

The Chartered Institute of Building

submission to the

Ministry of Housing, Communities & Local Government (MHCLG)

on the consultation on

Planning for the Future

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The CIOB

The CIOB is the world's largest and professional body for construction management and leadership. We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, and we have been doing that since 1834.

Our members work worldwide in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training in universities and colleges. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets. The CIOB also has a dedicated policy and research function whose expertise, along with that of our members, has been drawn on in the preparation of this response.

Introduction

We welcome the opportunity to respond to this consultation and we look forward to engaging with Government following on from this consultation process.

We commend the emphasis that the White Paper places on quality and design outcomes in housing. In recent years the national housing debate has focused on supply at the cost of a sensible consideration of the quality and location of the final product being delivered. The White Paper seeks to reverse this trend, and the CIOB welcomes this new policy direction.

However, we are concerned that the diagnosis of the barriers to housing delivery is overly simplistic, and places too much emphasis on the planning system. While we welcome the willingness to ensure the planning process achieves optimal outcomes, a lot of the issues the paper raises, including build-out rate, quality, design, beauty, public participation, and infrastructure provision, go far beyond the planning system and what can be achieved by changing it. We have sought to draw out the additional areas that need to be considered if the housing development process is to be reformed to achieve the paper's commendable aims. These areas include: over-reliance on volume housebuilders and private development finance, the land market, direct public delivery of housing, retrofitting existing stock, skills in the construction sector, and appropriate governance arrangements.

We are encouraged to see a clear vision for the planning system coming at such significant moment for the country, and the CIOB stands ready to work with the Government and our members to improve the quality of the built environment for its users.

Planning for development

3. Our proposals will make it much easier to access plans and contribute your views to planning decisions. How would you like to find out about plans and planning proposals in the future?

We welcome the intention to support local planning authorities to use digital tools to support a new civic engagement process for Local Plans and decision-making. More public participation in the plan making stage of the process is welcome as it will allow communities a say in the strategic direction their locality takes. However, public participation is not a zero-sum game. Consultation at the plan making stage need not come at the cost of public participation later in the process, when an application is made and the detail of what is actually being delivered becomes clear.

The paper rightly points out the role digital technology can play in making public consultation more efficient.¹ Digital technology should complement existing democratic processes rather than usher in an era of fewer opportunities for communities to make observations on new development. A strategic

¹ The [digital civics centre in the University of Newcastle](#) has produced some practical tools in this context

approach to digital engagement will itself ensure time savings, thereby avoiding the need to bypass local decision making later in the planning process.

Furthermore, if the intention is to embrace the use of digital tools to enhance public participation, this will need to be supported by resourcing at the Local Authority (LA) level. Planning has been the most cut function of local government in the last decade.² Accordingly, any additional duties for Local Planning Authorities (LPA) will need to be accompanied by a comprehensive resourcing strategy, specifically – in the context of this proposal – dedicated community liaison officers.

It will also be important to ensure a ‘blended learning’ style approach to consultation as a significant proportion of the stakeholders impacted by planning decisions are not digitally literate.³ These people need to be accommodated, and the blended learning approach that many schools, universities, and colleges have successfully implemented provides a useful model in this context.⁴

Finally, in the interest of fairness and efficiency, the consultation process needs to operate with an appropriately wide conception of ‘the community’. The working assumption is that the community is existing property-owning residents. However, renters, future residents, students, and people who work in an area are also fundamental to the functioning of place and, as such, should be consulted in its future development.

A new approach to plan-making

4. Do you agree that Local Plans should be simplified in line with our proposals?

It is an open question as to whether the proposals would simplify Local Plans. While the three land use areas are intuitively appealing as they appear to divide the country into clear and distinct categories, international experience suggests that the reality of implementing and operating a zonal system is complex.

It is important to distinguish between new developments, such as urban extensions and new towns, which could be suitable candidates for this simplified zoning approach, and existing settlements. The latter often have a range of different land uses operating in small areas, and therefore cannot always be divided up according to the three proposed categories.

