

Dear Colleagues,

2021-5 Planning & Housing

Thank you to everybody who participated in our consultation on Our Relationship with the State. If you have not yet contributed to this, the deadline has been extended (thanks to popular demand) to 28 November, so there is still time for you to let us know your views.

This new consultation paper is **the second in our series of three on topics decided by you, the members**, rather than being chosen to align specifically with the Government's policy agenda. It invites your input on planning and housing—perennial hot topics for many members.

Please send your responses to the questions in this paper to CPF.Papers@conservatives.com, using the associated response form published alongside the paper on the CPF website. The deadline for submitting your response is 16th January 2022. We aim to publish our next discussion paper, on Jobs & Pensions, on 17th January 2022.

A summary of responses to this consultation paper will be sent to the Prime Minister's Policy Unit, relevant Ministers, Party Chairman and CPF Chairman by mid-February. We look forward to hearing your ideas.

Kind regards,

The CPF Team

John Hayward
CPF Manager

Anna Firth
Voluntary Director

Katrina Sale
Head of Digital

John Penrose
Chairman

Peter Booth
Vice-Chairman

www.conservativepolicyforum.com
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The Challenge

"Rising house prices and private rents mean that some workers are at risk of being priced out of living in rural and coastal areas, contributing to skill shortages in the tourism and hospitality industries that their local economies rely on." (ONS, 28 September 2021)¹

Annual housing supply amounted to a record 243,770 net additional dwellings in England in 2019-20. This includes new build homes, gains from change of use between non-domestic and residential, from conversions between houses and flats, from other gains such as caravans and house boats, and is offset by demolitions. This level is 9 per cent above the 2007-08 pre-economic downturn peak and 95 per cent above the trough in 2012-13.²

Between 2010 and 2020, the total housing supply increased by an average of 181,920 dwellings per year to 24,657,900; this includes 1,583,000 local authority dwellings—an annual reduction of 20,340 averaged over the same period.³

Average house prices increased by 10.6% over the year to August 2021, up 39.1% from the pre-economic downturn peak of September 2007 and up 71.1% since the trough in March 2009.⁴

Rental prices for the UK excluding London increased by 2.2% in the year to September 2021; rental prices including London increased by 1.3% in the year. Since January 2015, UK rental prices have increased by 11.1%.⁵

Following the publication of a white paper in 2017 that set out a broad range of proposals to help reform the housing market,⁶ in 2020 the government announced its plans to modernise the planning system and to increase the supply of affordable new homes:⁷

- Much-needed homes will be built quicker by ensuring local housing plans are developed and agreed in 30 months – down from the current seven years it often takes.
- Every area to have a local plan in place – currently only 50% of local areas has an up-to-date plan to build more homes.
- The planning system will be made more accessible, by harnessing the latest technology through online maps and data.
- Valued green spaces will be protected for future generations by allowing for more building on brownfield land and all new streets to be tree lined.
- The planning process to be overhauled and replaced with a clearer, rules-based system. Currently around a third of planning cases that go to appeal are overturned.
- A new simpler national levy to replace the current system of developer contributions which often causes delay – this will provide more certainty about the number of affordable homes being built.
- The creation of a fast-track system for beautiful buildings and establishing local design guidance for developers to build and preserve beautiful communities.
- All new homes to be 'zero carbon ready', with no new homes delivered under the new system needed to be retrofitted as we achieve our commitment to net zero carbon emissions by 2050.

N.B. Housing is a devolved issue⁸ in Scotland⁹, Wales¹⁰ and Northern Ireland.¹¹

Questions for discussion

1. Do you agree with CPF Groups that previously proposed that "land should be taxed at a higher rate once planning permission is granted or once it is included in zoned development areas"?
2. CPF Groups previously proposed that "Houses not purpose-built for people with disabilities should also be accessible, so that people with disabilities can visit friends and in recognition that anyone may temporarily require use of walking aids or wheelchairs." Do you agree that the optional technical standards for accessible and adaptable housing¹² should be made compulsory?
3. In what ways would you improve the government's plans to modernise the planning system?
4. In what ways would you improve its plans to increase the supply of affordable new homes?
5. How might we raise rates of home ownership?
6. In what ways do you think pressure could be relieved on the rental market?
7. Is there any other observation you would like to make?

