



Minutes of the Roundtable between parliamentarians and regeneration leaders with Lord Greenhalgh.

Tuesday 7th June 2022 at 12:00 (online meeting)

Members

Gagan Mohindra (GM) – Chair

In attendance

APPG Secretariat

Speaker

Lord Greenhalgh

Guests

Karbon Homes

Baroness Uddin

Get Living

RPS

PPR

Aster

Sanctuary Housing

CommCommUK

Barratt Developments

JLL

Places for People

Trent and Dove

LPDF

Royal Town Planning Institute

Thames Water

Meeting Started at 12:00:

1. Questions and discussion

Q: How are we going to manage Right to Buy in particular, given that people in areas like East of London are simply not going to be able to cope with the pricing of houses, and will therefore be unable to benefit. In addition, what is the plan to ensure those houses that are bought through the scheme are replaced?

LG: The discounts that have made Right to Buy so attractive, have been reduced over time. That is why the number of people exercising this right has gone down since the policy was launched. There has been work done to allow local authorities to retain more of the receipts, and I have been questioned in the Lords about getting to 100% of the receipts being retained. The government is moving towards putting more of that money back into housing stock. The idea of how to deal with Right to Buy in regard to housing associations being trialled as a policy idea. It makes sense to give people the opportunity to buy their own homes at a discount and then ensure that most, if not all of that money goes back into building more affordable housing.

Q: Could you provide an update on the attempts to make other parties responsible for the cladding crisis (such as cladding manufacturers and foreign developers) pay their share of the remediation? The Building Safety levy largely places the burden on developers right to look after their own stock which, though correct, seems to, in practice, place a greater burden on a small segment of developers to pay for a wider net of responsible parties. This is impacting the ability of these developers to deliver homes.

LG: The move to get the industry to remediate their own building has to start with the largest developers. The policy is to go down to smaller developers who still need to remediate their own unsafe buildings. Another tool in the tool kit is the Building Safety Act which includes the ability to pierce the corporate veil for those who offshore their business, and therefore cast the net as wide as possible. We are doing everything we can in law to facilitate getting everyone to pay their share. We are still at an early stage of this and the proof will be in the pudding. The government is cognisant that this isn't just down to developers. There is the construction supply chain, cladding, and insulation manufacturers who we will also want to contribute. It is part of the reason we brought in OPSS (Office for Product Safety and Standards) as the new Construction Products Regulator. We are also putting pressure on those who contributed to the original tragedy at Grenfell.

Q: How can we get Homes England to help housing associations in areas where they need to regenerate places where we are levelling up? How do we maximise the benefit of those sites while also addressing issues like fire safety, net-zero, and bringing the quality of homes up to standard? There are a lot of costs in these areas so we are concerned about how we make this work.

LG: The Levelling-Up Regeneration bill is focused on getting more of our development on brownfield sites. I was taken about by how much greenfield sites come under decision compared to brownfield sites. Obviously, there are more costs associated with building on brownfield sites. What the government can do is firstly assemble public land so that it can be put out for development plots. The government needs to get used to working with development partners who will take on more of the risk. The government can provide the land and then contribute towards much of the needed infrastructure that make these developments viable. I believe there are some measures in the bill around CPO (Compulsory Purchase Order) powers, and trying to streamline and strengthen those. Homes England already have strong powers in regard to CPO powers which is needed if the government is to assemble land since it may to group together both public and private land. It is also essential to work with other departments, like Transport as without the roads and railways, those brownfield developments just don't happen. There are huge opportunities around stations. Finally, we need to ensure that we are building things that are good quality and safe, which does bring additional costs, but if we get the land assembly and infrastructure right there is a better chance of following on from that.

Q: The barriers to entry for planning permission very high. In some parts of the country, like London, it costs millions of pounds. The policy framework fails when we get to execution. There is a depleted resource of planning officers in local councils. People who are trying to champion these building sites are dying for a champion at a local level. How do we improve that execution, improve the trust towards developers, and communicate the interdependence of the moving parts in the ecosystem of a brownfield regeneration?

LG: The planning system in this country is very adversarial. It struck me that on continental Europe they have a more regulation and rules based approach when it comes to planning. There may need to be a system where we assume consent in some areas. The reality is that it is very politically. There is a genuine desire to partner with people who understand brownfield sites. What are the top three things that I should lobby my counterparts in DHLUC to improve the situation:

Response:

1. Resources within the officer level of local government to be able to manage the process.
2. Training Members to be better versed in the process of adjudicating these planning permissions.
3. Perhaps a Charter that all those involved would say that would say that they would abide by certain principles.

