-specific flood assessment or “exception test” is provided for planning applications for all development in Flood Zones 2 and 3.

Paragraph 170 in the NPPF 2024 dealing with planning and flood risk repeats the NPPF 2023 wording:

“Inappropriate development in areas of risk of flooding should be avoided by directing development away from areas at highest risk (whether existing or future). Where development is necessary in such areas, the development should be made safe for its lifetime without increasing flood risk elsewhere”

Fortune-telling skills needed

Interpreting this paragraph requires a fortune-teller both to ascertain the future flooding in a particular area in the light of the growing severity of our storms and the length of the lifetime of the development.

Papers in one recent planning application to Tewkesbury Borough Council showed that the site included land within Flood Zones 2 and 3 and was close to a large area of land in similar Flood Zones. The report states that in accordance with the NPPF it should be treated as “more vulnerable”. The proposal was approved as the new homes will be on higher ground with any floodwater being restricted to the estate’s open recreational ground which residents will see from their homes with an opinion that the building of homes on this land would have no adverse consequences in the town.

The year has seen some devastating consequences of flooding on householders. A significant proportion of these were in one of the Flood Zones listed above. The effects of climate change and the regular storms reaching England will continue to cause flooding in such places as Tewkesbury where flooding was a regular occurrence throughout the 17th and 18th centuries.

The position relating to flooding and the EA’s actions was put into focus in a government paper on the issue which stated that *“The Flood Zones shown on the EA’s Flood Map for Planning do not take account of the possible impacts of climate*

Table 5 – Flood Zoning

Flood Zone	Probability	Definition
Zone 1	Low	Land having a less than 0.1% annual probability of river or sea flooding
Zone 2	Medium	Land having a 1% or greater annual probability of river flooding; or land having between 0.5% or 0.1% annual probability of sea flooding
Zone 3a	High	Land having a 1% or greater annual probability of river flooding; or land having a 0.5% or greater annual probability of sea flooding
Zone 3b	The Functional Floodplain	Land where water from rivers or the sea has to flow or be stored in times of flood. These normally comprise land having a 3.3% or greater annual probability of flooding with existing flood risk management infrastructure or land designed to flood

change and consequent changes in the future probability of flooding". Even more alarming was an article in the Financial Times on 17 January 2024 which stated firstly that *"the sea level in the Thames Estuary is expected to rise about 1.15m by the end of this century and [secondly] that only 9km of the 126km in flood defences was sufficiently high to last beyond 2050"*.

Public Accounts Committee warning

The warning was articulated to the House of Commons Public Accounts Committee who were advised that the risk of flooding had increased and that 5.7m properties in England and Wales (5.2m in England) were at risk in 2022/23. The EA had advised that *"40 per cent fewer properties than planned will receive protection because of rising construction costs"* and this had in turn affected the ability of the EA to maintain existing flood defences and barriers which over time will need to be enlarged.

Before the Election, Sir Geoffrey Clifton-Brown MP, then deputy chair of the Committee (and now Chair), said that the *"alarming truth" is that the "approach to keeping our citizens safe in this area is contradictory and self-defeating, not least in the continuing development of new housing in areas of high risk without appropriate mitigation"*. The EA has just announced that 8 million homes would be at risk of flooding by the middle of the century due to global warming.

There should be no building on flood plains until the EA's Flood Map has been updated to take into account both recent flooding and realistic predictions for the future, no building, other than mitigation work, should be permitted on all flood plains.

SEWAGE TREATMENT WORKS – SPILLOVERS

One of the serious consequences of high rainfalls is that many sewage treatment plants spill thousands of tons of untreated and partially treated sewage into adjacent land and streams/rivers. This has had a devastating effect on the ecology of our streams. It ruins the feeding grounds for fish and

birds, and seriously damages the freshwater streams in the South of England. Some of the spills are not permitted. There appears to be inadequate supervision and poor regulatory action taken against the water companies. In most cases the companies will maintain that they are seeking to enlarge their treatment plants as it will be difficult for them to cope with any significant new housing.

'Grampian' planning conditions

The House of Lords in *Grampian Regional Council v City of Aberdeen*¹ decided that it was lawful for a local planning authority to grant permission, even in respect of land not within the planning applicant's ownership, subject to a negative condition restricting its implementation, in whole or part, until some event has occurred. A further case of *Merritt v SSETR and Mendip District Council*² made it clear that a Grampian condition would be acceptable unless there was no prospect of the action required within the time-limit imposed by the permission. Such conditions until now have been not uncommon. This will change.

The NPPF 2024 paragraph 57, repeating the wording in NPPF 2023, disapproves of:

"Conditions that are required to be discharged before development commences should be avoided, unless there is a clear justification"

As stated in the NPPF, Sections 100ZA(4-6) of the Town and Country Planning Act 1990 will require the applicant's written agreement to the terms of a pre-commencement condition, unless prescribed circumstances apply. Such agreement will almost certainly be forthcoming to gain consent.

THE GREEN BELT: INCREASING PROSPECTS FOR LARGE SCALE DEVELOPMENT

As at March 2023, the land designated as Green Belt in England was estimated at 16,384 km² (or 6,326 square miles). That is around 12.6% of the land area of England according to the recent pamphlet from the House of Commons Library.

