



Planning for the future

G15 response

About the G15

The G15 is the group of London’s largest housing associations. Our members house one in ten Londoners and own or manage more than 600,000 homes across the country. We’re independent, charitable organisations and all the money we make is reinvested in building more affordable homes and delivering services for our residents. Each G15 member is different, but we’re all striving towards the same goal – to solve the capital’s housing crisis and improve the lives of Londoners.

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Preface

The G15, alongside all housing associations, exist to meet housing need. We are emphatically in favour of any policy that ensures additional housing and additional affordable housing is provided in the right places, to meet more housing need.

These proposals offer the potential to combine:

- higher housing need figures in areas of the worst affordability pressures;
- the use of growth zones to allow more homes to be delivered;
- the use of renewal zones to allow substantial densification of suburban areas; and
- a fixed infrastructure levy which could reduce land prices and fund more affordable housing.

It provides an opportunity to vastly increase the supply of new homes and new affordable homes for low rents.

However, these proposals also offer the risk of combining:

- a rushed and under-resourced Plan-making process;
- an ill-devised zoning system without appropriate rules in place guaranteeing quality or placemaking;
- the overhauling of a (for all its flaws) successful system of capturing land value and delivering affordable homes, and replacing it with a development tax that either makes schemes unviable, or reallocates revenue from low rent homes towards homeownership products that are unaffordable in most of the country; and
- the potential for the new system to prove counterproductive if significant modifications and amendments are required where it is found that legislation does not achieve the desired outcome.

It is possible that the changes may result in a system where the supply of homes will either fall, or reduce in quality, or both, and the supply of new genuinely affordable homes will plummet from already insufficient volumes.

We appreciate the positive intent set out by government in these reforms, and we see that it would not be in anyone's interest for the latter scenario to become reality. We recognise that the consultation paper lacks detail in many areas, but it is hoped that this shows that government is willing to listen to ideas and work with the housing sector and others to deliver these reforms in a way that makes them work.

The paper contains a complex variety of proposals to change the planning system. Some are minor, and some are radical. Our collective response has been derived from discussion with all members, but some proposals require further testing to reach consensus, as positions differ on various aspects.

Where there are differences between this response and individual members' submissions, these reflect the diversity of views and situations under which the membership works. We are keen to engage with government further to develop policy in this area, and feel that g15's plurality of outlooks will ensure that a suitably evolved policy will be effective across many circumstances.

Pillar One – Planning for development

Summary

We agree that a simplified, rules-based system like the one proposed will deliver more certainty by removing the discretionary element over where development can go. Although the current planning system isn't the sole determinant of new supply, it's clearly a huge factor, and reducing this uncertainty could help increase overall supply. More certainty for developers, more undeveloped land allocated for housing, and more developed land allocated for renewal and densification is a good thing.

Government is right in thinking that housing need calculations based on a common formula, which gives a high weighting to the affordability pressures that define our housing crisis, will be a truer assessment of the homes we need to deliver nationally and locally than the current system. However, we need to work out a way to ensure creating Local Plans that accommodate these numbers is achievable without either reducing the numbers or moving them into areas where delivering them is less useful.

Government should use the Renters' Reform Bill as an opportunity to capture better data on private rents, as these are a better measure of the kind of affordability that increased housing supply will have a direct affect on, and will make the resulting housing need calculations both more accurate and easier to deliver on.

Government is right to propose locally defining areas where developments can be built without an additional political approval process that benefits existing local homeowners at the expense of the beneficiaries of new housing supply. However, so long as there is a genuine local democratic process determining where these areas go (subject to planning for no less than the identified housing need), the implication that these areas should be confined to undeveloped land or empty sites is an unnecessary limitation, especially in London. We should designate developed land, including land already used for housing, as growth zones where appropriate too, and growth zones in areas of high demand should typically have minimum densities.

Government is right that some areas should be protected from most or all development. Yet, with a new designation for this purpose, there will be no need whatsoever to retain a separate Green Belt designation. In the interests of simplifying the system, the current Green Belt that is locally desirable can be rolled into protection zones at the discretion of councils and their residents. This will not mean the Green Belt will disappear, just that it's rolled into the new system of protection zones.

Government is right in thinking that Plans should be more standardised than they are at present, and right that they should be more accessible, but wrong to believe that this ought to amount to a huge simplification. The aim of this Pillar is to frontload the process, in terms of democracy and in terms of political intervention. The Plans will need to be comprehensive, and very well-considered. In our response to Pillar Three we propose several more content items than the paper considers.