Secondly, international experience with zonal planning systems indicates that they do not simplify the development process. The complex governance of planning and the passion people feel towards development in their area does not disappear under a zonal system. Instead disputes and delays tend to happen upstream in the process at the point where decisions about land use are being made. Zoning decisions have a big impact on land values and are subject to intense lobbying on behalf of developers and landowners. It is therefore not uncommon for zoning decisions to be the subject of judicial review processes which can take months, or even years to complete.⁵

Zoning is also quite an inflexible approach with decisions often locking in parcels of land for a specific use for years despite changing circumstances – particularly pertinent in the context of a global pandemic. This rigidity can result in development that does not reflect the changing nature of a place, but also can itself lead to delays as zoning decisions must be altered to reflect the evolving

² See Royal Town Planning Institute (RTPI), [Resourcing Public Planning](#), July 2019

³ See Office for National Statistics (ONS), [Exploring the UK’s digital divide](#), March 2019

⁴ See Times Higher Education (THE), [UK universities favour blended learning approach for 2020-21](#), May 2020

⁵ See The Courts Service of Ireland, [The High Court Judicial Review \(Glenhill Estate\)](#), July 2020

environment. The need to amend zoning decisions to acclimatise to changing circumstances itself results in delays and often resembles a de facto discretionary system.⁶

Furthermore, where there is reliance on market led housing development, the presence of zoned land is no guarantee that development will take place. The features of the private development finance model of house building – the absorption rate in particular – means that zoned land is often not built out. Private developers only build homes as quickly as they can sell them and, in order to maximise profits, they must sell them at current market prices or above. This limits housebuilding output, which has been in long-term decline as house prices have risen.⁷ This point is covered in more detail in Question 14.

In Ireland, for example, a country with a zoning system and a reliance on market led housing development, there is a large reserve of zoned land across all planning authorities, yet there remains a shortfall in housing supply.⁸ Absent a reform of the housing market, zoning land alone will not deliver more houses at a faster rate. Planning provides the conditions for houses to be built. Building units is the work of housebuilders.⁹ Accordingly, if it is to be an effective means of housing delivery the planning system must be complemented by a variety of public, private and third sector delivery mechanisms in order to ensure a steady stream of housing of different types and tenures that is not dependent on economic cycles.

Questions

We believe that the proposals as outlined raise several questions that require further clarity when assessing the new approach to plan-making.

- Who will make the final decision as to which areas fit into each of the three land use categories? We suggest, given their skill set, that this should solely be the remit of town planners. We also strongly advise against allowing market forces to decide which areas are suitable for which land use.
- When will a review of areas across the country happen to determine appropriate land uses in the first instance?
- What is the status of agricultural land in the new regime? Change of use from agricultural to residential and the huge uplift in value that results is the dynamo behind land trading and delays in the development process. Will this continue?
- How will the new regime avoid the perverse incentives seen in other zoning systems where decisions around land use are subject to intense lobbying?

5. Do you agree with our proposals for streamlining the development management content of Local Plans, and setting out general development management policies nationally?

The White Paper rightfully champions public engagement in planning. Reverting to a centralist approach would contradict that laudable aim, and risk further alienating people from the planning process, and likely provoke NIMBYism. Planning and development processes work well when communities feel they have an impact on their outcomes. This idea has been well articulated in the

⁶ See https://www.rtpi.org.uk/media/6351/rtpi-planning-through-zoning_ptwwn.pdf

⁷ See Civitas, [Building Homes Faster?](#), May 2017

⁸ See National Economic & Social Council (NES), [Urban Development Land, Housing and Infrastructure: Fixing Ireland's Broken System](#), April 2018

⁹ Lord, A., O'Brien, P. P., Sykes, O., & Sturzaker, J. (2015). [Planning as 'market maker': how planning is used to stimulate development in Germany, France and the Netherlands](#) (RTPI Research Report no. 11).

White Paper's section on digital technologies in the planning process. Policy centralism would act in contradiction to the spirit of additional community engagement, making people feel as though development is being done to them, rather than with them.

7(b). How could strategic, cross-boundary issues be best planned for in the absence of a formal Duty to Cooperate?

This question raises the important issue of governance. Each local area has different character, constraints and opportunities, and appropriate planning governance arrangements can facilitate their flourishing. A successful decade of decentralisation, and the positive, cross-party work that has been done on initiatives such as City Deals, the Northern Powerhouse and the Midlands Engine, illustrates what can be achieved when governance aligns with the spatial impact of policy making.