¹ (1984) 47 P&CR 633

² (2000) J.P.L. 371

The Green Belt is clustered around 15 urban cores: the largest four being:

- London (5,085 km²)
- Merseyside & Greater Manchester (2,477 km²)
- South and West Yorkshire (2,465 km²)
- Birmingham (2,266km²).

The area is around 0.4% larger than it was in 2006. 65% of Green Belt land is used for agriculture and 37.4% of land in England is designated both as Green Belt and either as a National Park or an AONB or a Site of Special Scientific Interest. Only 7% of Green Belt land is developed and 0.3% of Green Belt land is residential.

The Green Belt's purposes

The NPPF 2024 in para.143 sets out the unchanged five purposes:

- a. to check unrestricted sprawl of large built-up areas.
- b. to prevent neighbouring towns merging into one another.
- c. to assist in safeguarding the countryside from encroachment.
- d. to preserve the setting and special character of historic towns; and
- e. to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

The NPPF 2023 and 2024 discourages any enlargement of the Green Belt but states that:

“inappropriate development is harmful to the Green Belt and should not be approved except in very special circumstances”

There are a limited number of exceptions to this general rule in respect of residential properties including replacement of buildings with those of a similar size:

- limited infilling in villages,
- limited affordable housing for local communities needs such as rural exception sites and
- limited infilling or partial or complete redevelopment of previously developed land and land brought forward under a Community Right to Build Order.

Thus, the prospects for any large-scale development in the Green Belt up to date are extremely limited but as indicated below amendments in NPPF 2024 change this dramatically. We consider below the implications of large-scale developments outside the Green Belt in the context of garden cities or new towns.

Growing calls to relax the Green Belt

There have been growing calls for there to be much more building on the Green Belt. Various statistics have been produced suggesting that if a million new homes were built on London's Green Belt it would only require 25,000 hectares – equivalent to 4.8% of the current area (London Society, October 2014).

In recent months, there have been calls for a more wholesale approach to building on the Green Belt. A survey in *The Times* on 31 October 2023 among young people reported that two-thirds of people aged between 25 to 45 would support ambitious housing policies including reform of the right to develop the Green Belt.

This has been followed by a detailed publication from the Adam Smith Institute, which has long supported development on the Green Belt. Their latest pamphlet proposed that 3.8 million homes be built over 15 years in the various metropolitan Green Belts. It made some complex proposals to gain support for this through shares in the developments issued to landowners, local residents, local and central government.

Perhaps most surprisingly, Tony Juniper, chair of Natural England, supports building on the Green Belt to solve the housing crisis on the basis that any development should enhance the area and provide better access to good quality, wildlife-rich green space and woodland. A report from the Times stated that Angela Rayner had “*cleared Green Belt land the size of Surrey for housing*” which is 192,015 hectares. She should concentrate on ensuring that the land which has planning approval for about one million homes is built upon rather than damaging any more of the Green Belt.

CHALLENGEABLE AMENDMENTS TO THE NPPF

The changes made in NPPF 2024 relating to Green Belt coupled with the control of decision-making by the government will irretrievably damage large areas of the Green Belt in the light of the following:

1. Whilst it is proposed that boundaries should only be altered in “exceptional” circumstances this includes cases where a local authority cannot meet the need for housing, commercial or other development – and any part of the Green Belt could be used.
2. The previously Green Belt developed land, or “Grey Belt” can be used automatically. Grey Belt is defined as “as land in the Green Belt comprising previously developed land and/or any other lands, that in either case, does not strongly contribute to any of the purposes (a), (b) or (d) in paragraph 143” [see page 9 above]. It is specifically stated that Grey Belt excludes land in areas such as National Landscapes or National Parks which would provide a strong reason for refusing or restricting development. How does one decide if land “does not strongly contribute” to the purposes mentioned? This definition highlights potential opportunities for landowners or their tenants to despoil their Green Belt land and turn it into Grey Land ripe for development or legitimately encourage the development of large areas of land with glasshouses which subsequently become ripe for housing development.
3. “Major development” is defined in NPPF 2024 – for housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more and for non-residential development it means additional floorspace of 1,000 sq metres or more, or a site of 1 hectare or more.
4. If a local authority cannot demonstrate a five-year supply of deliverable sites or that delivery is below 75% of the housing requirement over the previous 3 years or there is a demonstrable need for land to be released – this too could involve release of Green Belt land for building. It is worth recording that none of the current Cabinet members represent a rural constituency and clearly do not understand the importance of our Green

Belt, protected landscapes or the need to retain suitable agricultural land for food production.

5. The various phrases used in the NPPF 2024 relating to the Green Belt such as “*previously developed land*”, “*does not strongly contribute to the three purposes mentioned*”, “*major development*” and “*appropriate proportion being Social Rent*” will inevitably discourage most housebuilders except those who will see the opportunity to obtain planning permission where a local authority has not had its five-year housing plan accepted. Interpretation of these provisions will be a fruitful opportunity for planning lawyers and require the courts to adjudicate on the appropriate approach to each definition.
6. While Section 6 of the NPPF dealing with building a strong, competitive economy is undoubtedly supported by all UK’s political parties, the Labour Government are actively promoting a search for sites for wide range of commercial buildings. Recently we have seen how Angela Rayner, in her role as Secretary of State for Housing, Communities and Local Government is planning to decide upon a planning appeal and give consent to a commercial development opposed by Buckinghamshire County Council. Indeed, in para.86 (c) of NPPF 2024 has been inserted a new planning policy to encourage and promote development such as laboratories, gigafactories, data centres, digital infrastructure and, more recently, AI centres with the government regarding them as national projects with planning permission decisions made in Whitehall.

