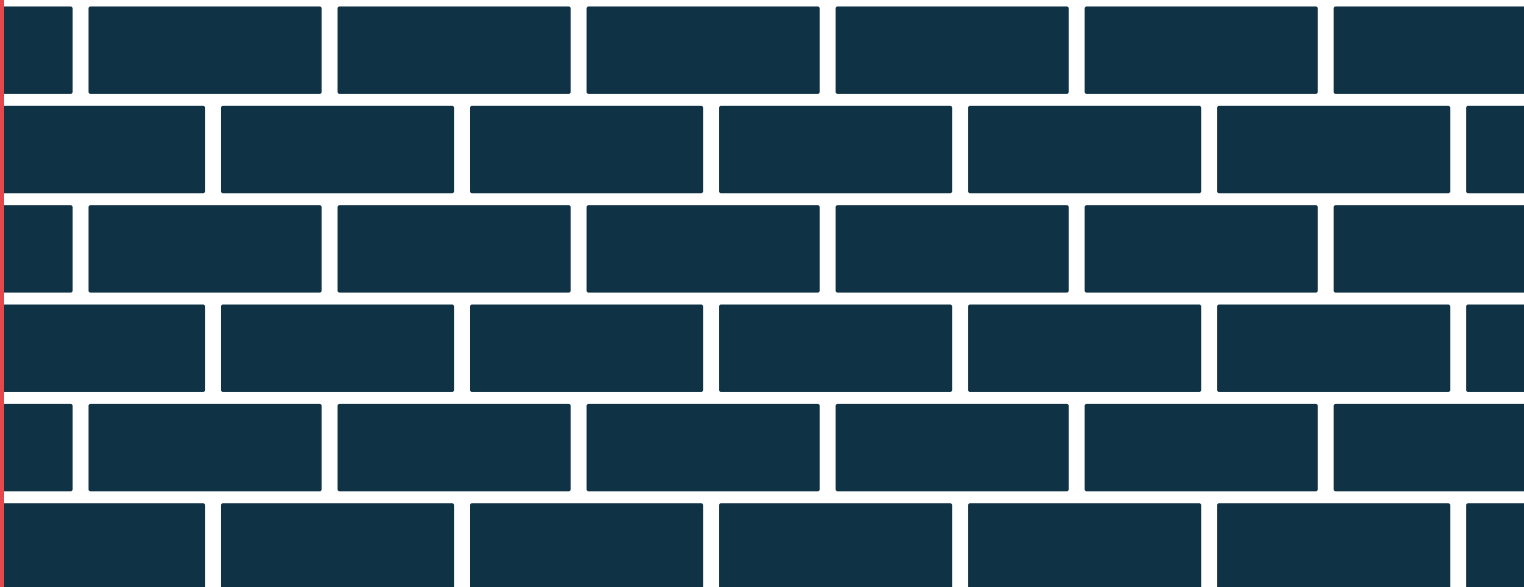




# FIRMER FOUNDATIONS

November 2023



# INTRODUCTION



The UK is in the midst of a housing crisis, where politics has too often got in the way of practical solutions.

Decades of undersupply and barriers to development have left Britain's homes some of the oldest in Europe, in the worst condition and extremely scarce relative to other developed nations.

The Home Builders Federation's (HBF) international audit has revealed that England is the hardest place in the developed world to find a home, with the lowest rates of vacant dwellings per member of the population of all OECD nations. As a result, people across the country are struggling to find homes to buy or rent, and the scarcity of available properties has led to significant price increases.

Politicians have the power to solve this crisis. Major legislative change, while needed, will take time to come into effect, but that time

does not have to be wasted. Steps can and should be taken now to start tackling this issue and help people find much-needed homes.

The absence of considered legislative change in the King's Speech represented yet another missed opportunity to tackle systemic issues and boost supply. But there is plenty that the Government could and should do in the meantime, without getting bogged down in battles with MPs or Peers.

Drawing on its network of home builders, the HBF proposes 10 practical asks that can be implemented at speed to ensure more people can find a decent place to live.

# OUR PLAN FOR

**H**

**ousing supply**

**O**

**pportunities and skills**

**M**

**arket diversification**

**E**

**nsuring the housing market works for all**

**S**

**ustainable new homes**



## Housing supply: Support increases in the delivery of quality new homes

- 1 Use the increases in planning fees to sufficiently resource planning departments.** While we welcome the Government's plan to solidify funding for planning departments through increasing fees – as well as Labour's recently-announced commitment to expand local authorities' planning capacity – those fees need to be used directly and made available very quickly. The £24 million recently announced to scale up local planning capacity and the £65 million announced at the last spending review are a good start, but real terms funding of planning departments has fallen by more than 50% since 2010. Meanwhile planners are now required to take more decisions and with increasing complexity of development. The Royal Town Planning Institute estimates £500 million will be required over four years to address significant delays in housing policy.
- 2 Require local authorities to have up-to-date local plans that meet local housing need** by recognising the existence of a local plan in the funding formula for local government grants.
- 3 Work with industry to revise rules around nutrient neutrality.** Around 145,000 new homes are currently blocked by Natural England's nutrient neutrality mitigation measures. The contribution of developers to the issue is marginal yet they are being disproportionately impacted. The House of Lords blocked attempts to resolve the issue and no new legislation featured in the King's Speech. In the short term, the Government must work with industry to identify some quick and effective actions to get mitigation schemes working effectively. This must include a sensible review of Natural England's nutrient mitigation calculator to reflect the minor additional nutrients impact deriving from households.

## Opportunities and skills: Building a future-ready workforce

- 4 Take action to make CITB fit for purpose.** This should include reform of the CITB levy to ensure it includes key occupations for the industry, particularly those that will support the delivery of energy-efficient, sustainable new homes.
- 5 Focus post-16 education on employers' needs.** Incentivise focus on practical skills by measuring the proportion of students in full-time employment within six months of completing their course. Ensure courses are updated in line with industry needs, for example, new technologies in housing such as heat pumps.

## Market diversification: Overcoming the barriers facing SME developers

- 6 Introduce a presumption in favour of development on small sites,** up to 25 homes, on brownfield land within settlement boundaries. This could be done as part of the planned changes to the National Planning Policy Framework. Government should also significantly increase the use of **Permissions in Principle** and **Part 2 Brownfield Land Registers**, and publish a national brownfield map.

## Ensuring the housing market works for all: Improving affordability and supply

### 7 Reform the Standard Method so that:

- A) the existing housing stock of an area is used as a baseline, rather than household projections;
- B) apply to this baseline a rate by which all areas would be expected to grow their housing stock in line with a national ambition; and
- C) be a starting point from which local assessments would be derived.

Such an approach, along with other changes, would help to ensure that new housing is delivered in a proportionate way across the whole country.

### 8 Strengthen the statutory duty on local planning decision makers to **accord special attention to the need to plan for housing for older people** in their local plans and housing needs assessments.

## Sustainable new homes: Supporting the journey to Net Zero

### 9 **Abolish stamp duty** for all purchases of all homes with an EPC rating of B or above.

### 10 **Facilitate a roundtable** between government, industry and lenders to explore the possible expansion of green/energy efficient mortgages.

This time for action is now. We have a clear understanding of the severity of a problem which will only worsen if left unaddressed. These practical policies will help get Britain building again and start to alleviate the acute housing crisis this country is facing. We at the Home Builders Federation would be happy to work with politicians of all colours on these plans, ensuring more people can find the decent homes they deserve.