

2nd August 2019

Steve Quartermain, CBE
Chief Planner, MHCLG
2 Marsham Street
London,
SW1P 4DF

Dear Steve,

Reigate & Banstead BC – Local Plan Review – Housing Requirements

I am writing to you on behalf of the Land Promoters and Developers' Federation (the LPDF) which represents those companies bringing forward land to deliver the development, and specifically new housing, which this country so urgently needs. They are now a really important sector of the housing market accounting for over 40% of the outline consents for new homes delivered on sites above 100 dwellings outside London.

We discussed briefly on the telephone yesterday our members' concern about a recent decision by Reigate & Banstead Council, at a 'last minute' Extraordinary Council meeting on 2nd July 2019, not to update their Local Plan which reached its 5 year anniversary on 3rd July 2019. The Officers' Report indicates that: *'This review has been undertaken and concludes that none of the policies within the Core Strategy requires updating or modification at this time'*. This decision flows from an internal review of the policies and proposals within the Plan, undertaken without public consultation which ignored the potential impact on neighbouring authorities, despite evidence (from the Government's Standard Housing Methodology) which points to a significant increase in housing requirements. This decision seems to conflict with both the letter and the spirit of current Government planning policy advice on the need for positive planning and to increase housing land supply.

The implications of this are that whereas the current Reigate & Banstead Local Plan provides for 460 dwellings per year, the Standard Methodology points towards a starting point of 1,158 per year using the 2014 based household projections. However, this compares with a figure of 644 dwellings per year using a capped 40% increase over the present housing requirement (for plans reviewed within 5 years). Consequently, had the Council report been approved a day later, the 1,158 dwelling requirement would have applied as a starting point instead.

This authority's resolution comes hard on the heels of a similar decision in Woking (some weeks earlier) and runs the risk of setting the pattern for other Surrey and Home Counties authorities which face similar increases in housing requirements but regard themselves as unduly constrained by Green Belt and other policy restrictions thereby presenting them with difficult tensions which must be faced as part of the planning process.

If this practice becomes widespread, which it will if unchecked, then the Government's clear and unequivocal policy of meeting the 300,000 per year housing need will be completely undermined and the Government's attempt to address problems of affordability through increasing supply will be fundamentally challenged.

The Standard Methodology for calculating housing requirements is a logical solution to address the absence of a wider and collaborative strategic planning approach and to reflect both the level of housing need and affordability, whereby authorities now have the responsibility of setting their own targets according to clear guidelines. But the inevitable unintended consequence is that many high demand authorities especially in London and the South East are resisting the challenging increases in housing need, whilst those in less pressured peripheral regions, which ostensibly indicate a need for lower numbers, are quite willingly

reducing their housing numbers resulting in the prospect of lower rather than higher overall housing delivery figures. This is something which we feel urgently needs to be addressed in changes to policy guidance.

The recent Public Accounts Committee report raised serious concerns about our ability to meet the need for 300,000 homes per year, highlighting the absence of a clear programme to deliver the target. It suggested there should be a clear strategy by October 2019 to demonstrate how that target can be achieved and also *'what additional interventions it will make when local authorities fail to produce plans'*. Hopefully, the establishment of a new Prime Minister and a fresh Ministerial team, including covering the Housing & Communities brief, will present a new impetus for this.

We understand the Government intends to bring forward a new Green Paper to accelerate the planning system. We would hope that this initiative is also focused on the need for bringing forward more housing land to tackle the current acknowledged housing shortfall. We would be delighted to provide an input to this review.

As an example, we would suggest that, to address the problems arising from the decision taken by Reigate and Banstead Council to avoid updating their Local Plan, we feel there must be clear advice to local authorities:

- firstly, to publicise and consult on their 5 year Local Plan Reviews so that both local people and business interests have an opportunity to influence the Council's decision,
- secondly, there should be a clear presumption not only that plans are properly monitored and reviewed after 5 years, but also updated to reflect growing housing needs and to move things forward a further 5 years in the process, and
- thirdly, that any such review and update should be undertaken collaboratively with neighbouring Councils so that any shortfall is properly addressed. (In due course, this logically points towards a more sensible strategic planning approach where decisions about cross border issues are not simply addressed behind closed doors but agreed as part of an open and ongoing collaborative process involving the private sector - where policies across LPA boundaries are genuinely integrated.

I have no doubt that as a result of recent wholesale Ministerial changes, there will be a stocktake of the Government's current policy position and in due course an adjustment in approach to reflect the new leadership, but I wonder whether it would be timely to use the current hiatus for the LPDF to meet civil servants to share our perception of the current housing and planning issues and for us to help provide a constructive input into the emerging policy approach and discuss ways in which we can help in bringing forward more housing land to deliver the Government's bold housing objectives.

Your invitation to meet was therefore most welcome.

We look forward to seeing you in due course.

Yours sincerely

John Acres
Policy Director
Land Promoters and Developers' Federation