The Golden Rules

NPPF 2024 introduces the concept of Golden Rules for Green Belt development in paras. 156 and 157 supplemented by paras.67 and 68. These Rules set out certain requirements which include: (a) necessary improvements to local or national infrastructure; (b) the provision of new, or improvements to existing, green space that are accessible to the public; (c) affordable housing set at a higher level than would otherwise apply to land which is not within or proposed to be released from the Green Belt; and (d) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable. The

government would clearly wish to have affordable housing at 50%, with a high proportion of social rented housing, but have accepted that viability is always likely to be a problem with no doubt housebuilders arguing for a much lower percentage figure.

In para. 158 of NPPF 2024 it states that “A development which complies with the Golden Rules should be given significant weight in favour of the grant of permission” and it is likely that the new provisions will appear in the Planning and Infrastructure Bill which will dictate that if these Rules are followed planning permission will automatically be granted without a review or decision by a local authority Planning Committee.

These Golden Rules threaten to ruin thousands of hectares of our Green Belt and rural areas and the fields of barley which reflects the lyrics of Sting’s “Fields of Gold”, popular at funerals, where the beautiful fields are overlooked by an angry and jealous sky.

The environment

The government are consulting jointly through both the MHCLG and DEFRA on plans to significantly amend the Habitats Regulations and override the process of ascertaining the nature needs of sites through creating one or more delivery bodies - perhaps under the aegis of Natural England who are in favour of building on the Green Belt – who will prepare a Delivery Plan which establishes “a robust delivery pathway”. The developer will make a payment to the Nature Restoration Fund in return for the relevant species licence with “no further requirements”. Thus, the developer will proceed with the development leaving the delivery body to undertake the work after completion of the homes with funds from the NRF. This latter Fund is a sop for all our bodies concerned about climate change, nature and preserving our countryside who need to be wary of a government which will do anything to build the homes they consider necessary regardless of the views of local communities and their residents

Balancing finite resources

England has a finite area of land. With the rising sea waters and dramatic increases in stormy

weather, we are losing homes to the sea. There will need to be a balance struck between using up some of our precious Green Belt or good quality agricultural land and building on other protected areas. Once such land is developed it will always remain as such and never return to its former natural state.

Agricultural land grades

A helpful paper from Land Research Associates outlines the Agricultural Land Classification which is divided into Land Grades:

Grade 1 – excellent quality agricultural land.

Grade 2 – very good quality agricultural land.

Grade 3 – divided between 3a, good quality, and 3b, moderate quality producing moderate yields of a narrow range of crops (mainly cereals and grass) or lower yields of wider range of crops, or high yields of grass (for grazing/harvesting).

Grades 4 and 5 – poor quality and very poor-quality agricultural land.

The NPPF 2024 states in paragraph 187(b) that the “best and most versatile agricultural land” should not be built upon as “areas of poorer quality should be preferred to those of a higher quality” the latter being Grade 3b, 4 and 5. The footnote to para. 188 of NPPF 2023 stated that:

“Where significant development of agricultural land is demonstrated to be necessary, areas of poorer quality land should be preferred to those of a higher quality. The availability of agricultural land used for food production should be considered, alongside the other policies in this Framework, when deciding what sites are most appropriate for development”

The important second line has been deleted in NPPF 2024 as the prime purpose of our agricultural land is for food production for both humans and animals and arguably this is more important than any development.

Opinion – no building on better quality land

The NPPF 2024 should have been more definitive and ensure there is no building upon the better-quality land in England. The UK as whole must be self-sufficient in food production. The UK Food

Security Report 2021 published by DEFRA drew attention to the fact that we are a net importer of dairy and beef, we produced over 50% of vegetables consumed domestically but only 16% of fruit.

Solar farms' risk to higher quality agricultural land: a ban needed on Grade 1 – 3a land

There is a much greater risk to our higher quality agricultural land from the large number of projected mounted solar schemes throughout England. The CPRE has researched the number of projected new sites in excess of 300 acres projected as at early February 2024 which total just over 11,000 hectares (110km²) or 38,000 acres. In Oxfordshire alone there are 2,800 hectares proposed for similar ventures or just under 7,000 acres which is three times the size of Abingdon.

There should a complete ban on these “solar farms” for all agricultural land within Grades 1,2 and 3a plus similar restrictions on re-wilding such land.

The Conservative Party needs to maintain its credentials as the principal political party supporting our countryside, supporting our farmers, rural towns and villages. The government must maintain the balance between preserving the countryside, retaining and preserving good quality agricultural land – even if that results in fewer solar farms as a consequence – and enabling more smaller homes to be built on “excepted” or other appropriate sites for younger people or couples.

The amendments in the NPPF 2024, coupled with the recent budget proposal to bring farming land within the inheritance tax regime, shows a huge indifference from the Labour government to our countryside, agricultural heritage and our farmers. Perhaps not surprising as there is no member of the cabinet nor the DEFRA ministers representing a rural parliamentary seat.

