



**REBUTTAL PROOF OF EVIDENCE BY MATTHEW SHELLUM**

**SITE: FORMER POLICE STATION, SOUTHAMPTON ROAD, LYMINGTON**

**SO41 9GH**

**CHURCHILL RETIREMENT LIVING  
CHURCHILL HOUSE  
PARKSIDE  
RINGWOOD  
BH24 3SG**

**APRIL 2022**

TOWN & COUNTRY PLANNING ACT 1990

APPEAL BY CHURCHILL RETIREMENT LIVING LTD AGAINST PORTSMOUTH CITY COUNCIL'S REFUSAL OF A PLANNING APPLICATION FOR THE DEMOLITION OF EXISTING BUILDINGS AND REDEVELOPMENT OF THE SITE TO FORM A FOUR STOREY BUILDING TO FORM 32 RETIREMENT APARTMENTS (C3 USE) FOR OLDER PERSONS WITH ASSOCIATED COMMUNAL FACILITIES, PARKING AND LANDSCAPING FOLLOWING THE DEMOLITION OF AN EXISTING CAR SHOWROOM AND DWELLING.

SITE AT: FORMER POLICE STATION, SOUTHAMPTON ROAD, LYMINGTON, SO41 9GH

LPA REF: 21/10938

PLANNING INSPECTORATE REF: APP/B1740/W/21/3289313

PLANNING INQUIRY DATE: 26th-29th April 2022

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## 1.0 INTRODUCTION

- 1.1 This rebuttal statement provides further response to Mr. Gilfillan's proof of evidence and specifically Paragraph 1.13 and his assessment of the Appellant's heritage case, and his consideration of weighting to be attributed to the delivery of older persons accommodation set out in Paragraphs 7.12 to Paragraphs 7.16 of his proof of evidence.

### Heritage and Planning Balance

- 2.0 As stated at paragraph 1.13 under 'Heritage and Planning Balance' of Mr Gilfillan's evidence, it is not the Appellant's case the development would cause '*less than substantial harm*' to heritage assets. Whether a designated heritage asset or non-designated heritage asset will determine which tests under the NPPF should be engaged. It is the Appellant's case that there is no harm to the heritage significance of the designated heritage assets due to changes within their setting and therefore the tests under paragraph 200-202 are not engaged. As the police station has been identified as a non-designated heritage asset it should be taken into account when determining applications as per the test under paragraph 203.
- 2.1 Case law has provided guidance on how to interpret this paragraph and that non designated heritage assets do not have statutory protection and the test in paragraph 203 is different to those in paragraphs 199-202. It is the effect of an application on the significance of the asset that should be taken into account (*Travis Perkins (Properties) Limited v Westminster City Council [2017] EWHC 2738 (Admin) [44]*). Paragraph 203 calls for weighing "applications" that affect an NDHA, in other words the consideration under that paragraph must be of the application as a whole, not merely the demolition but also the construction of the new building. It then requires a balanced judgement to be made by the decision maker. The NPPF does not seek to prescribe how that balance should be undertaken, or what weight should be given to any particular matter (*Bohm [2017] EWHC 3217 (Admin), Nathalie Lieven QC [34]*).

### Older Persons' Housing Needs

- 3.0 The Appellant would fundamentally disagree with the Council's attribution of '*medium weight*' to be afforded to the delivery of specialised accommodation for older people from the proposed appeal scheme. In addition to the PPG advising that '*the need to provide housing for older people is critical*' the Government has reinforced its position in its response on the 28th March 2022 (Appendix A to this Rebuttal) to the House of Lords Built Environment Committee's published report 'Meeting Housing Demand' from January 2022 (**CD-25**). In responding to Paragraph 18 of the committee's report identifying that the types of new homes built should reflect the increase in older people living alone, the Government stated;

*'We recognise the importance of delivering the right kind of housing for older people and welcome this recommendation from the Committee. Ensuring older people can live in suitable homes tailored to their*

*needs can help them to live healthier lives for longer, retain their independence and feel more connected to their communities. It can also help to reduce pressure on health and social care services. This Government is committed to supporting the growth of a thriving older peoples' housing sector, one that builds enough homes to match growing need, gives certainty to developers and investors, and empowers consumers with choice from a diverse range of housing options.*

*The National Planning Policy Framework sets out that local planning authorities should assess the need for older people's housing and reflect this in their local planning policies. The health and lifestyles of older people differs greatly, as do their housing needs, which can range from accessible and adaptable general needs housing to specialist housing with high levels of care and support. To enable older people to live more safely and independently, local planning authorities should be considering the variety of needs in both their plan-making and decision taking.*

*However, we realise that more needs to be done to meet the housing needs of our ageing population. That is why we are launching a new taskforce on the issue of older people's housing this year, which will look at ways we can provide better choice, quality and security of housing for older people across the country. This includes looking at how to address regional disparities in supply of appropriate and specialised housing for older people. The taskforce will be chaired by the Minister for Housing and will include a range of representatives from across the sector, as well as DHSC's Minister for Care, to help us find solutions and examine where central and local government can best intervene, considering a range of possible levers.*

- 3.1 In regard to Paragraphs 90 and 91 of the Committee Report identifying that there will need to be a mix of more suitable, accessible 'mainstream' housing and specialist housing for the elderly if the housing market is to be sustainable in the coming years, the Government responded by saying;

*'We are committed to further improving the diversity of housing options available to older people. Boosting a range of specialist housing across the country will be key to achieving this.....'*

*Ensuring our planning system supports the growth of specialist housing supply for older people will be crucial to this work. The National Planning Policy Framework sets out that local planning authorities should assess the need for older people's housing and reflect this in their local planning policies. The planning system must continue to provide for a diverse range of housing needs, including older peoples housing, and we are currently considering how to ensure this happens through the upcoming changes to the planning system.'*

- 3.2 I would refer again to the evidence of Mr. Appleton specifically on the extent of local housing need for older persons, however it is clear that the weight the Government is placing on ensuring the delivery of older persons accommodation is greater than the Council are attributing here. I would argue that one area to ensure that the planning system supports the growth of specialist housing supply for older people is getting local planning authorities to develop planning policies to ensure its delivery and that

when proposals for such schemes come forward that Council's apply the correct weight to its delivery. In this case given the extent of current and forecasted local need that very weight should be significant.

- 2.3 In respect to Paragraph 7.12 of Mr. Gilfillan's proof he suggests the housing needs in the district are towards the very elderly. I think Mr. Appleton's evidence demonstrates that the housing need of older persons in the district is across a spectrum of older age cohorts and not exclusively the very elderly. 'Retirement Living Explained' (Appendix 5 of my original proof) identifies that the typical occupier of this form of Retirement Living development is 79 years of age.
- 2.4 Mr. Gilfillan's Paragraph 7.13 needs to read in conjunction with the full test of the Local Plan paragraph 6.25 and whilst it might be suggested that priority is for extra care accommodation that should be in addition to other forms of specialist accommodation to meet older persons needs and not read as instead of. I would again refer to Mr. Appleton's experience and evidence on this issue.
- 2.5 In response to Paragraph 7.14 the proposal is for Retirement Living accommodation as defined by the PPG. It is specifically designed for older persons to continue to live independently and does so very successfully. I would question whether the 'greater level of support' and 'interventions' that Mr. Gilfillan is anticipating would actually be for people unable to continue to live independently and we are looking at C2 use models and care institutions.
- 2.6 Paragraph 7.15 of Mr. Gilfillan's evidence references the recent appeal decision at Stanford Hill (CD-45) where similar concerns were raised by third parties. I would draw attention to Paragraphs 37-42 of the appeal decision where the Inspector addresses those concerns and applies very significant weight to delivery of specialist accommodation for older people.
- 2.7 In conclusion, mindful of Government guidance and recent response to the Built Environment Committee's report, Mr. Appleton's evidence in respect to the local need for older persons accommodation in the New Forest and the conclusions of the Inspector at the Stanford Hill, Lymington decision I afford the delivery of specialist accommodation for older persons very significant weight.