We note that planning departments are often under-resourced, and that - during the Plan-making stage - these plans will impose additional workload requirements. In order for these proposals to be successful, it is imperative they come with funding for councils so that they are adequately resourced to undertake the work required.

Finally, government should engage with the wider political discussion on planning, including the Select Committee on Planning, and the CIL Review report, which the paper doesn't mention.

Pillar One responses

1. What three words do you associate most with the planning system in England?

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2(a). Do you get involved with planning decisions in your local area?

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2(b). If no, why not?

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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?

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4. What are your top three priorities for planning in your local area?

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

Yes. Map-based Local Plans which identify areas for growth, renewal, and protection present an opportunity to speed up the planning process, as well as allowing more scrutiny by laypeople.

The alternative proposal to instead combine growth and renewal into one category and give permission in principle to all development conforming to the Plan's rules would be equally as desirable.

The alternative proposal to limit automatic permission in principle to growth zones would be a missed opportunity, and if growth zones are generally limited to sites that have masterplans or to sites that haven't already been developed, as the paper implies, then this alternative proposal would undo much of the good that proposals in Pillar One do to alleviate the housing crisis.

Although we agree Plans should be simplified, we do not share government's expectation (or desire) for Plans to be just one third as long. The aim of this part of the paper is to set clearer rules and move from a discretionary planning system towards a rules-based system (although our current system has rules, and the paper's proposals still include discretion). We are supportive of this, but it is important that plans are still comprehensive to avoid later uncertainty.

We need to ensure that people get a genuine say locally about development in their area. The reforms would mean that the main opportunity for communities to participate will be at the Plan-making stage rather than as part of the planning application process. The paper makes no commitment to additional community engagement through the Plan-making process which we consider will be important to ensure the views of local people are fully considered.

The agenda on digitalisation and accessibility should certainly also feature in the consultation phase. It is important that people get a genuine say over the types of developments that happen around them, although in the context of a severe housing shortage, local people should not be able to stop development happening at all.

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

Yes. Standardising and streamlining development management policies would provide clarity over general requirements for development without local variation. This would leave Local Plans to detail specific local requirements.

7(a). Do you agree with our proposals to replace existing legal and policy tests for Local Plans with a consolidated test of “sustainable development,” which would include consideration of environmental impact?

We discuss in our responses to Pillar Two our notion of sustainable development. Policy tests for Local Plans would certainly need to be redesigned in a system which changes the remit and functions of Local Plans.

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

The valid, but misguided, political furore around a “mutant algorithm” being behind the assessment of local housing need shows that it will be difficult to devise housing need figures which reflect need, are objective, and are politically acceptable. Something is likely to give, and we are clear that it shouldn’t be the government’s ambition of building the 300,000 homes a year England needs. Instead there could be an opportunity for local planning authorities to “trade” their numbers into surrounding areas, as part of the Plan-making process, or before that stage, as part of this iterative consultation process.

We don’t have a clear way forward for this, but we are keen to work closely with government and councils in developing one.

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

Yes. We agree there should be housing targets set centrally rather than this being set at the local level, but we are concerned that they may not be politically and commercially achievable. The success will also be dependent on how the new method for calculating housing need weights existing homes, projected rise in households, and changes in affordability.

We need to build 300,000 homes a year, and they need to be concentrated in the areas of worst affordability pressures. In the new regime, local councils should ensure that enough land is zoned for growth or renewal, and the development there is allowed to be dense enough, that their housing need can be met. This will mean that the Plan-making process, including the consultation, is about *where* and *what* rather than *whether* or *how many*.

However, councils can only plan for homes, and not (in the main) deliver them, so these ought not be delivery targets, and councils should not be penalised in any way for developers’ slow build out or economic shocks. This will mean that the numbers will need to be high enough to account for lapse rates, incorporating contingency, and that there will need to be expert and impartial checks on councils to ensure their Plans don’t fall short.

8(b). Do you agree that affordability and the extent of existing urban areas are appropriate indicators of the quantity of development to be accommodated?

Yes. However, affordability of market rents is a far better metric than affordability of house prices, as prices have more numerous and complex determinants. Government should ensure that as part of the Renters’ Reform Bill it includes provision to capture better data on market rents for this purpose,

for example by requiring landlords to specify the rent they charge when they protect deposits, and requiring deposit schemes to report on this to government.

Furthermore, incomes are a better measure than earnings, as they incorporate more groups of people (the self-employed, and part-time workers in particular).