THE NPPF CASELAW

The previous Government’s planning guidance in the NPPF 2023 gave rise to a comment in one of the leading cases, *Paul Newman Homes Limited v Secretary of State for HCLG and Aylesbury Vale*

*DC*³, from Lady Justice Andrews in the Court of Appeal that:

“Ever since a NPPF was first introduced in March 2012, the interpretation of its provisions has provided a fertile hunting ground for planning lawyers. The 2018 version was intended to produce greater clarity and simplicity, but unfortunately it has not been entirely successful”

This particular case related to the wording of, arguably, the most important aspect of the NPPF 2023, namely the presumption in favour of sustainable development [paragraph 11] with sub-paragraph (d) being the target of the plaintiff in this case. Similar cases also referred to paragraphs 14 and 49. The key element in the presumption appears in Note 8 at the foot of the page relating to a local authority which does not have a development plan. Such a plan, while not mandatory, is advisable. The lack of such as a five-year supply of land could tilt the local authority into granting planning permission for an unsatisfactory scheme.

The only Supreme Court case relating to the NPPF is *Suffolk Coastal District Council v Hopkins Homes Ltd and Richborough Estates Partnership LLP v Cheshire East Borough Council*⁴. This was also devoted to the interpreting paragraph 49 and reinforced the importance of local authorities having local housing plans with paragraph 49 being the default position providing a way for a local authority to resist a planned development with other robust policies.

Although there was no mandatory requirement to have housing targets, Michael Gove, the former Secretary of State for DLUHC, has urged authorities to consider making decisions on such targets. The other interesting case on the NPPF is the Court of Appeal decision in *Secretary of State for CLG v West Berkshire District Council*⁵. This related to a House of Commons Ministerial Statement which advised that small housing sites of ten units or less than 1,000 square metres of

³ [2021] EWCA Civ 165

⁴ [2017] UKSC 36

⁵ [2016] EWCA Civ 441

floorspace would not be required to make affordable or tariff-style section 106 contributions. The Court of Appeal held that the Secretary of State had the power to make such a decision; powers under in the planning legislation permitted not only the issuing of the NPPF but also decisions which reflect the government's planning policies.

LOCAL AUTHORITY HOUSING TARGETS

While there were no mandatory housing targets for local authorities preparing their local plans under NPPF 2023, under para.69 of NPPF 2024 the following was taken unaltered from the earlier NPPF:

“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period”

The same paragraph continues:

“Once the strategic policies have been adopted, these figures should not need re-testing at the neighbourhood plan examination, unless there has been a significant change in circumstances that affects the requirement”

Michael Gove opined that:

“There is now no excuse for not having a [housing] plan in place and no excuse for not making sure that planning applications are dealt with in a timely fashion”

This statement also suggested that local authorities should set aside land for smaller builders (“SME”) in an attempt to increase competition in the sector and reduce the dominance of large developers which appears to be more important following the announcement of the CMS investigation referred to above. The 2023 changes to the NPPF had no chance of being properly tested.

The changes proposed by the Labour Government to the NPPF will, according to the planning consultants, Lichfields, incorporate mandatory targets for local authorities. They will be based upon a new Standard Method (“SM”) mathematical calculation at 0.8% of existing housing stock per

year and an uplift based upon a three-year average of the median workplace-based affordability ratio with an increase of 15% for every unit above four. This approach, if adhered to, will boost housebuilding by 100% in the North East, 76% higher in the North West and between 20 and 70% elsewhere. The government will be closely monitoring progress against the SM targets and have indicated that local people will have no influence or involvement as to where housebuilding will take place.

Calculating the mandatory requirements for each local authority under NPPF 2024 will require local authorities to monitor both the projects selected in their local plans and their progress with development. This will add to the complex issues associated with planned local government reorganisation requiring the monitoring of those authorities being abolished before the relevant unitary authority takes over. Thereafter the government will have significantly fewer local authorities to harass.

Furthermore, the government has indicated that where local authorities are recalcitrant either to incorporate their SM target in their existing or future local plan or earmarking sufficient sites, their housing programme will be taken over by the government for implementation. The whole emphasis of the new housebuilding regime is centralisation of the decision-making – quite contrary to the Labour Party's manifesto to “devolve power to the people”.

It is to be hoped that all Labour and Liberal Democrat members of parliament will follow the lead of the new housing minister, Matthew Pennycook, in opposing a major unsightly development in 2021 in his Greenwich constituency, as their constituents will not forget their action or inaction at the next general election.

AVAILABLE LAND FOR BUILDING

Virgin land

The above might suggest that there is unlikely to be any significant land available for housebuilding. However recent research and disclosures have outlined a number of additional sources of land.

Local authorities, government, health authorities and the Church of England often own virgin land which has in some cases been in their ownership for many years. An example of a planned landowner's development is the 2,350 homes being constructed by the Earl Bathurst on his estate outside Cirencester in the Cotswolds.

The government and its quangos

The government and its quangos have huge land holdings although some have little or no developable value – they include the Forestry Commission with 2.2 million acres and the Ministry of Defence with 1.1 million acres some of which might be made available as the size of the UK Armed Forces reduces rapidly. DEFRA owns 116,000 acres. Non-governmental bodies such as the Crown Estate own over 678,000 acres and the Duchy of Cornwall owns 130,000 acres and many urban residential properties, the latter of which HRH The Prince of Wales has indicated might be used to house homeless people before he inherited the ownership role.