# **Her Majesty's Government's response to the House of Lords Built Environment Committee report on Meeting Housing Demand**

## **Introduction**

The Government welcomes the House of Lords Built Environment Committee's focus on housing in its first inquiry and the Committee's report, Meeting Housing Demand, published on 10 January 2022. We are grateful to the Committee, and we thank all those who provided evidence.

The Government is committed to creating a fair and just housing system that works for everyone. This includes supporting more first-time buyers to move onto the housing ladder, delivering more homes that are genuinely affordable, radically improving housing quality and reducing homelessness. We recognise the importance of building high quality, well designed new homes to help meet housing demand and create vibrant and sustainable new communities across the country that restore local pride in place.

This memorandum sets out the Government's response to the Committee's report, both from the Department for Levelling Up, Housing and Communities and other bodies who have policy responsibility for some of the recommendations.

## **Response to the Built Environment Committee's recommendations to Her Majesty's Government**

This section sets out our responses to the recommendations contained within the committee's report.

### **1. Housing Demand and Demographics**

**The UK has an ageing population: one in four people in the UK will be over 65 by 2050. Changes in age demographics should be reflected in the types of new homes built, particularly as there will be an increase in older people living alone. (Paragraph 18)**

*Government response:*

We recognise the importance of delivering the right kind of housing for older people and welcome this recommendation from the Committee. Ensuring older people can live in suitable homes tailored to their needs can help them to live healthier lives for longer, retain their independence and feel more connected to their communities. It can also help to reduce pressure on health and social care services.

This Government is committed to supporting the growth of a thriving older peoples' housing sector, one that builds enough homes to match growing need, gives certainty to developers and investors, and empowers consumers with choice from a diverse range of housing options.

The National Planning Policy Framework sets out that local planning authorities should assess the need for older people's housing and reflect this in their local planning policies. The health and lifestyles of older people differs greatly, as do their housing needs, which can range from accessible and adaptable general needs housing to specialist housing with high levels of care and support. To enable older people to live more safely and independently, local planning authorities should be considering the variety of needs in both their plan-making and decision-taking.

However, we realise that more needs to be done to meet the housing needs of our ageing population. That is why we are launching a new taskforce on the issue of older people's housing this year, which will look at ways we can provide better choice, quality and security of housing for older people across the country. This includes looking at how to address regional disparities in supply of appropriate and specialised housing for older people. The taskforce will be chaired by the Minister for Housing and will include a range of representatives from across the sector, as well as DHSC's Minister for Care, to help us find solutions and examine where central and local government can best intervene, considering a range of possible levers.

**Data from the 2021 census will provide a much-needed update to current assessments of demographic shifts, which affect how housing need is calculated. The Government should publish these data as soon as possible. This will shed some light on other demographic shifts, such as changes to rates of household formation and patterns of migration, which are particularly uncertain in the light of the COVID-19 pandemic and Brexit. (Paragraph 19)**

*Government response:*

Census 2021 exceeded all expectations, with 97 per cent of households across England and Wales responding. The Office for National Statistics (ONS) is on track to release the first results for Census 2021 data on the population of England and Wales in late Spring 2022, with specific topic summaries following throughout the summer and culminating in all main Census 2021 outputs published by March 2023, faster than any previous Census. The proposed outputs and analysis release plans are detailed at the PNS Census 2021 release plans page<sup>1</sup>.

Census 2021 will shed light on the many changes to how we live, work and study, since the last Census in 2011, not least as a result of the COVID-19 pandemic. The full value of the census will be realised when the ONS use its results alongside other data sources, and it will continue to integrate additional sources with census data to measure other aspects of demographic and societal change that impact housing demand over the coming years.

Looking to the future, the ONS understands that users need the statistical system to provide more frequent, responsive population and migration estimates that measure how our society is changing, as it happens. It is transforming the way population and migration statistics are

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<sup>1</sup> <https://www.ons.gov.uk/census/censustransformationprogramme/census2021outputs/releaseplans>

produced (as set out in a recent update on the ONS website<sup>2</sup>), making best use of all available data to ensure that decisions are informed by the most relevant and timely data.

**We welcome the Government’s target to deliver 300,000 homes per year and one million homes by 2025 to address the long-term undersupply of new housing. However, even with increased development through SMEs, ‘build to rent’, self-commissioned homes and local authorities, building will likely still fall short of the target. Without reducing the barriers to meeting housing demand—including skills shortages, lack of available land, resources for local planning authorities, the reduced role of SME housebuilders, inadequate support for social housing provision, and the barriers and delays in the planning system—it will not be possible to get close to this target. (Paragraph 35)**

*Government response:*

We agree with the Committee that there remain some specific barriers to increasing housing supply. To alleviate these, we are continuing to drive up the supply of good quality new homes that people need and want, including by diversifying the market and supporting SMEs through the Government’s Levelling Up Home Building Fund; building more genuinely affordable housing; supporting the growth of modern methods of construction, creating new employment opportunities across the country and helping to improve sector productivity; and increasing land supply by investing in infrastructure. Alleviating these barriers will help to create a house building market that genuinely works for consumers.

We have announced £10 billion investment in housing since the start of this Parliament, with our housing supply interventions due to ultimately unlock over 1 million new homes. This includes an additional £1.8 billion investment announced at Spending Review 2021, consisting of £300m locally led grant funding that will be distributed to MCAs and Local Authorities to help deliver their housing priorities and £1.5 billion to regenerate underused land and deliver transport links and community facilities. The £1.5 billion Levelling Up Home Building Fund, which provides finance for small and medium-sized housebuilders and innovators such as those using modern methods of construction (MMC), while supporting Levelling Up priorities, with the vast majority of delivery outside of London and the South East. The Fund will support the delivery of 42,000 new homes across the country, along with the capability to form joint ventures to support town centre renewal, complementing other Levelling Up objectives. This will build on the success of the Home Building Fund, which was launched in 2016.

We are also investing £11.5 billion in the new Affordable Homes Programme which will build up to 180,000 affordable homes, should economic conditions allow.

## **2. Housing types and tenures**

**The Government’s home ownership schemes come with an opportunity cost and evidence suggests that, particularly in areas where help is most needed, these schemes inflate prices by more than their subsidy value. In the long term, funding for home ownership schemes**

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<sup>2</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/transformationofthepopulationandmigrationstatisticssystemoverview/2021-11-15>



**do not provide good value for money, which would be better spent on increasing housing supply. (Paragraph 50)**

*Government response:*

Home ownership provides people with a tangible stake in society, a place to forge community bonds and a stable place to raise a family. This Government is committed to helping to make the dream of homeownership a reality and is operating a range of relevant schemes. Since 2010, over 765,000 households have been helped to purchase a home through Government backed schemes including Help to Buy, Right to Buy and Shared Ownership.