The regionally balanced governance arrangements that have grown from these initiatives have been a real success story and the White Paper is well timed to build on this momentum. As per the principle of subsidiarity, it is our view that decision making should be taken at the most appropriate level of governance, which for development management and housing need assessment is the local area directly affected by same. To ensure better, more coordinated and coherent decisions for places, we need to ensure that the levels at which decisions are made align with their impact, and that responsibility and resources for places also align.

Many of the issues raised by the White Paper – housing, transport, infrastructure – are strategic planning issues that spill across administrative boundaries. While the White Paper is clear on the role of local and national government in the new planning system, there is little attention given to regional governance arrangements. Housing occurs in a web of overlapping markets or functional economic areas linked to different activities. Local authority areas are used as proxies for functional areas, but they have serious shortcomings for spatial economic analysis and the implementation of local policies.

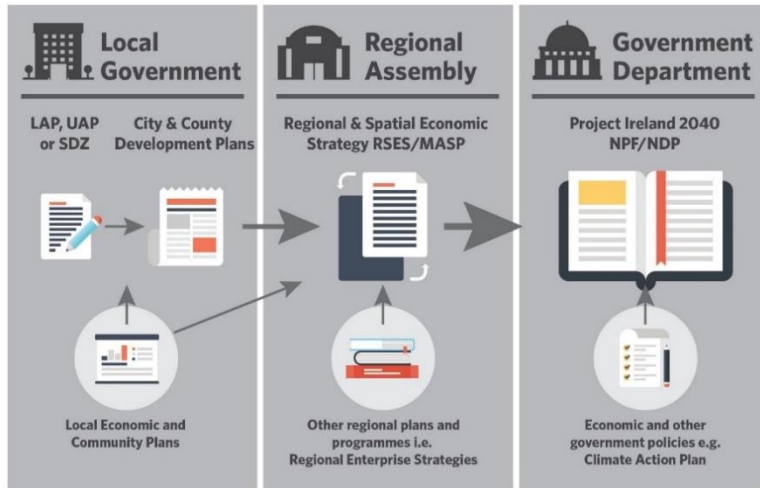
The recent success of regional initiatives such as the Northern Powerhouse should give pause for thought and suggests that regional governance structures can, once again, be successful. What they require is buy in, resourcing, and a clear remit. With the growth in housing and infrastructure that the White Paper promises, serious consideration needs to be given the putting in place regional governance arrangements to reflect the cross-boundary impact of these issues.

Case Study: Ireland's regional assemblies

Ireland's Regional Authorities have a range of powers in relation to spatial planning and economic development. They were streamlined into three Regional Assemblies in 2015, representing the Northern and Western, Eastern and Midlands, and the Southern Regions. The Regional Assemblies source European funding for Regional Programmes, they promote coordinated public services, they monitor proposals which may impact on their areas, and they advise public bodies of the regional implications of their policies and plans.

Chief among their responsibilities is the preparation of a Regional Spatial and Economic Strategy (RSES). The RSES is a link between the forthcoming National Planning Framework, the City and County Development Plans and the Local Economic and Community Plans. Through this process the Assemblies are centrally involved in the formulation of policies geared towards achieving a greater dispersal of economic growth and development throughout each of their regions. To ensure that all local authority development plans are consistent with the RSES and relevant national policy, draft plans or proposed variations to development plans are referred by the Local Authorities to the Regional Assemblies. The Assemblies are prescribed bodies under the Planning Acts. This means that they must be consulted on certain strategic infrastructural proposals. When assessing any such proposals the Assemblies use the general welfare, strategic planning and sustainable development

requirements of their regions as criteria. In practise this means they consider the physical, economic, social, demographic, infrastructural and environmental situation of the region. Under the Act the Assembly must seek to protect or improve the region’s environment, its heritage, amenity and cultural resources.¹⁰



Source: Eastern and Midland Regional Assembly

8(a). Do you agree that a standard method for establishing housing requirements (that takes into account constraints) should be introduced?

As per question 7(a), we are concerned about centralist policy making in the context of issues that are fundamentally local in nature. Good governance and the principle of subsidiarity holds that social and political issues should be dealt with at the most immediate (or local) level that is consistent with their resolution.¹¹ Top down decision making on emotive issues such as large-scale housing development could cause communities to feel planning decisions are being imposed on them. Again, this runs contrary to spirit of community engagement that runs throughout the white paper.