Local authorities

Local authorities' own allotment sites of over 30,000 acres, some of which are under-used, and larger sites/farms out of town covering over 200,000 acres although these are generally situated in good quality Green Belts to protect them from development.

The Church of England

The Church of England in a recent report from their housing commission referred to the 105,000 acres owned by the Church some of which could be made available for new development; and it stressed that they would not necessarily be seeking full market value on any sale.

Unlocking brownfield land

Recent publications have indicated further opportunities. Following detailed research by Development Economics on behalf of British Land, Landsec and the Berkeley Group, it was estimated that unlocking brownfield urban regeneration sites could provide 1.3 million new homes by 2035 and deliver over a million new jobs. The government

have published a consultation paper which indicates little enthusiasm for brownfield development when “*considered alongside other aspects of national as well as local policy*”.

SOME FACTORS INFLUENCING DEMAND FOR NEW HOMES

More single people

Many factors have always influenced or affected demand over the years including the growing number of single people living alone either through choice or marriage/partner separation, older people living longer and the number of second or empty homes.

Population growth

However, the defining change affecting demand arises from the significant increase in the UK population, including the dramatic increase in net migration by 728,000 in the year to June 2024. The population increase estimated by the Office of National Statistics indicates that the population will be 70 million by 2026, ten years sooner than previously projected. The ONS estimated that an additional 156,000 homes will be required each year just to cope with migration to the UK. The Centre for Policy Studies suggested that the overall growth in population will require a total of 5.7 million more homes between 2021 and 2036. Such a task seems impossible without some worldwide discussions to reduce the tide of migration from poorer or unstable countries principally to European countries, the UK, USA and Canada which threatens to overwhelm Western countries as a whole.

Fewer home owners, more renters

The statistics in Table 1 above indicate that the percentage of homeowners has dropped by six percent between 2001 and 2021. Over the same period, private renting has increased by nine and a half per cent whilst social housing as a whole has reduced by three and a half per cent principally due to tenants exercising their right to buy option.

The figures for available homes are affected by the number of second/weekend homes at just over 800,000 in the 2021/2022 statistics.

There are 1.2 million homes owned and let in the private rented sector. The latter is the first option for younger people sharing, students and immigrants. The pressure on this sector has resulted in more competition and higher rents. Gradually institutional investors are building homes for market rent, anticipating that rents will continue to result in above inflation rent increases.

The government has introduced the Renters' Rights Bill which reflects the previous Conservative Government's Renters (Reform) Bill. It includes the abolition of no-fault eviction, which has always had all party support, together with some provisions for Scotland and Wales, the latter appearing in Welsh in the text.

COMPETITION ISSUES

The Local Government Association in May 2021 calculated that over 1.1 million homes with planning permission were waiting to be built – there needs to be both incentives to ensure early completion of all such developments. It may well be that they relate to some of the alleged landbanks owned by housebuilders who wish to maximise their profit on such land. This has given rise to a market study or competition probe being undertaken by the Competition and Markets Authority (“CMA”) into Persimmon, Taylor Wimpey and Barratt. This will look at issues such as the lack of competition in the sector and the barriers to entry. The announcement that Barratt has taken over the shares of rival Redrow has involved the CMA who are seeking commitments from the new entity as to the potential lack of competition in some areas of England.

Market failure

A recent market study on housebuilding report from the CMA contained was critical of the market stating it was *“not delivering well for consumers and has consistently failed to do so over successful decades”* and that *“housebuilding has only reached the levels that are currently being targeted in periods where significant supply was provided via local authority building”*. The report commented that the private market had benefited from low interest rates and the Help to Buy

schemes' support for first time buyers. The latter had had the effect of maintaining high prices for the benefit of housebuilders and to the detriment of buyers. It recommended that there had to be some “carefully defined” intervention in the market to increase demand without increasing prices.

More seriously still, the report stated that

“We are concerned that any sharing of non-public information [on sales prices, incentives and rates of sale] may have the object or effect of preventing, restricting or distorting competition”

In the light of these concerns, the CMA, in February 2024, launched an investigation into this under the Competition Act 1998. The larger housebuilders have such a major impact on the market to ensure prices of new homes always show an upward trajectory with maximum profit from the sale of land within their land banks, and the non-exercise of over one million unused new home planning permissions.

MICHAEL GOVE'S KEY PROPOSALS IN 2023

Michael Gove made a range of important announcements in 2023 and introduced a number of thoughtful proposals outlined below:

Brownfield land

There are many areas of unused or underused brownfield land both in urban areas and, to some extent, in the Green Belt. Housebuilders prefer virgin sites and there should be some incentives to develop brownfield land with higher densities with a mixture of both market sales and social housing. Indeed, there are still a handful of former bomb sites in London which remain undeveloped after more than 80 years.

Garden communities/new towns/Oxford and Cambridge corridor

The Conservative party supported garden communities and the Labour Party supports one or more new towns. The Labour Government anticipates announcing a number of sites for their planned new towns, which could provide significant new homes although these should not

be built on any flood plains or Grade 1 to 3a agricultural land.

The popular sites are likely to be within the following – Thames Estuary near Ebbsfleet, Hale near Manchester, Reading, Oxford, Norwich, South Hampshire, Cambridge and the M1 corridor near Milton Keynes. Both support a similar solution with emphasis around Cambridge associated with the current construction of a railway link by the East West Rail Consortium between Oxford and Cambridge.