Government agrees that it is important to understand any potential inflationary impacts derived from home ownership schemes. In the case of Help to Buy the report references the work of Professor Hilber which found evidence of Help to Buy inflating house prices in an area in the fringe of London but no evidence of inflation in a separate area around the Welsh border. However, there have also been two independent evaluations<sup>3</sup> of the Help to Buy scheme which could not find any evidence of a general inflationary impact on the market. Further, the NAO progress review<sup>4</sup> also found less than a 1% price difference between Help to Buy and comparable non-scheme newbuilds. There is not sufficient evidence to support a conclusion that the scheme inflates house prices by more than their subsidy.

The Government disagrees with the report's assessment that homeownership schemes do not provide good value for money. The Help to Buy scheme was launched with the dual objectives of supporting people into homeownership and increasing housing supply, and it is objectively delivering good value for money on both counts. Since its launch in 2013, the scheme has supported 346,000 households to buy a new build home. It has also had a positive impact by boosting housing supply: our latest independent evaluation concluded that 37% of all homes sold using the Help to Buy scheme, or 14.5% of all new build homes delivered, between 2015 and 2017 would not have been built without the scheme. Further, we expect to recoup all the money invested in Help to Buy: Equity Loan over the lifetime of the scheme. Over 117,200 new Shared Ownership homes have been delivered since 2010.

**Those living in the private rented sector are more likely to live in poor quality, overcrowded conditions than owner-occupiers, and often have limited forms of redress. Many tenants who would previously have been in social housing are now living in expensive private rented accommodation, with their rents subsidised by housing benefit, which is costing the Government around £23.4 billion per year. A transition to spending more on the social housing stock would address this problem over time and help meet the most critical needs. (Paragraph 61)**

*Government response:*

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<sup>3</sup> <https://www.gov.uk/government/publications/evaluation-of-the-help-to-buy-equity-loan-scheme>

<sup>4</sup> <https://www.nao.org.uk/report/help-to-buy-equity-loan-scheme-progress-review/>

Having a decent home is fundamental to our well-being and housing quality must be addressed in order to create thriving neighbourhoods and communities. We are committed to improving standards in the Private Rented Sector (PRS). The Levelling Up White Paper has announced proposals for new minimum standards for privately rented homes, and the government's ambition is for the number of non-decent rented homes to have fallen by 50% by 2030, with the biggest improvements in the lowest performing areas. We will be bringing forward a White Paper in the Spring to set out a strategic vision for the PRS. This will include proposals for ending so-called "no-fault" Section 21 evictions, so that tenants have the confidence to raise issues without fear of retaliatory eviction and giving all tenants a strong right to redress. Since 1 October 2014 it has been a legal requirement for letting and managing agents in England to belong to one of the two Government approved redress schemes. Tenants and landlords can complain to one of the redress schemes if an agent fails to respond to a complaint in an adequate manner. However, currently half of all private landlords do not use an agent to manage their property and therefore their tenants do not have access to redress where they have a legitimate complaint about their home. This means private tenants who rent directly from a landlord have little course for redress other than through the courts, unlike private tenants who rent through an agent and all social housing tenants who have access to redress schemes. That is why the Government is committed to bringing forward changes to the planning system to drive improvements in standards in rented accommodation, including by ensuring all tenants have a right to redress.

Local authorities have a wide range of powers to require landlords to remedy serious hazards, including overcrowding, in privately rented homes. These include civil penalties and banning orders for the worst offending private landlords. Furthermore, as part of the Levelling Up White Paper, the Government has committed to building more genuinely affordable social housing. The provision of affordable housing is a key element of the Government's plan to end the housing crisis, tackle homelessness and provide aspiring homeowners with a step onto the housing ladder. Our new £11.5 billion Affordable Homes Programme will provide up to 180,000 new homes across the country, should economic conditions allow. This new Affordable Homes Programme will deliver more than double the number of social rent homes compared to its predecessor Programme, with around 32,000 social rent homes due to be delivered.

Since 2010, we have delivered over 574,100 new affordable homes, including over 403,400 affordable homes for rent, of which over 154,600 homes for social rent.

**We welcome the expansion of 'build to rent' where it contributes towards a net addition to housing supply. This emerging area of development will need to be kept under review. (Paragraph 62)**

*Government response:*

The Government is supportive of the Build to Rent (BtR) sector, which has to-date delivered over 210,000 new homes either built or in progress across the UK. BtR boosts housing supply, diversifies the private rental sector and increases quality and choice for renters in cities and towns across England. We have supported the sector through our Build to Rent Fund, which has provided over £630 million of development finance for the supply of new homes built

specifically for private rent, and through the £3.5bn Private Rented Sector Guarantee Scheme. We will continue to engage with industry on this important area of the housebuilding sector.

**There is a serious shortage of social housing, which is reflected in long waiting lists for social homes and a large number of families housed in temporary accommodation. The Government should set out what proportion of funding for the Affordable Homes Programme it believes should be spent on homes for social or affordable rent. (Paragraph 76)**

*Government response:*

We share the Committee's concerns about long waiting lists for social homes and the number of families housed in temporary accommodation. Since 2010, we have delivered over 574,100 new affordable homes, including over 403,400 affordable homes for rent, of which over 154,600 homes for social rent. Government is committed to reducing the need for temporary accommodation by preventing homelessness before it occurs. We are investing £2 billion in tackling homelessness and rough sleeping over the next 3 years.

Whilst we do not intend to set out a proportion of the funding which should be used for social housing, around half of the affordable homes built through our £11.5 billion Affordable Homes Programme 2021-26 will be for social and affordable rent to help those in greatest need, homeless, or in temporary accommodation. The Programme will deliver more than double the level of social rent than the previous Programme, with around 32,000 social rent homes due to be delivered.

**Right to Buy has left some councils unable to replace their social housing stock. Right to Buy must be reformed to help councils replenish their social housing stock: councils should keep more of the receipts from Right to Buy sales, have a longer period to spend the receipts, and there should be tighter restrictions on the conditions under which social homes can be bought. (Paragraph 77)**

*Government response:*

The Government believes the housing market should work for everyone—those who rent their homes and those who wish to buy them.

As set out in the 2019 Conservative manifesto, this Government maintains its commitment to the Right to Buy. Right to Buy gives people from a broad sector of the community the opportunity to own their home, encouraging stronger links and a wider interest in their local communities. We believe that anybody who works hard and aspires to own their own home should have the opportunity to realise their dream.

Building more social and affordable homes is an absolute priority for this Government. In March 2021, we announced a package of flexibilities to help local authorities to build more replacement homes using Right to Buy receipts. The package included increasing the period allowed for spending receipts from 3 years to 5 years; increasing the proportion of a replacement property that can be funded using receipts to 40%; and allowing replacements to be delivered as Shared Ownership or First Homes, as well as affordable and social rent. This

set of changes, combined with the abolition of the borrowing cap in 2018, gives councils substantially increased flexibilities to build more homes.

For properties that have been bought through the Right to Buy in an Area of Natural Beauty, a National Park, or a designated rural area, Section 157 of the Housing Act 1985 allows for restrictive covenants to be attached to the properties. This is enacted at the point when the tenant exercises their Right to Buy.

In these areas, properties bought through the Right to Buy can only be subsequently sold to local people, or back to the local authority, unless the local authority agrees otherwise.