Recent Government Action

- **Building the highest number of new homes in over 20 years:** There were nearly 50,000 completed homes in the first quarter of 2021—the highest figure in over 20 years. During the same period, over 46,000 home builds were started—the highest number in nearly 15 years.¹³
- **Investing £57.8 million to build over 5,000 new homes on brownfield and derelict land,** through our £78 million Brownfield Land Release Fund, which will deliver 5,600 homes across 53 councils and create up to 17,000 jobs, while protecting our cherished green spaces.¹⁴

Sources and Further Details

¹ *House prices in tourist hotspots increasingly out of reach for young and low paid*, Office for National Statistics, 28 September 2021, <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/housepricesintouristhotspotsincreasinglyoutofreachforyoungandlowpaid/2021-09-28>

² *Housing supply: net additional dwellings, England: 2019 to 2020*, Ministry of Housing, Communities & Local Government, 26 November 2020, <https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2019-to-2020>

³ *Live tables on dwelling stock (including vacants)*, MHCLG, 22 July 2021, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

⁴ *UK House Price Index: August 2021*, Office for National Statistics, 20 October 2021, <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/august2021>

⁵ *Index of Private Housing Rental Prices, UK: September 2021*, Office for National Statistics, 20 October 2021, <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/september2021>

⁶ *Housing white paper*, Ministry of Housing, Communities & Local Government, 7 February 2017, <https://www.gov.uk/government/collections/housing-white-paper>

⁷ *Planning for the future explained*, Ministry of Housing, Communities & Local Government, 6 August 2020, <https://www.gov.uk/guidance/planning-for-the-future-explained>

⁸ Figures for Scotland, Wales and Northern Ireland are available using the following links: <https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/NewBuild> and <https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/KeyInfo>; <https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates> and <https://statswales.gov.wales/Catalogue/Housing/New-House-Building/newdwellingscompleted-by-area-dwellingtype-numberofbedrooms>; and <https://www.finance-ni.gov.uk/topics/statistics-and-research/new-dwelling-statistics>

⁹ See <https://www.heraldsotland.com/politics/19649505.scottish-government-urged-restart-help-buy-first-time-homeowners/>, https://www.scottishconservatives.com/wordpress/wp-content/uploads/2021/02/Upholding.local_.planning.objections.pdf and <https://www.gov.scot/publications/housing-2040-2/>

¹⁰ See <https://gov.wales/housing>

¹¹ See <https://www.communities-ni.gov.uk/topics/housing>

¹² *Access to and use of buildings: Approved Document M - Volume 1: Dwellings Category 2 - accessible and adaptable dwellings - Optional requirement:* “(1) Reasonable provision must be made for people to- (a) gain access to; and (b) use the dwelling and its facilities. (2) The provision made must be sufficient to- (a) meet the needs of occupants with differing needs, including some older or disabled people; and (b) to allow adaptation of the dwelling to meet the changing needs of occupants over time.” Department for Levelling Up, Housing and Communities, Last updated 7 June 2021 <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

¹³ *Home building stats show continued increase in starts and completions despite pandemic*, MHCLG, 1 July 2021, <https://www.gov.uk/government/news/home-building-stats-show-continued-increase-in-starts-and-completions-despite-pandemic>

¹⁴ *Thousands of new homes to be built and derelict land transformed*, Department for Levelling Up, Housing and Communities, 12 October 2021, <https://www.gov.uk/government/news/thousands-of-new-homes-to-be-built-and-derelict-land-transformed>