An interesting report about the effects of HS2 showed that there had been considerable interest in range of commercial and residential developments close to the new Solihull interchange. A similar approach could be adopted for the Oxford/Cambridge corridor with the prospect of new and efficient public transport with a range of employment opportunities generating from the growth in the two universities' world-renowned research capabilities.

Beautiful homes

The NPPF 2023 stressed the importance of building new homes in the Green Belt or elsewhere which are attractive, reflect local architecture or stonework rather than some of the uninteresting standard homes built by large scale builders. Oxfordshire has some examples of unattractive and out-of-place homes which should have never been given planning permission. While the word "beautiful" has been deleted from the heading which precedes para.131 in the NPPF 2024 the first line states that:

"The creation of high quality, beautiful and sustainable buildings and places is fundamental to what the planning and development process should achieve."

In the light of the fact that few large-scale housing developments have been designed by architects, perhaps there is a hope that these new homes will, after all, be less uninspiring than we frequently see being built today?

If any land is developed for housing it must involve properties reflecting local architectural styles. As suggested by CPRE in their Green Belt Vision, any development must take into account farming and

forestry policies to protect and enhance the countryside. A recent letter to the Financial Times recorded that:

"there is no collective notion of beauty and a way to implement it to a high standard. Buildings and streets are of extreme importance to the future of our country as they are what we leave to the next generation"

Thus, new housing should not simply be an investment but a place to live and a long-term contribution to our environment.

The Labour Government are taking a sledgehammer to our green and pleasant land and perhaps they are extending the alleged plans of Herbert Morrison to "build the Tories out of London" to rural areas despite having few MPs representing such areas and none in the Cabinet.

Conversion of office buildings into residential apartments

While this is clearly a novel scheme for the growing number of excess office premises due to the increasing working from home approach, conversion may present some issues, with provision for parking being a particular problem.

OTHER PROPOSALS

There have been myriad other ideas to increase the number of available properties for rent or purchase. Some of the most attractive are mentioned below.

Better use of local authority houses and land

Harry Phibbs has written articles in Conservative Home highlighting the appalling waste of both properties and land, the figures below appeared in the 8 January 2024 publication. He drew attention to the fact that there were 33,393 council homes that have stood empty for over six months and that there were 14,090 households in bed and breakfast accommodation.

Table 6 (overleaf) gives a few examples of local authorities whose empty homes could easily house their local households in bed and breakfast accommodation. If the authorities concerned have no funds to repair their properties, they should

Table 6 – Empty homes and garage sites as at 8th January 2024

	Birmingham	Camden LBC	Ealing LBC	Leeds MBC	Sheffield CC	Southwark LBC
Number of empty homes	1,015	591	796	966	976	1,512
Households in B & B home	861	140	333	80	16	140
Empty garages	3,658 out of 7,260	Possibly 901	455 out of 1,207	1,704 out of 4,891	1,670 out of 3,355	1,850 out of 7,065

either be obliged to enter into a refurbishment contract with or sell them to an SME builder who could carry out the work and make available the property to a new tenant family.

- **These garages** are poorly managed and often let to non-tenants. The land they occupy should either be sold for private market development or the local authority should tender out the site for development by a local SME builder for low rise social housing or alternatively for the suggested low-cost homeownership initiative referred to below.
- **Waiving SDLT** for downsizing older people – this has been suggested by two publications so as to encourage them to move to suitable housing by removing SDLT payable on the purchase transaction. A similar arrangement could apply where any individual (of any age) is moving from an under-occupied house to a smaller home where SDLT would not be paid on the purchase.
- **Coastal areas** – the *Onward* think tank produced an interesting paper highlighting the pressing need to support our coastal towns drawing attention to the four features which general apply:
 - Poorer neighbourhoods
 - Higher crime rates
 - Poorer health of their residents
 - Worse housing.

The paper points out that these features are mutually reinforcing. Whilst long term effort will be required to deal with the three root causes of the coast’s decline – industry, seasonality and

demography – there are significant opportunities for regeneration within many coastal towns as land prices and property are significantly lower than neighbouring inland areas.

There have been some outstanding examples of resuscitating coastal towns such as the Turner Contemporary Gallery transforming Margate and how the De La Warr Pavilion is doing the same to Bexhill.

Generally, seaside resorts on the South coast do well with examples ranging from Brighton (unlike nearby Hastings which still struggles), Bournemouth, Lymington and Salcombe (with sailing opportunities) down to Cornwall. Many resorts suffer from higher priced houses due to the presence of many second homes.

Special regeneration areas

The *Onward* paper recommended that government should create a number of special regeneration areas or “coastal neighbourhoods” in a number of seaside resorts to overcome some of the root causes referred to above, including improving poor-quality houses in multiple occupation. Increased council tax on second homes could be invested in the community.

HOW WILL THE GOVERNMENT ENABLE 300,000 HOMES TO BE CONSTRUCTED EACH YEAR?

A review of the figures in Table 3 indicates that of the 178,000 properties completed in 2022, 80% was built by the private sector and just under 20%

by housing associations, with a small balance being constructed by local authorities - although some of the private sector homes would have been for the private rented sector and probably for housing associations.