In addition, we recommend that housing targets are also arrived at through dialogue with the relevant stakeholders in the construction sector, who are aware of the practical capacity to deliver housing in an area given infrastructure, land, and labour constraints. While there may be merit making an in-principle decision about housing requirements in a local area, conversations with the construction sector will inform what is possible bearing in mind such constraints. These conversations will inform where and what type of government intervention may be needed to facilitate the construction sector to deliver housing.

10. Do you agree with our proposals to make decision-making faster and more certain?

See answer to question 5.

We agree that that the increased adoption of digital technologies can improve decision making in the planning system.

We join colleagues across the construction sector – particularly the Construction Innovation Hub – in arguing that digital tools can improve transparency, efficiency and allow cost and time savings. The UK BIM Framework can provide a standard approach and guidance for gathering information about built assets.

¹⁰ See European Commission, [Regional Spatial and Economic Strategy \(RSES\) – Ireland](#), 2018

¹¹ See Centre for International Earth Science Information Network (CIESIN), [A history of Decentralization](#).

A sufficiently generous resourcing plan would allow Local Authorities to adopt the UK BIM Framework and digital outputs from the Construction Innovation Hub to make these ambitious reforms possible.

11. Do you agree with our proposals for digitised, web-based Local Plans?

Yes, but see answer to question 3 for concerns.

A streamlined, more engaging plan-making process

13(a). Do you agree that Neighbourhood Plans should be retained in the reformed planning system?

Yes.

13(b). How can the neighbourhood planning process be developed to meet our objectives, such as in the use of digital tools and reflecting community preferences about design?

See question 3

14. Do you agree there should be a stronger emphasis on the build out of developments? And if so, what further measures would you support?

Yes. This question raises the wider issue of the structure of the housing delivery system, the dominance of volume housebuilders, and the accompanying negative impact on build out rates. Volume housebuilders are crucial to a successful housing delivery system and will continue to provide a significant proportion of the new homes in England. However, in recent decades they have come to dominate housing supply output as SMEs have struggled to recover from the financial crisis, and the state has largely withdrawn from housebuilding.¹² This over-reliance means that the private development finance model has a significant impact on national housing supply. The absorption rate in particular, whereby houses are built out only at the rate at which the market can absorb them, is acting as a brake on build out rates nationally. The staggered release of new build homes to prevent prices being driven down in the local market has seen build out rates drop despite a very sharp increase in volume builders' levels of profits.¹³ The oligopolistic features of the housing market and the accompanying impact of the absorption rate on housing delivery is one of the fundamental drivers of the slow rate of build out to which the question refers.

Given the negative impact that an over-reliance on volume housebuilders has on build out, affordability and supply, we encourage the Government to consider direct delivery measures across all tenures of housing either at a central, regional or local government level. A programme of public housebuilding would lessen the constraining impact of the absorption rate on build out rates, as directly delivered housing would not be subject to shareholder interest, profit margins or viability constraints.

In addition to circumventing the build out constraints associated with the absorption rate and providing much needed social and affordable housing, a direct delivery programme of housebuilding would provide a clear pipeline of building activity, on which the construction sector thrives. This would be most welcome in the context of the uncertainty wrought by Covid-19. Furthermore, in the context of quality and design, direct delivery of housing provides the opportunity for Government to create a positive feedback loop. This is observed in Denmark, where the high standard of publicly delivered

¹² See Sheffield Hallam University, [Profits before Volume? Major housebuilders and the crisis of housing supply](#), October 2016

¹³ *ibid*

housing provides a high-quality baseline, which private developers are incentivised to outperform when they are building housing products for sale on the open market.¹⁴

We welcome the proposal to ‘include a variety of development types by different builders which allow more phases to come forward together’, as the homogeneity of the types and tenures of the homes on offer on many sites, and the limits on the rate at which the market will absorb such homogenous products, is another fundamental driver of the slow rate of build out.¹⁵

Planning for beautiful and sustainable places

16. Sustainability is at the heart of our proposals. What is your priority for sustainability in your area?

The built environment contributes around 40% of the UK's total carbon footprint, with emissions from existing housing stock accounting for 14% of the UK's total emissions.¹⁶ The approach to sustainability in built environment needs to be holistic, targeting existing dwellings as well as planning new development.