9(a). Do you agree that there should be automatic outline permission for areas for substantial development (Growth areas) with faster routes for detailed consent?

Yes. Government should not underestimate the amount of work that will need to go into defining the rules that govern growth areas. But once that is done, the greater clarity for developers and for landowners will take a huge amount of uncertainty, risk, and delay out of the development process.

Although the new system would mean that the principle of development will already be agreed, key to the success of the new reforms will be ensuring that, where there is no Local Development Order or Development Consent Order, the remit of reserved matters applications is agreed at an early stage and dealt with expediently. If not, we are concerned that the reforms will simply replace one process with another, without any significant improvement. We support automatic permission in growth areas so long as there are suitable mechanisms in place mechanisms to ensure quality and environmental sustainability.

Furthermore, growth zones needn't be limited to undeveloped land or brownfield sites with council-made masterplans. If the democratic process of creating a new Local Plan isn't rushed, and the local standards (if appropriate) have consent at the beginning of the process, growth zones could even apply to areas with existing buildings, including housing. Clearly this would require general consent from those directly affected rather than just those contributing at the wider local authority level.

9(b). Do you agree with our proposals above for the consent arrangements for Renewal and Protected areas?

Yes. Renewal zones should in some cases have a greater degree of consent required than growth zones because local people will be more directly affected. However, government should consider allowing streets to vote to upzone themselves into a growth zone during or after the Plan-making process, as per proposals by London Yimby and others.

Automatic permission in principle should be given to renewal zones that meet the further rules that the "fast-track for beauty" discussed in Pillar Two discusses, but these rules should be clear and not open to local subjective interpretation which could cause delays.

Furthermore, using protection zones which are open to local public scrutiny will remove the need for an additional green belt designation. While it's important to protect areas important to biodiversity and to give people access to a multitude of green space, much of the Metropolitan Green Belt does not do this. A locally determined array of protection zones would be a better way of ensuring genuinely beautiful and actually green areas are protected from development.

9(c). Do you think there is a case for allowing new settlements to be brought forward under the Nationally Significant Infrastructure Projects regime?

Yes, partially. Streamlining consents for new towns and very large sites in a way that allows councils to collaborate with each other and with regional government is a good idea. Delivering ambitious new settlements will require a review of processes for land designation. Including large housing settlements under NSIPs regime can form part of the solution, but government direction is still required to designate locations of large new settlements as these are nationally important decisions.

The NSIPs approach provides a positive degree of flexibility when build out is 15-20 years, while ensuring the direction for complex combinations of infrastructure and housing are in place. The current NSIP could be reviewed to reinforce that development must proceed in a timely way.

If NSIPs (or an NSIP-like concept) is used, it could be useful in redistributing housing need figures away from areas that genuinely cannot plan for the homes needed without considerable adverse consequences.

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

Yes. However, we are clear that any increase in workload for local councils - which faster decision will likely amount to, even given the paper's attempts to move more work upstream - must absolutely come with the funding required for this to actually happen. Faster targets without the resources to make decisions faster is not a solution.

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

Yes. However, as discussed elsewhere in this response, more standardisation needs to be balanced with giving local people and local councils a genuine say over what and where and how things are built in their area, subject to planning adequately for their housing need. This means Plans will need to be comprehensive and detailed.

12. Do you agree with our proposals for a 30 month statutory timescale for the production of Local Plans?

No. The most desirable and beneficial concept in this Pillar of the paper is that democracy and workload are frontloaded, creating less uncertainty and less politicised delays later. This means that the Plan-making process needs to be done right. Given the increased role of consultation at this stage, and the upfront resource costs of writing a Plan to a new template, means 30 months is wholly unrealistic.

We agree that there should probably be a statutory timescale, although it likely should need more contingencies and flexes than a fixed duration. How long it should be will depend on the specifics of what Local Plans should include and how consultation processes are to be completed.

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

Yes, albeit with their remit adapted to the new system. We have raised concerns around the ability for people to comment and be involved in the planning process. It is important that there is genuine consultation at the Plan-making stage, and Neighbourhood Planning groups can aid that process.

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?

During the Plan-making process, existing Neighbourhood Planning groups can support councils with the consultation process by responding collectively. In these instances, these groups could be given a greater say on the applicable design code in their neighbourhood, subject to reservations about design codes in our response to Pillar Two.

After the Plan is completed, Neighbourhood Planning groups should be allowed to upzone their areas from renewal to growth, or upzone the rules about their area so it can deliver more amenities, homes, or other development.