Q: Building on the previous question, it can sometimes take 18 months to get planning approval. There is a big challenge with expertise at local authority level. There is also the issue with dealing with executive side local authorities. Additionally, there is a constant demand for more documentation and evidence without any consequences for asking for more when it's not needed. There appears to be more incentive to delay, add more time, and add more hoops to jump through. Moreover, there is little recourse when the planning committee gets it wrong.

LG: In defence local government, all pain around local planning approval sits with local politicians. Due to the centralised nature of our system where 95% of the money ends up in the

treasury, and the tax receipts don't flow into local government. We need to do more when we talk about devolution in terms of decentralisation. The government needs to learn to let go. The reason there are no consequences financially, is because there is no gain financially on a local level.

Q: One of the issues is public perception and trust in development, which links to explaining what local people derive from these developments. People don't understand what they get. Is there a need for a clear information note to local people of what they got from specific local developments?

LG: This is a very good point because, while economic development benefits are accumulated locally, the infrastructure levy, the reform of the Community Infrastructure Levy (CIL) and section 106 is being proposed. It being very clear about the infrastructure that is being provided as a consequence of development. Signposting that that is private money being taken for public gain is very important.

Q: What is the role of housing in the wider regeneration agenda. In regeneration, we often talk about brownfield sites, but housing associations also use existing assets. Our response depends on the area, where in some areas we build new homes, and in others we regenerate existing stock to bring it up to quality. What does government policy look like in terms of reforming CIL and section 106?

LG: Land value plays a big role in how any developer and housing provider approaches things. The government is trying to put some public money aside to assist investment in regeneration. There is a policy shift towards streamlining, so there are not a lot of small pots of money that developers and housing providers have to bid into. Instead, there will be an infrastructure pot, revenue pot and a capital pot. Additionally, we are simplifying the infrastructure levy so that it is easier to come up with the contribution developers need to put towards the public benefit.

Q: There is a cost to bringing homes up to net-zero. Homes England is prevented from giving money for the regeneration of existing sites. Is the Levelling-Up Bill going to help with the regeneration of existing stock? In some areas, we are not able to add net extra homes, but are missing the opportunity to upgrade current homes we have in stock, which costs the government, and taxpayer in the long run. We are talking about upgrading homes in those areas the government is looking to level-up. It also affects those RTB properties which tend to be poorly maintained. This all impacts people's quality of life, safety, and health.

LG: I am unfortunately not sure of what the answer to that is. There is occasionally an opposition between the drive for numbers and the improvement of existing housing stock. I will take that away and have a discussion with my colleagues.

Q: We see that there is a need to build homes of a specific type. We have a lot of studios and bedsits as stock but what we really need are family homes. Building things that are fit for purpose is usually better in terms of regeneration. It isn't just about numbers but also about the type of home/tenure.

LG: It is vital that we get the place right and that we don't think just in terms of units. We need to make tenures appropriate for the location. It shouldn't just be about numbers.

Q: Home ownership dominated in the Levelling-Up agenda. Do you see Levelling-Up requiring mixed tenures? There is a demanding investment agenda for the sector. How does homeownership sit next to different forms of tenure?

LG: I don't think there is this obsession with homeownership that we see in some Conservative government. One of the reasons we haven't expanded social housings is that a lot of private rented housing is subsidising a lack of social housing. We need quality landlords for rented accommodation to prevent some of the squalor we see in some private rented housing. I agree that we need homes of all types of tenures. And we do need more homes, but we need more affordable and social homes.

Q: Many developers are forced to fight leaseholders to build social housing and facing a constant stream of Judicial Reviews. The industry has a mountain to climb in terms of developing trust and being seen as a positive influence. Developers are increasingly worrying that they can't carry with certain developments because can't be sure can deliver them due to financial considerations.

LG: It is unfortunate that in our system, the power of the status quo is the loudest around planning decisions. Once things are built there is little issue. The Levelling-Up Bill has to somehow support infrastructure delivery, because that is a critical part of the cost. But it also needs to be queued up around land value capture. It is vital that the developers makes a profit margin and state gets an uplift.

Q: Since the Planning for the Future White Paper we have been in a period of hiatus with the government's correct concern about a continuing lack of local plans. There is going to be an inevitable period of transition to new methodologies which is unfortunately likely to make the situation worse. Local plans are being suspended over a number of issues. For example, the nutrient and water neutrality question is currently blocking 100,000 homes, many of which have already got planning consent.

LG: I will take away the neutrality question and speak to colleagues. If we are going to devolve and let local planners lead, we need local plans. We can't scale up neighbourhood planning in a vacuum. The local plans are essential.

Meeting ends at 13:00.