**There will need to be a mix of more suitable, accessible ‘mainstream’ housing and specialist housing for the elderly if the housing market is to be sustainable in the coming years as the population ages. Older people’s housing choices are constrained by the options available. (Paragraph 90)**

**Little progress has been made on housing for the elderly. As demand changes as the population ages, a more focussed approach is needed. The Government must take a coordinated approach to the issue of later living housing, between departments and through the National Planning Policy Framework. (Paragraph 91)**

*Government response:*

We are committed to further improving the diversity of housing options available to older people. Boosting a range of specialist housing across the country will be key to achieving this. The Department for Levelling Up, Housing and Communities is already working closely with the Department of Health and Social Care to provide capital funding to incentivise their supply, including through the £11.5bn Affordable Homes Programme (2021-26) (England), which includes delivery of new supported housing for older, disabled and other vulnerable people. But we know we need to go further. That is why we are launching a new taskforce on the issue of older people’s housing, to work with the sector and our colleagues in the Department of Health and Social Care to explore how we can support the growth of a thriving older people’s housing sector.

Ensuring our planning system supports the growth of specialist housing supply for older people will be crucial to this work. The National Planning Policy Framework sets out that local planning authorities should assess the need for older people’s housing and reflect this in their local planning policies. The planning system must continue to provide for a diverse range of housing needs, including older peoples housing, and we are currently considering how to ensure this happens through the upcoming changes to the planning system.

Regarding accessibility standards in building regulations, the Government consulted (from 8 Sept to 1 Dec 2020) on options to improve the accessibility of new homes, recognising the importance of suitable homes for older (and disabled) people. The consultation proposed two options: whether to wait to see the full impact of recent planning policy changes on the use of the optional technical standards; or whether and how changes could be made by either mandating a higher standard or reconsidering the way existing optional standards are used, including set proportions for wheelchair user homes. We are currently considering responses and will publish a response and set out next steps in due course.

The consultation is part of a full review of Part M of the Building Regulations, relating to access to, and use of, buildings. It includes a research programme on the prevalence and demographics of impairment in England and ergonomic requirements and experiences of disabled people. It will also review the use of accessible and adaptable housing standards. Evidence gathered will help government consider what changes can be made, including reviewing and potentially tightening the regulatory framework to deliver accessible new homes and updates to statutory guidance. We have also given councils guidance on options they should consider, such as housing with improved accessibility, to enable older and disabled people to live more safely and independently.

### **3. SMEs**

**The role of SMEs in the housebuilding industry has seen a sharp decline: in 1988, SME housebuilders built 39% of new homes, by 2020 this had dropped to 10%. The Government should encourage SME housebuilders in order to diversify the market and maintain competition. (Paragraph 103)**

**Access to finance is one of the key barriers for SME housebuilders. The Government should work with lenders to encourage them to provide more support to SME housebuilders on commercial terms. (Paragraph 112)**

*Government response:*

The Government wants to increase competition in the housebuilding market, supporting SME housebuilders to deliver the choice of housing consumers need and want in this country. We agree with the Committee's report that SMEs have a vital role in making the housing market more diverse, competitive and resilient, and we are committed to ensuring the right support is in place. SMEs have a vital role in training and retaining their workforce, including delivering apprenticeships.

As stated in the Committee's report (p. 43), Government is aware that historically the three main barriers SMEs identify as facing are planning, land and finance. We have put in place a package of measures, including financial initiatives to help SMEs grow and develop, such as the Home Building Fund and the ENABLE Build Guarantee scheme. The Home Building Fund will see up to £3 billion of funding or short-term development loans provided to SMEs, custom builders and developers using modern methods of construction. It has supported many new sector entrants, with two thirds of the SMEs who have utilised funding existing for less than three years. We have committed 91% of the initial £2.5 billion development finance allocated to the Home Building Fund, and 94% of contracted transactions are with SMEs, two-thirds of which had existed for less than three years when accessing the fund. Home Building Fund development finance is now expected to support close to 70,000 homes once fully committed.

Funding has contributed to interventions like the Housing Accelerator Fund, a lending alliance between Homes England and United Trust Bank which provides SMEs with development finance at up to 70% Loan to Gross Development Value, and the Housing Delivery Fund, set up with Barclays, which provides £1 billion of loan finance to help support small and medium sized developers, speeding up the delivery of thousands of new homes across England.

To build on the success of the Home Building Fund, we have now launched a £1.5 billion Levelling Up Home Building Fund. This will provide loans to small and medium sized builders and developers to deliver 42,000 homes, with the vast majority going outside London and the South East.

We welcome the Committee's suggestions on planning and land. The Government is considering how to best take forward proposals around changes to the planning system, including how they align with and support our wider mission to level-up the country and regenerate left-behind places. Within this, we are exploring further options to support prompt and faster build-out of sites as part of our proposed changes. These changes will support diversification by providing small builders with more speed and certainty in the planning process.

**Local authorities should support SME housebuilders to navigate the planning process. One focus of the Government's planning reforms should be to reduce planning risk by making decisions more predictable and reducing delays, which will benefit SMEs. The Government should work with local planning authorities to create a fast-track planning process for SMEs. (Paragraph 104)**

*Government response:*

The Government recognises that the planning system has a critical role to play in supporting SME builders. For the small-scale housing development in which SME builders specialise, LPAs have 8 weeks to make a decision on planning applications. As part of any changes to the planning system, we want to make the planning process more certain, streamlined, proportionate, and digitally enabled, which should further support SMEs as they engage with the system.

We have also introduced a range of permitted development rights which will help SMEs, by providing a light-touch route to securing permission. This includes permitted development rights: allowing for the change of use from buildings in the new Commercial, Business and Service use class to residential use; to allow 2 additional storeys to be added to existing buildings such as houses, flats and commercial buildings, to create new homes; and a right to allow the demolition and rebuild as residential of vacant and redundant free-standing commercial, light industrial, and residential blocks of flats. We continue to keep permitted development rights under review.

**Wider adoption of the 'master developer' model, where larger sites are built out by a number of different housebuilders, would help SME housebuilders bid for more secure developments. The Government should require local planning authorities and Homes England to increase the percentage of homes on larger sites each year which are built by SME housebuilders. (Paragraph 108)**

*Government response:*

We welcome the Committee's suggestion on supporting SMEs through wider adoption of the master developer model. The Levelling Up White Paper announced that Homes England would play a wider role in supporting Mayors and local government to drive their ambitions for new

affordable housing and regeneration in their area. Homes England will use its resources, expertise, experience and buying power in dealing with developers to enable local leaders to leverage all the funding available in a particular place. Through the Dynamic Purchasing System, Homes England disposes of varying parcels of land which are available to SMEs. Specifically, the eligibility requirements are proportionate to the size of the organisation to maximise access. On larger sites, Homes England takes a master developer role. We are exploring further options to support prompt and faster build-out of sites as part of our proposed changes to the planning system. These changes will support diversification by providing small builders with more speed and certainty in the planning process.

#### **4. Planning**

**Uncertainty about the future planning system and delays to planning reforms have had a ‘chilling effect’ on housebuilding and created uncertainty for planners and housebuilders. The Government needs to set out its strategy for the planning system. (Paragraph 118)**

*Government response:*

We need a modernised planning system – one which embraces digital technology, benefits communities and creates places in which people can take real pride. Following the creation of a new department with new priorities, it has been critical to review the future changes to the planning system and how they align with and support the department’s wider mission to level-up the country and regenerate left-behind places. The Levelling Up White Paper has outlined the links between planning and levelling up and will be followed by an announcement on next steps for forthcoming legislation.