We believe that upgrading the energy efficiency of existing homes through repair, maintenance and improvement (RMI) work is an example of a socially valuable project that will support the economy, while providing an unprecedented opportunity to address the health and wellbeing of residents and make progress on the decarbonisation of existing homes as a key strategy to meet our net zero obligations.

Previously, a lack of confidence in long-term policy direction has impeded the built environment sector's ability to acquire new entrants and train them in the low carbon skills which will be needed for the future. Instability and piecemeal policy have weakened the resilience of the construction supply chain and reinforced a lowest-cost procurement model which has eroded quality and hindered innovation.

We urge the Government to build on the initial progress of the Green Homes Grant and implement a long-term national retrofit strategy as a key infrastructure priority and core element of its Industrial Strategy. This will provide a clear direction of travel for the construction industry and the certainty that businesses need to create stable, green jobs beyond 2021.

In order to address associated barriers to uptake and deliver a national retrofit programme, the CIOB proposes that the Government introduce a ‘Help to Fix’ loan scheme. This would see the provision of interest free loans directly to owner occupiers, to be repaid at point of sale. The loans would cover a large range of measures predicated on improving the energy efficiency of their homes.

We believe that this type of finance mechanism would remove what has been a key barrier to retrofit in the past – the upfront payment of a significant lump sum by households. By helping to generate consumer-side demand, it would stimulate local businesses and economies, support employment and improve the quality of the built environment and the wellbeing of its inhabitants.

¹⁴ See Nordregio, [Building Affordable Homes: Challenges and Solutions in the Nordic Region](#), February 2020

¹⁵ [Independent Review of Build Out Final Report](#), Rt Hon Sir Oliver Letwin MP, October 2018

¹⁶ UK Green Building Council, [UKGBC's vision for a sustainable built environment](#), accessed October 2020

A fast-track for beauty

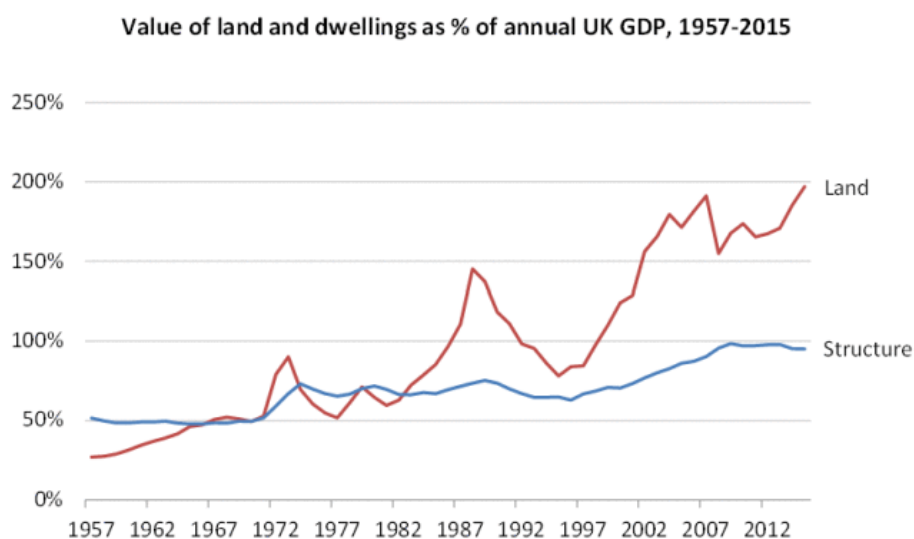
20. Do you agree with our proposals for implementing a fast-track for beauty?

This is a laudable aim but, while we have no objections in principle, we are concerned that these measures alone will not address the root cause for the poor quality and design outcomes in contemporary housebuilding. A more holistic approach is needed, which considers all stages of the development process.

The White Paper talks about incentivising ‘attractive and popular development, as well as helping to relieve pressure on planning authorities when assessing proposals.’ This assumes that the block on quality is further downstream in the housebuilding process than it really is. Builders of all sorts – SMEs and larger developers – are clear that the most significant constraint on design and quality is not the absence of local design codes, but the high cost of land.¹⁷ The inflated land market means costs must be driven down in the latter stages of the housebuilding process in order to fund the initial land purchase. This results in poor quality housing. We therefore strongly encourage the Government to take steps to re-align these incentives, rather than focusing only on incentivising quality later in the development process through measures such as design codes.