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. More diversity of developers and development types will help this aim, particularly where this amounts to more diversity of tenure. As government's independent review of build out rates concluded, submarket rented tenures aren't affected by the absorption rate which limits the speed of building for open market sale.

Pillar Two – Planning for beautiful and sustainable places

Summary

Government is right that design is important, but prescriptive codes that stifle innovation and increase costs are not helpful. Despite what some well-meaning and influential housing campaigners say, beauty is subjective. There should be a role for beauty standards, but they should not unnecessarily slow down housing delivery, nor should they be used as a mechanism by those who enjoy housing security to frustrate the opportunity for those who do not currently benefit from it from doing so. Furthermore, to reflect local preferences and circumstances, any standards that there are should be determined locally, not nationally, although the local codes should sit within a national framework of guidance.

A greater national emphasis should focus instead on quality - these outcomes are easier to measure and better aligned with the G15's and government's shared aim of meeting housing need.

Government is right that environmental sustainability is important. Climate change is real and the need to get to net-zero emissions is real. These are not local issues, or even national issues, but global issues. National government should bring all of England up to the level that grant-funded schemes in London already need to adhere to on environmental sustainability.

Government should aim for a national target of 100% reduction in carbon emissions from new build homes in order to meet net zero by 2050. We recommend adopting a fabric first approach with regards to new build homes and increasing the energy efficiency target within Building Regulations to 35% of CO2 reduction, as already required by G15 members in London.

Pillar Two responses

15. What do you think about the design of new development that has happened recently in your area?

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

The paper provides a key opportunity for the housing sector to inform a coherent response to long-standing concerns around the quality of our homes, as well as the need to create sustainable places and communities. On this regard, the Bartlett School of Planning has recently published their findings on the 2020 Housing Design Audit for England, reporting that – although there has been a small improvement in design quality since the last audits were conducted in 2007 – the design of new housing environments in England remains mostly “mediocre” or “poor.” Out of 142 large-scale projects audited across England, three quarters of sites did not meet the high-quality design standard.

In particular, environmental performance was found to be a major source of concern, with a significant number of schemes still falling below the basic minimum energy efficiency requirements set out in legislation. The report adds that “This, combined with the known and persistent performance gap between ‘designed’ and ‘as built’ energy performance in new homes, and the failure to deliver a green and bio-diverse landscape in many projects, amounts to a sub-standard response to the environmental challenges we face.”

The above figures suggest significant effort is required in order to ensure environmental and social sustainability considerations are successfully factored in at the planning stage. We consider the two components separately in the paragraphs that follow.

Environmental sustainability

The UK has committed to net-zero carbon by 2050 and addressing the energy efficiency of our homes will be essential in order to meet this target. The Committee on Climate Change has found that energy usage in homes is currently on the rise, accounting for 14% of total UK emissions, while emission reductions from the UK’s 29 million homes has stalled.

In relation to how lower-performing homes affects people’s health and well-being, from the introduction of the Government’s Fuel Poverty Strategy in 2014/15 to 2019, the number of households in fuel poverty in England increased by 210,000 to 2.55 million. And crucially, the impacts of substandard housing on public health is costing the NHS in England £1.4 billion a year.

In our previous response to the consultation on Future Homes Standard we argued that the Government should aim for a national target of 100% reduction in carbon emissions from new build homes in order to meet net zero by 2050. We recommended adopting a fabric first approach with regards to new build homes and increasing the energy efficiency target within Building Regulations to 35% of CO2 reduction, as already required by G15 members.

Sustainable place-making

Sustainability should not be solely intended as an improvement in environmental performance, but also as our ability to create healthy places and communities. A renewed approach to design that takes into account considerations on healthy neighbourhoods should be incorporated into forthcoming Local Plans.

Local Plans should provide clear rules that deliver successful mixed-use developments, which include basic commercial facilities, and the relationship between high-density schemes and upgraded transport infrastructure.

Within densely populated urban areas like London, Metropolitan Mayors should retain the ability to plan for upgrades in transport infrastructure, in conjunction with the ability to aggregate total housing numbers and redistribute across different local authorities, as we recently recommended in our response to MHCLG's *Changes to the planning system* paper.

17. Do you agree with our proposals for improving the production and use of design guides and codes?

Yes, but the introduction of overly strict design codes would obstruct innovation, making it difficult for developers and architects to meet complex local demands. This is especially true within fast-growing urban areas, where the need for high-density development often requires a dynamic approach to design and place-making.