The changes to the planning system will help to deliver better outcomes by fostering beautiful places that people can be proud of, improving democracy and engagement in planning decisions, supporting environmental protection – as well as supporting the delivery of homes and infrastructure that local people need.

We continue to work with Local Planning Authorities to ensure that plans are delivered on time and remain up to date. We are also pleased that housebuilding has remained steady since we announced our changes to the planning system, with most housebuilding now back up and running after Covid-19 impacts. A good ‘leading indicator’ for the supply of new housing is the number of EPC certificates lodged on new dwellings. Our analysis shows that in the year to the end of December 2021, there were 96% as many EPC certificates lodged on new dwellings as there were during the year to end December 2019. There is a similar pattern with planning permissions, which would likely be affected by any uncertainty around changes to the planning system earlier than net additions. In the year to September 2021, 319,000 homes were granted planning permission in England, which was 97% the number granted permission in the year to September 2019.

**Local plans are currently too complex and detailed, which results in delays. Alongside introducing time limits on plan-making processes, the Government should produce standardised definitions and simplified guidance for local planning authorities. Simplification will also aid community engagement with local plans. (Paragraph 127)**

*Government response:*

The Government is committed to making changes to the planning system so it can achieve its potential and deliver better outcomes for communities, as well as the wider economy.

Local Plans are a cornerstone of our planning system, but we acknowledge that all too often they take too long to produce, are lengthy and difficult to understand, and duplicate national policy too frequently. This does not provide the certainty needed by either communities or developers.

We agree that simplifying the content of local plans and standardising the process for producing them is important, to make plans easier to find, understand and engage with, and ultimately provide more certainty to communities and other key stakeholders. We are carefully considering how to do this as part of the upcoming changes to the planning system, including how best to support local planning authorities, and an announcement on our proposed way forward will be made in due course.

**Whatever the nature of planning reforms, the Government's proposals should ensure there is community engagement with the planning system. Engagement is necessary to ensure communities are on-board with changes in their local area and to prevent backlash. Digitalisation will help with transparency and engagement, but paper notices should also continue to ensure the system is inclusive. We also heard evidence that Neighbourhood Plans enable deliberation at the hyper-local level and have helped identify where more homes can be built. (Paragraph 136)**

*Government response:*

We understand that local communities must be at the heart of the planning process. It is a key aspect of local democracy, and this is very much in our minds as we consider the best way forward for the new system. The changes will seek to deliver a system that delivers better outcomes for communities, so that planning is seen as a positive and makes places liveable, sustainable, and beautiful. Changes to the planning system will enable communities to influence what gets built where, and how it looks, ensuring they benefit from new development.

We will ensure that communities are effectively engaged throughout the planning process with traditional forms of engagement supported by digitisation, helping to bring the current system into the 21st century. We also agree with the committee on the success and importance of Neighbourhood Planning, which is a vital tool for communities to have a meaningful say on planning in their local areas. Neighbourhood Planning will be retained in the new system, building on the record of more than 2,800 community groups who have begun the Neighbourhood Planning process since 2012.

**Section 106 Agreements and the Community Infrastructure Levy help deliver necessary infrastructure and social housing; however, the current system adds complexity and uncertainty. More should be done to increase the predictability and transparency of these obligations. (Paragraph 149)**

*Government response:*



The Government recognises that the current system of developer contributions can sometimes be complex and costly to agree and can delay development as a result. However, 24,487 affordable homes were completed via Section 106 agreements in 2020-21<sup>5</sup>, which represents just under half of the total amount affordable housing delivered the same year. In 2019-20, prior to disruptions caused by COVID-19, 29,974 affordable homes were completed through s106 agreements<sup>6</sup>.

In 2019 we introduced new reporting requirements for local authorities. Every local authority that charges CIL or receives funding or in-kind contributions from Section 106 agreements, must now produce an Infrastructure Funding Statement (IFS). An IFS provides information on all new development activity in the reporting year, as well as unspent money from previous years. IFS data is published publicly to provide clarity and transparency on the funding that local authorities are acquiring and how they are spending it. Providing such data reduces doubt and gives authorities the opportunity to explain how they are delivering on projects which will benefit the local community.

To address weaknesses in the existing system of developer contributions, the government is proposing to replace it with a new Infrastructure Levy, which will seek to deliver at least as much affordable housing. We are considering the details of this model, but it would also aim to reduce complexity and uncertainty and enhance the transparency of developer contributions.

**Any new system to replace Section 106 Agreements and the Community Infrastructure Levy should provide safeguards to ensure that the resources raised are spent on the delivery of affordable homes or necessary infrastructure early on in the development and are tied to identified needs. We are concerned that the new Infrastructure Levy could have some of the same disadvantages as the Community Infrastructure Levy. (Paragraph 150)**

*Government response:*

The Government is exploring the introduction of a new Infrastructure Levy, which will replace section 106 planning obligations and the Community Infrastructure Levy.

Maintaining the delivery of affordable housing is essential, and under the approach we are considering, the Levy would aim to deliver at least as much, if not more, value and onsite affordable housing as is currently collected. Because the Levy would be based on final sales values, more land value uplift could be captured for communities and public good, providing greater revenue for local authorities to fund more affordable and social housing.

To better support the timely delivery of infrastructure, local authorities would be allowed to borrow against Infrastructure Levy revenues so that they could forward fund such infrastructure. Proceeds from the Levy would continue to be collected and spent locally, and will provide greater flexibility for local authorities in how they are spent.

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<sup>5</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/940517/AHS\\_2019-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940517/AHS_2019-20.pdf)

<sup>6</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/940517/AHS\\_2019-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/940517/AHS_2019-20.pdf)

In addition, in the model we are considering, the Levy would be non-negotiable, reducing the delays and uncertainty that section 106 planning obligations can be subject to. With greater certainty around costs, and the ability to factor expenditure into the price paid for land, this should mean that affordable housing and infrastructure delivery is improved.

**Residential development on land around railway stations close to major cities would help meet housing demand. The Government should consider pilot schemes to facilitate this development. This would include releasing some Green Belt or agricultural land for development, any release of Green Belt land could be offset through land swaps. (Paragraph 158)**

*Government response:*

The Green Belt is an important part of preventing urban sprawl and ensuring our towns and cities grow sustainably across the country. The Government is firmly committed to protecting and enhancing the Green Belt for this sole purpose and there are strong protections outlined in national planning policy, which will remain in place. We are committed to building the homes that this country needs but appropriate planning measures must be in place to ensure development takes place in a sustainable way.

These protections involve a test for ‘exceptional circumstances’ where the boundary of Green Belt land can only be changed if a local authority can show every other option has been explored for development in the local plan process. This includes using brownfield as much as possible. A further test for ‘very special circumstances’ is also in place for any planning application in the Green Belt where most types of new buildings are inappropriate in the Green Belt and refused planning permissions, as determined by the local authority.

Further support for urban authorities to meet demand for housing is provided through our significant investment in the regeneration of brownfield land – helping to relieve pressures on Green Belt land. To support the take-up of brownfield, the Chancellor announced a further £300 million of locally-led grant funding for Mayoral Combined Authorities and local authorities to unlock smaller brownfield sites for housing.

**We are concerned about the quality of homes delivered under the permitted development rights regime for conversions from office to residential properties. The Government has recently taken steps to impose minimum standards for conversions. If these steps do not lead to improved outcomes, the Government should not hesitate to introduce stricter rules. (Paragraph 162)**

*Government response:*

We share the Committee’s view that all homes delivered, whatever the route to planning permission, should be of good quality. To help ensure that the homes delivered under permitted development rights are quality homes we have legislated to require that all new homes must, as a minimum, meet the Nationally Described Space Standards. All homes must in addition provide adequate natural light in all habitable rooms.