The high cost of land means housebuilders are required to dedicate a disproportionate amount of their budget for a given housing project to fund the initial land purchase in a highly competitive market. In order to fund this purchase and see off competition, developers must drive down costs elsewhere in the process, typically on design and quality. This negatively impacts the final product. In the current land market, all the value that could be dedicated to creating beautiful housing flows to the landowner when a plot of land is purchased.

This process, known as the residual method of valuation for land, bakes in poor quality outcomes for housing. The equation for the residual method of valuation in its simplest form is as follows:
Land/Property = Gross Development Value – (Construction + Fees + Profit)¹⁸



Source: James Gleeson Wordpress.com

¹⁷ The National Economic and Social Council, [Urban Development Land, Housing and Infrastructure](#). April 2018

¹⁸ See Investment Property, [Residual Method of Valuation for Land, Property & Development Appraisals](#).

If land were available at a more reasonable rate – for example, existing use value plus a 25% premium – developers would be incentivised to compete on the design and quality of the final product, rather than their ability to fund the initial land purchase.

From a Local Authority housebuilding perspective, the problem lies in the 1961 Land Compensation Act, which determines that the price paid for land must reflect any prospective use to which it could be put, colloquially known as hope value. This leads to a significant increase of the price for land intended for housing and limits the ability for strategic land assembly and management. If land prices were capped at 125% of existing use value, this would allow money sent on land purchase to be re-routed to quality and design of the final product.

A more proactive approach to the land market could capture the gains from development for the benefit of the community, and harness competitive forces, which are currently focused on the land market, to delivering better quality and design for consumers. This means shifting the focus of market competition in the development process downstream to the construction phase and away from the land purchase phase.¹⁹ It also means shifting policy intervention in the other direction, away from the construction phase upstream to the land purchase phase.

Planning for infrastructure and connected places

21. When new development happens in your area, what is your priority for what comes with it?

While the CIOB agrees on the need for more housing of all types and tenures, we are not best placed to inform on the numbers required to meet demand. However, we are concerned that the national housing policy debate tends to emphasise quantity over the quality and location of housing delivery. While we are very much encouraged by the White Paper's emphasis on beauty and design, and a move away from solely focusing on housing numbers, we would like to see an accompanying emphasis on quality in the new policy environment.

Quality is critical. It is about the greater public good we expect from our buildings to promote human health, safety, and wellbeing as well as addressing social, cultural, environmental and economic concerns. Ensuring housebuilders are held to account and are delivering for the consumer remains paramount. If we can build more homes that are high quality, we are ensuring a stable pipeline of construction activity whilst improving trust in the sector. In that context the CIOB has taken the lead on quality in the built environment, producing the CIOB Code of Quality Management,²⁰ which is now recognised across the industry, and the CIOB Construction Quality Commission. We have also been heavily involved in ensuring a coordinated industry response to the Cole report on failures in Edinburgh schools and the Grenfell tower tragedy.

Permitted Development Rights (PDR)

It is in the context of quality that we wish to raise concerns about the latest PDR measures that the White Paper introduces. While there are concerns about PDR from planning, design and architecture perspectives, the CIOB's focus is on the quality of the buildings that PDRs produce. We are concerned that further PDRs, including the ability to demolish and rebuild commercial and residential buildings on existing sites without a full planning application—if implemented without significant safeguards—will lock in more unacceptable standard development, the consequences of which we will live with for generations or must rectify later at greater expense.

We welcome the Government's announcement that all office-to-residential conversions built under permitted development rights (PDR) will now have to meet minimum space standards. We also

¹⁹ See KPMG and Shelter, [Building the homes we need: A programme for the 2015 Government](#), January 2015

²⁰ Dr Carol Jewel and Professor Roger Flanagan, [The CIOB Code of Quality Management](#). 2019

understand the stated motivation behind PDR and agree that we do need to have flexibility in buildings, rejuvenate town centres, and deliver more housing in the right locations. The problem is with the final product the PDR regime has been empirically proven to produce in terms of quality: housing that is consistently below the level of residential buildings that come through the planning system.²¹ Delivering high quantities of housing is important. However, when we measure success or failure based on the numbers of houses being delivered without concurrently assessing the quality of what is being built, we run the risk of creating societal burdens through housing policy.

