

25th July 2003
Our Ref: SB/RMCS/595

Kate Barker
Barker Review of Housing Supply
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Dear Kate

Barker Review of Housing Supply

I refer to your letter of the 9th June inviting submissions to your review of Housing Supply.

I think the first point that I would make in response is that the issues that you are exploring have very different characteristics in different parts of the country. For the most part, however, it seems to me that your questions have been framed in the context of the housing situation in London and the South East. It is very important that you recognise the very different circumstances in the northern regions, where many problems relate to poor quality and mix in the housing stock, rather than numerical shortages.

Land Constraints

There are some areas in the North West where demand is high and land is limited. Parts of the Lake District and the South Manchester/East Cheshire areas are two of the best examples. This leads to serious problems in terms of affordable housing.

At a strategic level, the supply of land for housing is influenced by a wide variety of other factors. Regional Planning Guidance for the North West (RPG 13) sets out housing requirement figures for different parts of the region and provides the context for the wider debate on housing. You may be aware that the figures in RPG 13 have been scaled back below those recommended by the Regional Assembly and the RPG Panel. They are subject currently to a private sector/housebuilders legal challenge.

You then raise a number of questions about land assembly, land options and the fact that housing allocations are not always turned into planning applications. Releasing land for housing through the planning system is not an exact science. Regional housing figures have to take into account a wide range of social trends as well as forecast changes in population and household formation. However, all the regional housing figures do is start a process. Sites can be identified in local plans, planning consent may be given, but if the landowner chooses not to develop, there is nothing the planning system can do about it. The simple fact is that the development of a site depends on market conditions, including the willingness of the owner to develop it.

Industry constraints

I think the problem of access to a skilled workforce is an important one. The Agency is undertaking a review of the construction sector to quantify the skills position and training needs. There is evidence of skills shortage in the sector in craft trades that may have an impact on the speed and quality of construction activity.

As far as risk is concerned, there is no doubt that contamination and dereliction do mean that developing a brownfield site presents a considerably different challenge to developing a straightforward greenfield site.

The development of brownfield sites is usually more expensive. However by creating the right environment for investment and using public resources to deal with infrastructure and site assembly issues the public sector can offset some of the costs and difficulties.

The wider issue is building investor confidence in deprived areas. Low grade housing can blight areas being considered both for new housing investment and for commercial investment. Businesses will look seriously at the quality of the housing and environmental conditions for their staff when making investment decisions. Private house buyers will not be encouraged by large areas of low grade housing, especially where vacancies are high.

Policy environment

There is little doubt that planning policy influences housing development. If it constrains development unnecessarily it may, through land shortages, lead to an overall fall in regional housing investment by the private sector. In a region with large amounts of poor quality housing stock and with limited public sector resources, a significant fall in overall private investment could have adverse economic consequences.

Yours sincerely,

RMC Shields
Chief Executive