As we have demonstrated, we continue to keep permitted development rights under review.

## **5. Local planning authorities**

**There is an evolving crisis: local planning authorities do not have sufficient financial resources, and in many cases do not have the skilled personnel, to deliver a quality service in a reasonable timeframe. The Government needs to increase resourcing for local planning authorities consistently and for the long term. Additional resources should be targeted at improving local plan-making and processing planning applications more quickly. This should include through increasing planning fees to help cover the costs of the system. (Paragraph 168)**

*Government response:*

We agree that it is vital that we have well-resourced, efficient, and effective planning departments, capable of providing a planning service that both local people and applicants expect. Planning application fees provide essential income for local planning authorities to be able to deliver this service. We are exploring options to increase planning fees to ensure that local planning authorities are properly resourced to improve the speed and quality of their decisions.

We have also committed to developing a comprehensive resources and skills strategy for the planning sector to support the implementation of our changes to the planning system. This will make sure local authorities are equipped to deliver places people can be proud of, and have the skills needed for successful delivery. The settlement reached at the Autumn 2021 budget will enable us to make the upfront investment in skills and capability required, and further detail will be shared in due course.

**We heard evidence of the limited options available for local authorities to encourage developers to build homes on sites more quickly when they have planning permission. To address this problem, the Government must give local planning authorities better tools to encourage build out, particularly on large strategic sites. We note proposals to increase local planning authorities' leverage, including setting a three-year time limit, and encourage the Government to consider this option. (Paragraph 182)**

*Government response:*

The issue of slow build out has been raised repeatedly by stakeholders. We agree there are instances where delays in starting or progressing sites may be avoidable and the Government wants to empower authorities with the tools to respond to such cases. Consequently, we are exploring options to support faster build out as part of the wider package of proposed changes to the planning system.

**We heard that the 35% uplift in housing targets in the 20 largest urban areas has affected the delivery of local plans and risks backlash from local communities. The Government should consider options to update the calculation of housing targets as soon as possible, to provide certainty to councils. (Paragraph 175)**

*Government response:*

To support working towards our ambition to deliver 300,000 homes per year, in December 2020 we changed the standard method for assessing local housing need to increase need by 35% in our 20 most populated urban areas. This was to maximise use of existing infrastructure and to support development that reduces the need for high-carbon travel. The uplift in need within our biggest cities and urban centres in England also supports our wider objectives of regenerating brownfield sites, renewal and levelling up. The standard method achieves the balance between our objectives whilst also providing certainty and stability during a period of economic uncertainty. The standard method is only the starting point in the process of planning for new homes. Local authorities will still need to consider the constraints they face locally before determining their housing requirement.

As with all policies we will monitor the impact of the new standard method, particularly as the impact of changes to the way we live and work and levelling up become clear.

## **6. Skills**

**Official figures for the construction industry should include those employed in factories related to construction. This would more accurately reflect productivity levels in the industry, particularly as the sector moves towards modern methods of construction. (Paragraph 186)**

*Government response:*

Construction is defined according to the UK Standard Industrial Classification 2007 (SIC 2007). Under SIC 2007, construction can be broken down into three divisions: Construction of buildings; Civil engineering and Specialised construction activities, with each of these divisions containing further detailed breakdowns. Further detail on the SIC hierarchy can be seen in our interactive hierarchy.

Statistics of the number of jobs in Construction are published by the Office for National Statistics (ONS). Short-term estimates are taken from the quarterly Workforce job series<sup>7</sup> which covers both employee and self-employed jobs. The latest Workforce Jobs estimates for September show that there were 2.225 million jobs within the Construction industry.

Recently ONS has also updated its analysis of productivity in the construction industry<sup>8</sup>, which for the first time included analysis of architectural and engineering services, even though this is not formally classified within construction in SIC 2007. This was to reflect the close relationship in activities in these two areas.

The latest construction statistics (drawn from the ONS construction statistics) are in the table below. The most relevant to modern methods of construction will be the figures relating to

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<sup>7</sup><https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/workforcejobsbyindustryjobs02>

<sup>8</sup><https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/productivityintheconstructionindustryuk2021/2021-10-19#understanding-construction-productivity>

Construction Products Manufacturing. The Government does not have any more detailed figures for this element of the construction sector and how many firms and employees represent manufacture relating to modern methods of construction.

<b>Construction Products Manufacturing</b>	324,000 employees
	21,280 firms
<b>Contracting</b>	1.6m employees plus 813,000 self-employed workers
	350,000 firms
<b>Services related to construction</b>	358,000 employees
	38,000 firms

It should be noted that moving production activities that are currently undertaken in factories from one industry, such as manufacturing, to another could make a small difference to productivity estimates for the construction industry but have a larger impact on manufacturing productivity estimates. The degree to which it affects each industry would be dependent on the weight of those particular firms to the overall industry to/from which they moved.

**The Construction Industry Training Board has not addressed construction skills shortages in an effective manner over many years. Reform is needed to address this issue. The Government should consider how the Construction Industry Training Board can upgrade its training offer for construction professionals. Failure to recruit and train the skills required to build new homes should cause the Government to consider potential alternative models for a national construction careers body. (Paragraph 193)**

*Government response:*

The Government always seeks to ensure that the CITB is representative of the industry it supports. The review of ITBs in 2017 confirmed that there remains an ongoing need for a central skills body. It also recommended that the CITB should make stronger efforts to address the skills gap and market failure within the industry, this included the requirement for the CITB to lead on emerging needs such as supporting the Government’s ambitions for housing.

Following the review, CITB’s implementation of its three-year transformation process, Vision 2020, has helped in making it a more focused and agile partner to industry. As a result of the initiative, CITB has implemented new governance structures to place industry voices at the heart of decision making, launched new funding systems to allow employers to have easier access to support and moved to an investment model based on strategic commissioning, such as Onsite Hubs, moving the focus from direct delivery alone. Vision 2020 has enabled the CITB to take a more guiding role, facilitating employers to receive funding, support, and better value for the Levy.

As well as ongoing research to identify the skills needed to support modernisation of industry, CITB has focused efforts on providing targeted support in four main areas, two of which are mainly focused on immediate challenges, Bricklayers and Dry Liners and two on emerging ones, Rainscreen Cladding and Retrofit (Insulation). A pilot Bricklaying Traineeship is currently taking place at Hartlepool College. CITB is also continuing to help develop Standards

for other Construction Traineeships, with Traineeships in Carpentry & Joinery, Plastering, Plant Operations, Civil Engineering Operations, Roofing, and Painting & Decorating to be piloted in this academic year.

CITB further continues to work closely with the Home Builders' Federation (HBF) and other Prescribed Organisations, to ensure that the industry has the skills it needs to build more homes. CITB will continue to engage with employers, trade bodies, and government to deliver this particular strand of its Strategic Plan and ensure it meets both industry's immediate skill needs, as well as those required to raise its performance in the longer term.

The Government does seek to evaluate the rationale for, and the effectiveness of all Arm's Length Bodies through a programme of regular reviews. We are currently considering the appropriate time for the next ITB review and will seek the committee's views as part of the consultation process when this is launched.

The CITB has written to the Chair of the House of Lords Built Environment committee to address these concerns directly.

