

The Lyons Housing Review

The last two years have been hugely successful for Richborough Estates and we have managed to secure and dispose of sites with a cumulative capacity of approximately 1,500 dwellings. What is even more pleasing, is that all of our sites are being delivered or are set to be delivered in the next 2-3 years. The housing sector is buoyant and 2015 looks set to be another successful year, albeit we remain cautious about the General Election next May and the potential for yet more significant change to the industry, with particular reference to the planning system.

On 17th October 2014, the Lyons review was published. The review, commissioned by the Labour party, identifies a need to boost the supply of housing to at least 243,000 per year and sets out a “road map” to build at least 200,000 dwellings per annum by 2020, a figure which is just less than twice the number of dwellings reported to have been built in 2013. The availability of land and a reduction in the capacity of house builders are both cited as reasons for the undersupply of housing.

The review signals continued support for a new generation of Garden Cities and the introduction of a New Homes Corporations to act as delivery agents. Housing Growth Areas are proposed, whereby Local Authorities would have greater power and incentives to assemble land. Measures labelled as the ‘Right to Grow’ will also be taken to ensure that growth can occur where co-operation between authorities breaks down, a common problem as those that have recently attended Local Plan examinations throughout the Midlands and further afield will recognise.

In recent years, many Local Authorities have failed to prepare a Local Plan, leading to a disconnect between decision makers and local communities. The problem of absent Local Plans is recognised by Lyons and the review states that all local planning authorities must submit a local plan to the Planning Inspectorate for examination. A failure to do so before December 2016, could, where there has been a persistent under-delivery of homes, result in intervention by the Secretary of State to increase the number of sites with potential for delivery. The complexity of formulating and adopting a Local Plan is, however, acknowledged by Lyons. It is therefore suggested that the Local Plan process be split into two phases. The first stage will be to agree strategic matters such as, for example, housing numbers and infrastructure. The second stage will be to devise detailed policies. The objective here being to give weight to the emerging local plan at an early stage and therefore ensure that the planning system remains ‘plan-led’. Powers to allow planning fees to be set locally are also highlighted, so that to support the ability of Local Authorities to deal with rising caseloads.

In terms of how and where we meet our housing need, there is continued support for Neighbourhood Plans, bolstered by proposals to empower local authorities to ensure that a

proportion of new homes are released and marketed locally. On a more strategic level, there is a call for a 'spatial dimension' to the NPPF to ensure that the delivery of new homes is directly linked to emerging/committed infrastructure projects. What is likely to be of more interest to the sector is the proposed return to a Brownfield first policy with a sequential test to be applied to development. The devil, will of course, be in the detail and how this is achieved against the overall commitment of 'building where people want to live' will be intriguing. Large tracts of Brownfield land remain unattractive and unviable and we are unlikely to see a return to apartments and high density living to facilitate the deliverability of difficult sites.

In terms of speed of delivery, the review details plans to levy Council tax on land with or without planning permission if it is voluntarily put into a plan and not brought forward in 5 years. A reduction in the life of planning consents from three years to two years, an increase in the cost of renewing planning consent and greater CPO powers to force through the development of sites is also proposed.

There promises to be many more twists and turns in the run up to the General Election in May, but in view of its economic significance, it is clear to see that delivery of housing remains to be a key political issue. The underlying support and recognition of the urgent need to bolster housing land supply across the country is welcomed by Richborough Estates, however, we remain cautious about an increase in market intervention. In particular, plans to penalise landowners for a failure to deliver sites and a return to 'Brownfield first' could ultimately be counter-productive and have potential to curtail the recent upturn in activity across the sector. Furthermore, the more cynical of us might question whether complex Garden City proposals are likely to contribute to the overall objective of the review to build at least 200,000 dwellings per annum by 2020. Equally, there is still no attempt to address the problem of Green Belts constraining the growth of the larger metropolitan areas.

Whatever the outcome of the General Election, we at Richborough Estates are ready to react to any new opportunities that may arise as the business continues to grow and expand into new regions.

External link to Lyons Review –

http://www.yourbritain.org.uk/uploads/editor/files/The_Lyons_Housing_Review_2.pdf