Poor housing incurs significant health-related costs. Research from the Building Research Establishment estimates that investment in improving some of the worst quality homes would save the NHS £1.4bn in first year treatment costs alone.²² It is not only the positive outcomes associated with good quality housing that is important. It is an uncomfortable truth of policymaking in general that frequently programmes are implemented with little or no evaluation of whether they are achieving their stated aims. In terms of PDRs, we now have clear evidence that they produce sub-standard housing. PDRs deliver more units, but to what end? The housing produced is of low quality and creates an additional financial burden for local authorities seeking to provide adequate community infrastructure. It is therefore not delivering the positive societal outcomes that we seek to achieve by providing housing in the first place.

The CIOB agrees with the need for flexibility in the built environment, particularly city centres. A longer term, more sustainable solution would look at interventions earlier in the building process, rather than retrofitting office blocks that are simply not suitable as housing. ‘Seed Planning’ is a planning and design approach which gives minimum specification of how form relates to function, thereby allowing a building to fulfil multiple uses over the course of its life without sacrificing quality as it changes.

This approach has been used, for instance, by the Amsterdam Municipal Government in its transformation of Amsterdam’s Port-City area from a mono-functional work area around the Sloterdijk node to a mixed urban living-working environment. The success of this project relies on urban, morphological and functional principles, linked to different typologies for buildings and public spaces (relating to density, mixed use, flexibility, and adaptability for many different types of initiatives).

Given the fluidity we are witnessing in terms of how people relate to the built environment, particularly the contingency of office space and the ongoing need for centrally located, affordable housing, seed planning is a proactive type of intervention we could implement now, that will give new buildings the ability to continually adapt to the changing world.

Modern methods of construction (MMC), particularly modular, off-site solutions are well placed to facilitate the adaption involved in a seed planning approach. Modular off-site buildings can be built to be re-configured through their lifetime, adapting to different needs as they evolve. Modular construction provides a repeatable system of building that is easily adapted according to different requirements for height and floor area ratio and is thus deployable across a range of contexts. This is particularly pertinent in the context of large swathes of office space which could potentially become obsolete given changing working practices resulting from the Covid-19 pandemic.

²¹ Dr Ben Clifford, Dr Patricia Canelas, Dr Jessica Ferm, Dr Nicola Livingstone, Professor Alex Lord and Dr Richard Dunning, [Research into the quality standard of homes delivered through change of use permitted development rights](#). July 2020

²² BRE, [The cost of poor housing to the NHS](#), 2016

A consolidated infrastructure levy

22(a). Should the Government replace the Community Infrastructure Levy and Section 106 planning obligations with a new consolidated Infrastructure Levy, which is charged as a fixed proportion of development value above a set threshold?

Although the attempts to simplify developer contributions is intuitively appealing, we note that this is the latest in long line of attempts at reform in the last 20 years, each of which has generated additional complexity.

While developer contributions funding affordable housing and infrastructure is a sensible mechanism, it works most effectively when it is part of a range of affordable housing and infrastructure delivery mechanisms. However, due to the reliance on private housebuilding, in many parts of England developer contributions are the only means of delivery. This puts public services at the mercy of a complex and often lengthy negotiation process, which has demonstrably uncertain outcomes.

This reliance also makes affordable housing and local infrastructure subject to the whims of economic cycles. Counter cyclical measures, such as direct delivery by national, regional, or local government would buck this trend and ensure a consistent stream of housing and infrastructure, while also providing a predictable pipeline of activity for the construction sector.

Publicly-led housing delivery would, as well as the benefits we outlined in Q14, alleviate the burden on developer contributions and provide certainty that the affordable housing and local infrastructure every area need will be delivered in a timely fashion.

We are also concerned about the move to suspended CIL payments for First Homes, and the potential funding gap arising from this. Delivering adequate infrastructure alongside housing is a fundamental principle of planning and development and critical to residents' quality of life, and we do not believe that there should be exceptions to this, unless an alternative method of funding for community infrastructure provision is put in place first.

22(b). Should the Infrastructure Levy rates be set nationally at a single rate, set nationally at an area-specific rate, or set locally?

Locally. There are significant differences in land values across the country. This means that a single rate would struggle to cover the cost of infrastructure provision in areas with the highest land values.