**Diversity remains a major issue in construction trades, with only 4% of trades roles held by women. It will be essential to draw on a wider talent base to meet the demand for skills. (Paragraph 202)**

*Government response:*

The Government agrees that a diverse workforce is important across the economy, including the construction workforce. The Government continues to work to better understand the barriers and challenges faced by those least represented in the construction workforce. In addition, employers can diversify their workforce through apprenticeships which can help address the under-representation of women in some sectors such as construction. Our Apprenticeships Diversity Champions Network is championing gender representation amongst employers in industries where improvement is needed and includes a number of construction companies.

Apprenticeship standards are designed by employers, with support from the Institute of Apprenticeships and Technical Education. The Institute uses a gender-neutral language approach to ensure that standards are appealing to both women and men.

High-quality careers information, advice and guidance is vital. The national rollout of Careers Hubs, digital support, Careers Leader training and the Enterprise Adviser Network (EAN) to all secondary schools and colleges in England will continue to accelerate the progress of all schools and colleges towards achieving the Gatsby Benchmarks. This will mean that all young people are equipped to make informed career and learning decisions.

More broadly, we are helping to support a wider talent base through our programme of work on modern methods of construction (MMC). MMC utilises a mix of advanced manufacturing skills and entry-level assembly roles and will create new employment opportunities.

As set out in the Levelling Up White Paper we will introduce the In-Work Progression offer to help people on low incomes address barriers to better employment opportunities. The Department for Work and Pensions (DWP) will provide £1.3bn over the SR21 period to

provide employment support for disabled people and people with health conditions. This builds on the National Disability Strategy, Health and Disability Green Paper and Health is Everyone's Business consultation.

**The Government should enable local planning departments to have access to flexible resources, where skills from the private sector and other specialist areas are brought on for specific large sites. (Paragraph 209)**

*Government response:*

We agree that local planning authorities, and the wider planning sector, must have the right skills and capabilities to make creative decision and drive forward ambitious proposals. We recognise that there are some local planning authorities with particularly complex challenges that need additional external support to address their skills and resourcing issues, and the skills strategy which we have committed to will support the implementation of changes at the local level.

**Apprenticeships are vital to many built environment sectors and help develop talent for the future. The number of apprenticeships has fallen consistently since the Apprenticeship Levy's introduction. We urge the Government to review the Apprenticeship Levy. (Paragraph 218)**

*Government response:*

We continue to keep the apprenticeships programme under review but have no plans to review the apprenticeships levy. The levy is an important part of our changes to the planning system and supports employers to make long term investment in high-quality apprenticeship training.

Government is increasing funding for apprenticeships to £2.7 billion by 2024-25<sup>9</sup>. This funding will continue to support apprenticeships in non-levy employers, often SMEs, where government will continue to meet 95% of apprenticeship training costs.

We are continuing to make improvements to support apprentices and employers to gain high quality skills. These include support for more flexible apprenticeship training models, such as flexi-job apprenticeships, and an easier transfers system to support SMEs.

Employers in the construction sector have developed 94 high-quality apprenticeship standards in the sector, including in modern methods of construction, such as construction assembly and installation operative<sup>10</sup>. Latest available industry sector data shows there were 24,260 apprenticeship starts in the construction sector in the 2019/20 academic year<sup>11</sup>.

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<sup>9</sup> <https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents>

<sup>10</sup> <https://www.instituteforapprenticeships.org/apprenticeship-standards/>

<sup>11</sup> <https://explore-education-statistics.service.gov.uk/data-tables/fast-track/323c4c9d-ac77-4070-a466-ab73b89fb7ab>

To support employers build back better from the pandemic, Government introduced incentive payments of up to £3,000 for employers hiring new apprentices between 1 August 2020 and 31 January 2021. Over 161,000 apprentices have been supported through the scheme<sup>12</sup>.

The Government is working in partnership with industry through the Construction Skills Delivery Group to ensure that the wider skills offer meets the needs of employers in the sector, including SMEs. In January 2021, a roundtable was held with employers in the house building sector to discuss apprentice recruitment, the transfer of levy funds, and development of skills for the current and future workforce.

In addition to apprenticeships, employers in the construction sector can access government funded skills provision through skills bootcamps, our free Level 3 qualification offer, T Levels and traineeships. Traineeships can help prepare young people for apprenticeships; we have worked with the construction sector to develop the first-ever occupational traineeships in bricklaying<sup>13</sup>. Further traineeships under development include carpentry and joinery, plastering, and painting and decorating.

**Introduction through technical qualifications at the age of 16 is too late to capture young peoples' interest in the built environment. The Government should ensure wider and earlier engagement with built environment sectors across the curriculum, by introducing modules before and at GCSE level. (Paragraph 222)**

*Government response:*

We are grateful that the Built Environment Committee recognises the value of T Levels and, in particular, those in Construction. T Levels are a key pillar of our strategy to improve the quality and prestige of technical education. These two-year courses have been developed in collaboration with employers and businesses so that the content meets the needs of industry and prepares students for work. T Levels are based on the same standards as apprenticeships and, as such, will develop the skills that employers need. They will also allow students to progress into higher-level technical study including higher-level apprenticeships and degree courses in subjects relevant to their T Level. We are working closely with construction sector bodies such as the Construction Leadership Council and the Construction Industry Training Board to increase awareness of T Levels and identify the roles students could progress onto following successful completion of the course.

The overall aim of our technical education reforms is to streamline the current system, by addressing the problem of the bewildering choice of qualifications for young people and ensuring that there is a clear line of sight between the qualification and their intended job role. However, we are not withdrawing funding from all BTECs. Students will continue to be able

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<sup>12</sup> <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>

<sup>13</sup> <https://www.citb.co.uk/about-citb/news-events-and-blogs/uk-s-first-occupational-traineeship-for-construction-begins-at-hartlepool-college/#:~:text=A%20new%20generation%20of%20traineeship,on%2Dthe%2Djob%20experience>.



to take qualifications similar to current applied generals alongside A levels as part of a mixed programmes where they are high quality and support progression to Higher Education.

As set out in the Post-16 Skills Plan, we believe that technical education should build upon the broad and balanced curriculum that all pupils study up to the age of 16. This grounding in the core academic subjects provides students with a strong basis on which to make choices about post-16 study and to succeed in those choices. However, we agree with the Committee that some students aged 14-16 will benefit from taking more practical and technical qualifications alongside their GCSEs, which is why we introduced Technical Awards in 2014. These qualifications offer an opportunity to gain skills and knowledge not usually acquired through GCSEs and include subjects designed to encourage an interest in technical subjects such as engineering and technology, and others that develop practical skills such as brickwork or animal care, all of which are valuable as part of a general education. Technical Awards must meet strict quality requirements and we have recently reviewed these qualifications to ensure that they meet high standards. A combination of GCSEs and Technical Awards ensures that students keep their options open to follow any path post-16.

As set out in the 2021 Skills White Paper, we are continuing to roll out high quality careers infrastructure (including Careers Hubs and the Enterprise Adviser Network) to all secondary schools and colleges in England. This will continue to accelerate the progress of schools and colleges towards achieving the Gatsby Benchmarks so that all young people are equipped to make informed career and learning decisions. This includes supporting schools and colleges to link curriculum to careers across a wide range of sectors and ensure that all young people have access to inspiring encounters with the world of work- including work placements, work experience and other employer-based activities.