Financing

A recent paper prepared by the Centre for Economics and Business Research on behalf of the National Housing Federation and Shelter suggested that 90,000 social homes were required each year for ten years and produced some challengeable figures suggesting a net positive economic and social impact. It calculated the upfront cost of building 90,000 homes in a given year at £35.4 billion, of which government grant would be £11.8 billion (or more). The balance of £23.6 billion was to come from the housing association or local authority. But their figures did not take into account the housing benefit costs of paying for the tenants of these new homes – or the first-time tenants of the homes which had been vacated. These could well amount to a further £2–3 billion per year. An annual commitment by the government of £11.8 billion per year for ten years is a significant commitment. From where would the finance come?

The recent report of the Grenfell Inquiry highlighted the urgency of remedying the flammable cladding to thousands of flatted homes and stressed the need to comply with the requirements of the Building Safety Act 2023 requiring sign-offs of new tall buildings. Although ultimately some of the remedial cost will be defrayed by the companies responsible for supplying and fitting the cladding, there will be an initial outlay running into billions of pounds which will have to be paid by the government particularly for local authority and housing association properties.

The figures in Table 3 also indicate that while the housebuilding figures for completion and starts in 2021 and 2022 are the highest for many years, the completions are well below the 300,000 target which is the Labour Government's target. There are some other issues which may affect the country's ability to reach such a target:

■ *Building costs*

A number of leading housebuilders suggested during the middle of 2023 that building and material costs were easing. However, wage inflation was a pressure, as would be general building costs if there was a concerted effort to meet the target. Perhaps not surprisingly it was reported that housebuilders favoured the Labour Party's housing policies.

However, that enthusiasm will have been shaken by the recent budget announcements which increased the employer's national insurance contribution and lowered the earnings starting point. As Jonathan Hulley in his article in *Conservative Home* pointed out the annual cost to housebuilders for their 2.1 million employees would be close to £3 billion.

This issue has been dramatically highlighted by the Vistry Group, who declared their intention to concentrate on affordable housing, and have in the past few months given three profit warnings arising from huge cost increases which has resulted in a halving of their share price.

■ *Building capacity*

A recent article in the *Times*, prompted by a report from *Capital Economics*, drew attention to the fact that eleven of the largest housebuilders were responsible for constructing 40% of new homes and that some of those housebuilders and their marketing practices are being investigated by the CMA. They control the private sale market with little or no competition and it is questionable as to whether they would or could be able to increase housebuilding to reach the target.

The construction figure is in contrast to SME builders who had 40% of the housebuilding market before the 2008 financial crisis and are now reduced to 15%. The more serious issue relates to the fact that there are many thousands of vacancies in skilled building workers with the three highest shortfalls being in electricians, carpenters/joiners and plumbing/heating engineers although all other crafts are also affected plus the recent collapse of ISG, a major construction company. The additional national insurance costs

and the planned changes to employment legislation may well influence recruitment on the part of housebuilders.

The importance of EIAs

The case of *R (Finch on behalf of the Weald Action Group) v Surrey County Council and Others*⁶ decided in the Supreme Court has huge implications for larger new housing developments as environmental impact assessments (“EIA”) are required under the Town and Country Planning (EIA) Regulations 2017. The EIA must identify, describe and assess factors that have a direct or indirect effect on – population and human health, biodiversity, land, soil, water, air and climate, and cultural heritage and the landscape.

In the Surrey case, which was concerned with the creation of wells to extract oil, decided that the local authority should take into account the long-term effects of the emissions when the oil was burned in the future. This decision will impact upon building homes which rely on gas for central heating, cooking and hot water and developments which seriously harm biodiversity or landscape.

Water companies’ sewage discharge

As mentioned above in many parts of the country the water companies are discharging millions of gallons into our streams and rivers because of lack of capacity in the sewerage treatment works, with Thames Water being one of the principal culprits. Thus, the companies argue that they are unable to cope with new developments until their existing facilities are appropriately enlarged. This has given rise to the potential use of Grampian conditions in the event of planning consent being granted. The recent announcement that the government has cancelled the scheme to restore the chalk streams in South-England is indicative of the Whitehall thinking about nature restoration.

This is a problem which will be exacerbated with the planned programme of housebuilding and have a devastating effect on the cleanliness and the general health of our streams and rivers. The Evenlode river which runs through the Wychwood

villages, Charlbury and Woodstock into the Thames was clear and sparkling last year – it is now a dense light brown cloudy colour.

Biodiversity

Under the Environment Act 2021, all local authorities are obliged to consider what they can do to consider and enhance biodiversity through policies and specific objectives, and any planning application is required to submit a statement as to the implications for the development. These submissions will require careful consideration particularly as the required biodiversity work may well take after completion and occupation of the homes when enforcement will be much more difficult.

Viability in relation to Green Belt release

The first proposed amendment to NPPF 2023 suggested that all Green Belt development should incorporate at least 50% of affordable housing with the emphasis upon social homes. Due do doubt to representations from housebuilders, the NPPF 2024 has been amended on viability grounds so that the 50% target will be an aspiration. Viability will be assessed as set out in the national policy practical guidance.

The Labour government have realised that the opportunity under Sections 188 to 190 of the Levelling-up and Regeneration Act 2023 (“the 2023 Act”) to compulsory purchase land on a “no-scheme” basis ignoring hope value, presents them with the opportunity of buying Green Belt or Grey land to improve viability of housebuilding projects There has been some publicity about widening this opportunity which no doubt will be revealed when the Planning and Infrastructure Bill are published.