Principles of local design codes should be determined centrally – through the establishment of a new body – and incorporated within Local Plans. Areas of the codes that should be more centralised and less locally determined are sustainability and quality, rather than an inherently subjective notion of beauty. Specifically, it is necessary that government publishes reviewed standards on Building Regulations, providing clarity on how new schemes are expected to comply with required standards in relation to building safety – for example construction materials, design of fire safety escape routes, and accessibility.

The “beauty” side of design codes should be locally determined, but they mustn't make it significantly more expensive to build homes, and they should be limited to superficial aesthetic considerations. The new central body should also have a role of ensuring local design codes don't deter development.

18. Do you agree that we should establish a new body to support design coding and building better places, and that each authority should have a chief officer for design and place-making?

We believe that there should be a new body responsible for regular review of central guidance on design codes in relation to quality, safety and sustainability. Incorporating these into Local Plans will ensure consistency and compliance. However, developers should retain significant flexibility around layout and architecture, subject to local codes. National guidance on codes shouldn't prescribe beauty standards.

19. Do you agree with our proposal to consider how design might be given greater emphasis in the strategic objectives for Homes England?

No. Homes England's focus should be on supporting the delivery of the 300,000 homes a year we need in the areas we need them.

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

Yes, partially. We believe in creating a simple, clear, and certain planning system entails providing more clarity around safety, quality and sustainability standards so that development schemes that meet such requirements can be easily approved.

Developments in growth zones should already be fast-tracked, and anything in the process that involves anything other than checking the development conforms to the established rules will slow the process down and counter government's intention to speed up the process.

In renewal zones, a fast-tracked approach including automatic permission in principle should be taken for applications that conform to beauty standards set out in the Local Plan or in a Neighbourhood Plan, but these standards should be clear, and not risk delaying the process by introducing elements of subjective determination.

Pillar Three – Infrastructure and connected places

Summary

G15 members are united in wanting a system that delivers as many genuinely affordable homes as possible.

There is not enough detail provided in the paper to ensure that the new infrastructure levy will deliver as many as the current system, and so there is not consensus among G15 members to support replacing it rather than improving it.

There are some potential benefits of a fixed levy system over a viability and negotiation-based system (although some of these depend on the specific design rather than the concept):

- It's simpler and provides more certainty to developers and councils
- It doesn't require different actors to agree with each other, creating delays
- It could bring down land prices
- Because in the current system CIL can't be used for affordable homes, there's potential to deliver a lot more this way, especially in areas like London which already have well-functioning transport and plenty of community amenities.

However, there are some drawbacks which we will need to mitigate or overcome:

- It risks making sites unviable if it's set too high or isn't allowed to account for varying existing use values.
- It risks delivering insufficient affordable housing and infrastructure if it's set too low
- **As proposed in the paper, it will not deliver any on-site affordable housing**, as achieved sales values will not happen until the building has no homes left to use for affordable housing.
- In areas where almost all existing use values are high, like London, there is a particular challenge to ensure more housing can be delivered - it costs landowners nothing to *not* sell/redevelop, whereas a new levy on GDV might be a cost they're not willing to bear.
- Moving to any new system is inherently risky, and there is always the possibility even with good intentions, it won't deliver as intended.

We suggest before the government considers implementing the policy:

- Following this consultation, government should engage widely with the housing sector and other key stakeholders to test fully the idea and to model in detail how different scenarios would affect viability, infrastructure, and the provision of affordable homes
- If plans reach an advanced stage, the levy could be piloted on permitted development rights and commercial sites, for which the rules could change quickly with less risk, before being rolled out to all development types.

Pillar Three responses

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

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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?

We are unable to support changing from the current system without more detail on what the future system would look like. More work needs to be done to ensure it can deliver on its aims, particularly around delivering affordable homes. G15 members stand ready to support government in determining whether replacing the system is more desirable than improving it, and - if replacing it is pursued - to work with government in finding the best way.

It will be difficult to fix a single rate which will both deliver enough revenue and keep schemes viable. Many current use values - especially in the areas of highest demand like London - would be unable to change to housing if faced with a levy based on GDV.

There are fundamental problems with the occupation of the development being the point at which the levy is calculated. This will deliver less certainty for councils over what their take will be, which will in turn make it riskier to borrow from in order to fund infrastructure. It will also make on-site affordable homes completely absent from the new system, as by the time homes are occupied, they won't be able to be used to house households in need.