Schools play an important role in ensuring students understand the full range of options available to them post-16 to help them take the next step towards a longer-term career- including technical qualifications and apprenticeships. A provider access law, introduced in January 2018, requires all maintained schools and academies to publish a policy statement setting out opportunities for providers of technical education and apprenticeships to visit schools to talk to all year 8-13 pupils, and to make sure the statement is followed, in order to help increase take-up of these options.

## **7. Quality and design**

**Local planning departments are severely underequipped in terms of design resources. Increased flexible resourcing for local planning authorities should include design skills. (Paragraph 234)**

*Government response:*

We believe that design skills are essential for creating well-designed places and communities. Making sure local authorities, and the wider planning sector, have the right capabilities to implement any changes to the planning system successfully is critical. We have committed to developing a comprehensive resources and skills strategy to support the implementation of our changes, making sure the planning sector equipped to deliver places people can be proud of, and have the skills needed for successful delivery.

We want to ensure that local authority planning departments have the right support to set standards around design in consultation with local communities and produce local design codes. Our work with the design code pathfinders will help us to understand the level of support local authorities will need to produce local design codes.

**The Government should establish a clear implementation timetable for the Future Homes Standard. Where possible, the number of homes built to the Future Homes Standard should be maximised. (Paragraph 240)**

*Government response:*

The Government has set out a clear implementation timeline for the Future Homes Standard. An uplift to the Building Regulations was implemented in December 2021, which will come into force in June 2022. A full technical consultation on the Future Homes Standard is planned for spring 2023, in advance of the necessary legislation being introduced in 2024 and implementation in 2025.

The 2021 uplift to the Building Regulations delivers a meaningful reduction in carbon emissions and provides a stepping-stone to the Future Homes Standard in 2025. Once the uplift comes into force, new homes will be expected to produce around 30% less CO<sub>2</sub> emissions compared to the previous 2013 standards.

From 2025, the Future Homes Standard will ensure that new homes produce at least 75% fewer CO<sub>2</sub> emissions than those built to the 2013 standards. These homes will be future-proofed with low carbon heating and high levels of energy efficiency. No further energy efficiency retrofit work will be necessary to enable them to become zero-carbon over time as the electricity grid continues to decarbonise.

Transitional arrangements are important as they provide all developers with certainty about the standards they are building to. As part of the December 2021 uplift to the Building Regulations, we introduced more stringent transitional arrangements that apply to individual homes rather than an entire development. The transitional period is one year. We have been clear that as many homes must be built to 2021 standards as quickly possible, not only to increase the number of low carbon, highly energy efficient homes and contribute to our net zero ambitions, but to help grow the supply chains and skills bases that will be necessary in order for industry to be ready to deliver the Future Homes Standard from 2025. As part of the full technical consultation on the Future Homes Standard, we will consider what transitional arrangements are appropriate for it. Monitoring the impact of the 2021 Part L uplift and the associated transitional arrangements will be a key consideration in that process.

We will continue to engage with industry to support successful implementation of the 2021 uplift and to develop an ambitious and achievable specification for the Future Homes Standard.

**We encourage the Government to promote local engagement with placemaking, including through the Office for Place. The Office for Place should help coordinate flexible resources for planning. (Paragraph 247)**

*Government response:*

The Government agrees that design policies should be developed with local communities, so they reflect local aspirations, and are grounded in an understanding and evaluation of each area's defining characteristics.

Planning practice guidance, such as the National Design Guide and National Model Design Code emphasise the importance of community engagement. The National Design Guide notes that communities can be involved in design processes through approaches such as co-design, design workshops and other engagement techniques, so that places and buildings reflect local community preferences. The form and approach for community engagement needs to be designed locally to best facilitate the needs of the community.

The Government has created an Office for Place, within the Department for Levelling Up, Housing and Communities, to pioneer design and beauty within the planning system. It will help communities turn their visions of beautiful design into local standards all new development should meet.

Last year the Office for Place worked with 14 local councils across England to test the application of the National Model Design Code, with a second phase of pathfinders planned for this year. Our work with the pathfinders will help us to understand the level of support local authorities will need to produce local design codes.

The planning system should enable communities to set clear expectations for design, and Ministers are carefully considering how any changes to the planning system can support the delivery of well-designed and beautiful places, shaped by communities and that communities can be proud of.

**We commend the Government's plans for a New Homes Ombudsman to handle complaints from those who buy new homes. The New Homes Ombudsman's powers must be robust and adequately enforced. (Paragraph 253)**

*Government response:*

We welcome the Committee's support for the New Homes Ombudsman policy and agree with the Committee that the New Homes Ombudsman powers must be robust and enforceable. The Government is bringing forward provision for the New Homes Ombudsman scheme in the Building Safety Bill. The Bill includes provision so that the Secretary of State for Levelling Up, Housing and Communities may require developers to become and remain members of the New Homes Ombudsman scheme.

The scheme must make provision about the investigation and determination of complaints, including a requirement for the New Homes Ombudsman to require information from scheme members and to provide complainants whose complaints are determined to be well-founded with a form of redress set out in the legislation. The forms of redress include paying compensation and taking other action in the interests of the complainant.

The scheme may also investigate complaints relating to non-compliance with a code of practice approved or issued by the Secretary of State when determining complaints; and must include provision about how it will enforce determinations made by the New Homes Ombudsman, which may include provision for the expulsion of a member of the scheme.

There is provision in the Bill for an enforcement framework for the investigation of breaching requirements set out in regulations and for the implementation of civil sanctions in respect of any such breach.

**MMC can help to deliver more new homes with a reduced number of defects. The Government and Homes England should help reassure consumers about the quality and safety benefits of MMC. (Paragraph 262)**

*Government response:*

New technology and innovation have improved productivity, quality, and choice across a range of sectors and the Government wants to see the same happen in housing. We agree with the Committee that by embracing modern methods of construction, housebuilders can deliver good quality, energy efficient, new-build homes more quickly.

In order to achieve the benefits of an MMC sector working at scale, the Government is stimulating demand through our funding and land programmes. We are also working to address strategic barriers, notably the lack of component standardisation across the industry and the difficulties in obtaining product warranties, and therefore insurance and mortgages. This work will include work to provide assurance around the quality and safety of MMC.

Building regulations apply equally to homes built using MMC as those built using traditional methods. Developers are responsible for carrying out a full risk assessment of any construction project, including ensuring any new techniques are used correctly. Building under factory conditions has the potential to improve consistency of finishes and details, but the level of quality achieved of both on-site and off-site construction quality depends on what is designed, specified and constructed.

## Conclusion

**Evidence to our inquiry has shown how vital it is that that new homes are built to help meet housing demand. Building more homes will not address affordability pressures in the short term but is an essential first step to ensure that demand can be met in the long term. We heard that meeting future housing demand will require more homes of all kinds. (Paragraph 263)**

**To meet that challenge, the sector needs certainty and a clear direction from the Government about reforms to the planning system and more resources to address chronic delays. It is also very important to address skills shortages in the construction and planning sectors and to allocate additional land for homes. Only if all the challenges we have identified are addressed will it be possible to boost housing supply and affordability and meet the Government's targets in the years ahead. (Paragraph 264)**

The Government would like to thank the committee for their inquiry into meeting housing demand and for their insightful report.

The Government sees ensuring that families have access to high quality, well designed new homes, as a crucial part of creating vibrant and sustainable communities across the country. We are taking action on a number of the issues identified in this report, including addressing skills shortages and implementing changes to the planning system, in order to achieve this aim.