No social housing grant for non-performing LAs

Whilst there will clearly be significant private market housing, social housing will be the responsibility of housing associations and local authorities. But social housing grant should not be provided to any local authority which has published notices under Section 114 of the Local Government Act 1988 or had a Best Value notice served upon it under the Local Government Act 1999 or sought

⁶ (2024) UKSC 20

capitalisation support from the government as well as having a significant backlog in renovating their older housing stock.

Local authorities as a whole are seeking additional government funding. They should satisfy Homes England that with the receipt of grant funding they are in fact able to complete the homes anticipated.

Penalties for poor-performing housing associations

As far as housing associations are concerned, Homes England should carefully study the nature of the Housing Ombudsman's maladministration cases and if there are a significant number of cases involving the condition of an association's property, this should result in a reduced amount of grant for new housebuilding and greater emphasis on renovating their existing stock.

Affordable housing

When general schemes are being designed involving with both market sale and social/affordable housing, it should be borne in mind that shared ownership and low-cost home ownership would qualify as affordable housing under the current regulations although shared ownership has considerable disadvantages for those homeowners.

HOME OWNERSHIP – the need for Low-Cost Home Ownership (“LCHO”)

It is the desire of the overwhelming majority of people to own their own home. The number of first-time buyers has dropped to a ten year low this year and despite their early pre-election promises, the Labour government has ignored their aspirations. The Conservative Party should retain its support for and continue to promote the notion of a property-owning democracy. This was stressed by Michael Gove who warned the Party that democracy was in danger if the aspirations of young people's home ownership aspirations could not be achieved in their thirties.

Wrong initiatives

Unfortunately, some of the previous government initiatives such as 99% government-backed mortgages, Help to Buy and Equity Loan schemes

have tended to increase house prices. This was confirmed in the March 2021 House of Commons Briefing Paper which also considered that some of the schemes were not well targeted.

Merits of the First Homes Scheme

The one new scheme which merits further development is the First Homes Scheme which had only a limited target of 1,500 homes although the Labour Government has down played its relevance and in NPPF 2024 suggests that its use will be up to local authorities.

An expanded scheme should use the 50-year-old Bromley Scheme, outlined in the Society of Conservative Lawyers' November 2020 publication “*New Opportunities = New Homes?*”. This scheme was undertaken by London Borough of Bromley Council which owned derelict allotment land upon which Wates built the homes. They were largely semi-detached or terraced houses, and only the land was sold to the first purchasers at a significant discount. Wates handled all the sales and received a builders' profit and sales commission. The purchasers were either existing Bromley Council tenants or those on the council's waiting list. All the properties were quickly sold and had a limited clawback arrangement for an early sale.

Like the First Homes Scheme this should be the basis of any future programme to provide LCHO for first time buyers with a longer-term clawback arrangement. This scheme did not involve Wates having to buy any land and their cash flow was secured by certainty as to the building programme. Indeed, housebuilders may now have to concentrate on building on a third party's land, with far less risk and cost, and rely on their building profit. In the case of sale of local authority-owned land at less than market value, consent from the Secretary of State is required under Section 123 of the Local Government Act 1972 which was given in the Bromley Scheme. All future buyers will always be first time buyers who could be tenants of local authorities, housing associations or private sector landlords, key workers or members of our armed forces. There would never be a shortage of potential buyers and the price of the homes should not suffer from valuation inflation.

LCHO DEVELOPMENT CORPORATION

If the Conservative Party accepts that there needs to be a dramatic increase in the opportunities for first time buyers, the mechanism for creating such opportunities is not available elsewhere in the public sector. The Conservative Party should actively encourage Conservative-controlled local authorities to promote LCHO schemes in their area on land owned by the authority or enable the creation of a dedicated development corporation with the specific object to promote LCHO developments within the provisions in the Local Government, Planning and Land Act 1980 (as amended by the 2023 Act) with the following basic arrangements:

1. Ability to purchase land from local authorities, government departments and others referred to above along the lines of the Bromley scheme at less than market value assuming no hope value.
2. As with the First Homes Scheme, a binding planning condition requiring future houseowners to be first time buyers would be included in the planning consent.
3. While compulsory purchase could be a route under the 2023 Act affording the opportunity for direct negotiation with a landowner, any change under the new Bill may facilitate purchase of the land at significantly less than full residential value.
4. There could either be a planning regulation which gives a presumption of planning approval to an LCHO scheme or the development corporation would have planning approval powers.
5. The corporation would have freedom to arrange the building of LCHO homes either as part of a larger development or as part of an “excepted site” within a rural area or with a larger development which they promote.
6. The current Lifetime ISA should be an important entry point for applicants and should perhaps be expanded in terms of the maximum sum which could be saved and benefit from the government’s contribution.
7. The corporation would work with SME builders who almost certainly would have contact with landowners who would be happy to provide land at less than market value so as to provide new homes for younger people who might otherwise move away from the area.
8. The existing First Homes Scheme could be the building block upon which the LCHO Development Corporation could be promoted despite the Labour Government’s poor view of such scheme.
9. The corporation will need to be led by a team with all-round experience in the housebuilding world.

A scheme of this nature is more likely to receive support from local residents than (say) a large-scale development from one of the large housebuilders, particularly as it would be aimed at young people living within the area. Furthermore, it would act as good competition for housebuilders who rarely lower their prices.



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