We would like a better alternative to the current system, which can cause huge delays, and can see affordable housing contributions argued down considerably over the development process. However, it is critical that any reform to Section 106, which is the more significant of the two current ways to capture land value, has the delivery of the affordable homes at its core.

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, within a national system of rules. The key benefit of s106 is that it can be site specific. Although this creates inconsistencies, it acknowledges that what is viable in one area might not be in another; what is viable on greenfield land may not be on brownfield; what is viable for one current use class may not be for another. Any new system should retain as much of this benefit as possible.

22(c). Should the Infrastructure Levy aim to capture the same amount of value overall, or more value, to support greater investment in infrastructure, affordable housing and local communities?

More value. There are over one million households on housing lists, and 8.4m individuals living in unaffordable, overcrowded, or wholly unsuitable living situations. Greenfield land prices increase by orders of magnitude when they achieve planning permission, and developer profits are considerable. It is undoubtedly possible to capture more for the public good, including for affordable homes. This could be achieved using modifications to the current system or by moving to a new one. While we are open to moving to a new system, the detail certainly needs to be clarified further before G15 members can agree to support it.

22(d). Should we allow local authorities to borrow against the Infrastructure Levy, to support infrastructure delivery in their area?

Yes, but councils shouldn't be expected to take on the risk associated with borrowing against a development that may lapse.

Furthermore, there is a risk councils' inability or lack of desire to borrow money to build infrastructure that would unlock new sites would stall the process, especially in the case of longer term infrastructure projects that may require the pooling of several schemes' levy revenues to deliver, but that are essential to delivering the sites.

23. Do you agree that the scope of the reformed Infrastructure Levy should capture changes of use through permitted development rights?

Yes.

24(a). Do you agree that we should aim to secure at least the same amount of affordable housing under the Infrastructure Levy, and as much on-site affordable provision, as at present?

Yes, but we are clear that this should not be an aim, it should be a guarantee. If we are to move to a new regime, the policy needs to be designed in a way that makes this happen. This could be done by establishing a robust affordable housing need formula centrally, or regionally, that allocates either a number of affordable homes (specifying the minimum level of affordability required in order to be counted) or an amount in effective subsidy versus the market house price to be allocated across tenures during the Plan-making process.

However it's achieved, some part of the levy revenues must be ringfenced for delivering affordable housing, and the policy must ensure these funds are spent in a way that ensures at least as much affordable housing delivered by developer contributions today continues in the new regime.

24(b). Should affordable housing be secured as in-kind payment towards the Infrastructure Levy, or as a 'right to purchase' at discounted rates for local authorities?

The proposal in the paper currently cannot deliver either, because by the time homes are sold, they cannot either be purchased-by-right or be purpose built affordable homes.

In-kind contributions are generally preferable because they are more likely to be suited to the occupiers who will eventually live in them, but a key flaw in the current system is that these sorts of contributions are inherently open to negotiation and revision.

A "right to purchase" system suggests there would be less involvement with housing associations at the beginning of the process. This creates a risk that the homes are less likely to be the sorts of homes appropriate for social housing.

The idea of "flipping" affordable homes back to the developer in downturns is not helpful. In downturns housebuilders often want to sell more of their stock as affordable homes, not less, because housing associations are less cyclical than private buyers, which mitigates the lower margins.

In G15 member Network Homes' report *Making land deliver* report they set out a way that a "right to purchase" system could work alongside a levy. If government pursues this policy after the consultation period, this is one option that should be considered, alongside ways it could be adapted to also provide an in-kind system.

24(c). If an in-kind delivery approach is taken, should we mitigate against local authority overpayment risk?

This will depend wholly on the design of the policy.

24(d). If an in-kind delivery approach is taken, are there additional steps that would need to be taken to support affordable housing quality?

Yes. As well as ensuring housing associations are involved in the process as early as possible, clear quality standards should be set out in the rules planning authorities create when creating their Plans.

25. Should local authorities have fewer restrictions over how they spend the Infrastructure Levy?

Partially. There should be a minimum spend on affordable homes, or a minimum number of genuinely affordable homes to deliver, that guarantees the supply won't fall. And the spending of levy revenues on reducing council tax is misguided - there is a dire need for social housing. Unspent revenues should go to the relevant Mayor, or to Homes England to support land assembly.

25(a). If yes, should an affordable housing 'ring-fence' be developed?

Yes. There should be a minimum spend on affordable homes, or a minimum number of genuinely affordable homes to deliver, that guarantees the supply won't fall.

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