

Construction Products Association response to the Housing White Paper: ‘Fixing our Broken Housing Market’

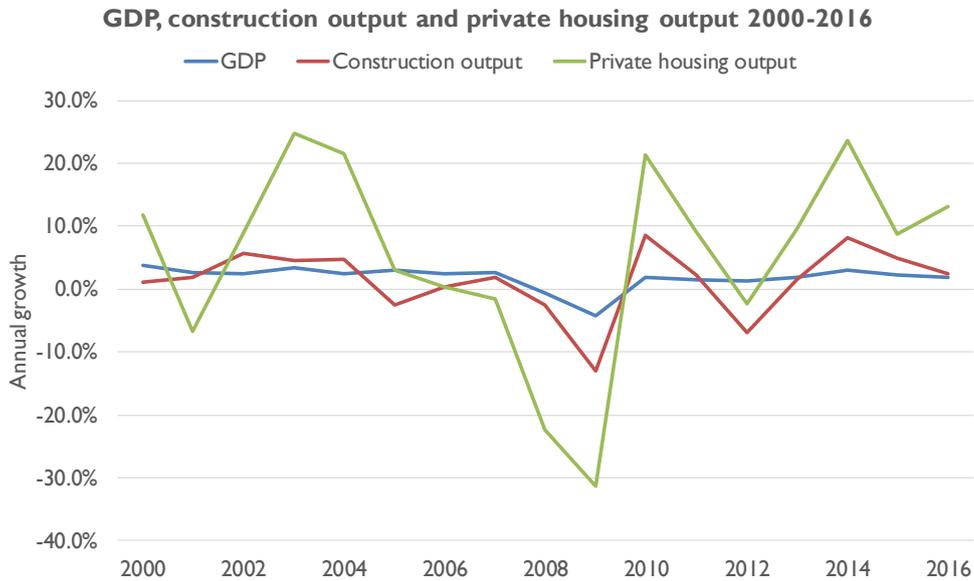
[2 May 2017]

Introduction:

1. The Construction Products Association (“CPA”), representing the UK’s manufacturers and distributors of construction products and materials, welcomes the opportunity to respond to this White Paper. Our sector directly provides jobs for nearly 300,000 people across more than 22,000 companies and has an annual turnover of £55 billion, accounting for more than one third of total construction output. We are the leading voice to promote and campaign for this vital UK industry.
2. Approximately 80% of all construction products used in the UK are made in the UK and reflect a sector that is a world leader in advanced manufacturing. CPA members therefore underpin every part of our built environment and are an essential contributor to a functional, productive and modern society. A list of our members can be found [on our website](#).
3. The industry welcomes the Government’s renewed commitment to increase the supply of new homes through this White Paper, thereby increasing productivity and local capacity for the sector. House building by private sector house builders, housing associations and local authorities accounts for 23% of total annual construction output. Private sector house building is worth £27 billion a year in output and is a key driver of overall construction growth. Private housing output is forecast to increase 2.0% each year in 2017, 2018 and 2019 under current conditions, with total annual housing starts forecast at 192,000 in 2019.
4. House building is currently reliant on a small number of volume house builders, operating based on a long-standing business model. In order to increase house building above current and forecast volumes, the housing market needs to reduce barriers to entry for SME builders, encourage institutional investment in Build to Rent, and counter-cyclical building by housing associations and local authorities.
5. The CPA encloses its responses to consultation questions of direct interest to its members.

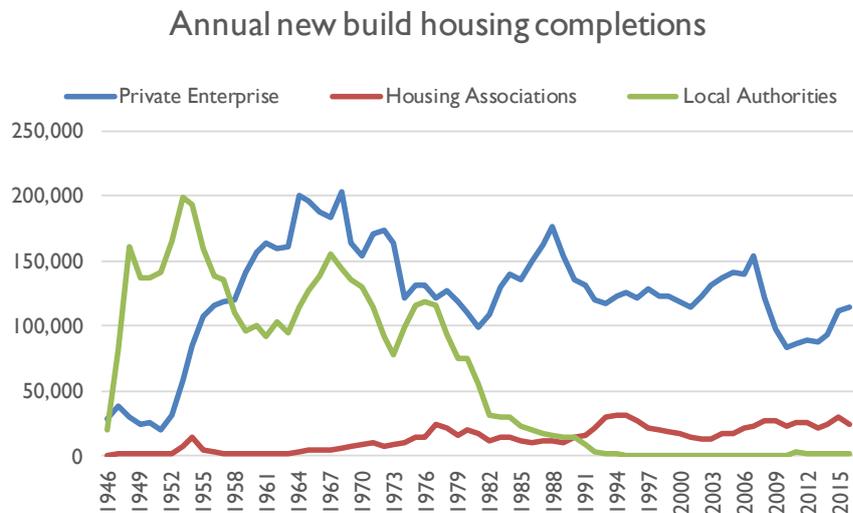
Background:

1. Construction and house building are highly cyclical industries. In the 2008/09 recession, UK GDP contracted by a cumulative 4.9%, whilst construction output declined by 15.3% and private house building fell by 46.7%. Furthermore, between 2007 Q1 and 2009 Q1, starts by private sector house builders declined by 71.1% and private sector house building accounts for 80% of housing completions.



Source: ONS

2. The number of new home planning permissions granted frequently exceeds the number of house building completions and according to HBF and Glenigan data, 293,127 new homes received planning approval in 2016. Given housing delivery of around 160,000 (new build only) and 190,000 including change of use and conversions, CPA welcomes wide-reaching proposals in the White Paper to build homes faster and diversify the housing market and is supportive of an approach that spans different housing tenures and methods of construction to complement existing supply from mainstream volume house builders.



Source: DCLG

Questions for consultation:

12) Do you agree with the proposals to amend the National Planning Policy Framework to:
e) recognise the value of using a widely accepted design standard, such as Building for Life, in shaping and assessing basic design principles – and make clear that this should be reflected in plans and given weight in the planning process?

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The use of an accepted design standard such as Building for Life sets the tone for the neighbourhood and takes into consideration the quality of life for those who will live there. This must be used in conjunction with homes that have suitably sized rooms to accommodate modern families and at least two off road car parking spaces to produce a safe community atmosphere. Neighbourhoods are for living in and not just a place where inhabitants shut themselves indoors and forget about their immediate surroundings. This way inhabitants are more likely to look after their immediate surroundings leading to a far more pleasant and community spirited area.

Design standards such as Building for Life are concerned with the whole community experience and not just with the quality of the build itself. It is the job of the Building Regulations to set minimum standards for physical build quality, which incorporates minimum energy efficiency requirements. Thus we need to avoid mixing up community design aspects with requirements for the quality of individual homes.

The CPA is not aware of any other formal design standards for communities other than the individual architect's approach taken on each new project. In time a more robust design standard would be beneficial based on rigorous industry consultation.

Questions for consultation:

19) Do you agree with the proposal to amend national policy so that local planning authorities are expected to have planning policies setting out how high quality digital infrastructure will be delivered in their area, and accessible from a range of providers?

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The CPA agrees with the principle of local authorities planning for the delivery of high quality digital infrastructure, as it is delivery, rather than announcements, of new infrastructure that is key. There have already been [delays to the rollout](#) of the government's existing superfast broadband programme and future expansion will remain subject to private sector organisations' commitment to deliver, rather than local planning authorities. Therefore, monitoring and tracking from the planning through to delivery of digital infrastructure will be an important consideration for the role of local authorities and local planners.

Questions for consultation:

20) Do you agree with the proposals to amend national policy so that:
a) the status of endorsed recommendations of the National Infrastructure Commission is made clear; and
b) authorities are expected to identify the additional development opportunities which strategic infrastructure improvements offer for making additional land available for housing?

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Again, the CPA agrees with the proposal to make clear the status of endorsed recommendations to create a 'joined-up' approach between central government and local authority planning. As with all infrastructure recommendations and announcements, it is effective delivery of these projects that is key.

This is particularly important with regards to point b) as there are interlinkages between infrastructure enabling housing development and increasing demand for housing in an area – neither are developed in

isolation and both require certainty that projects will go ahead. Strategic infrastructure improvements are also likely to increase viability and deliverability of nearby housing development, and can also provide windfall gain through [land value uplift](#), which may be of particular interest on publicly-owned land.

It is crucial that there is a strong UK supply chain to underpin the recommendations of the Commission and delivery of strategic infrastructure. In the short-term, UK construction product manufacturing can meet demand for materials with an increase in domestic production at existing facilities. In addition, imports may be used as a temporary solution. In the long-term, however, growth will be hindered without additional investment in new domestic capacity, leading the UK to become increasingly reliant on imports.

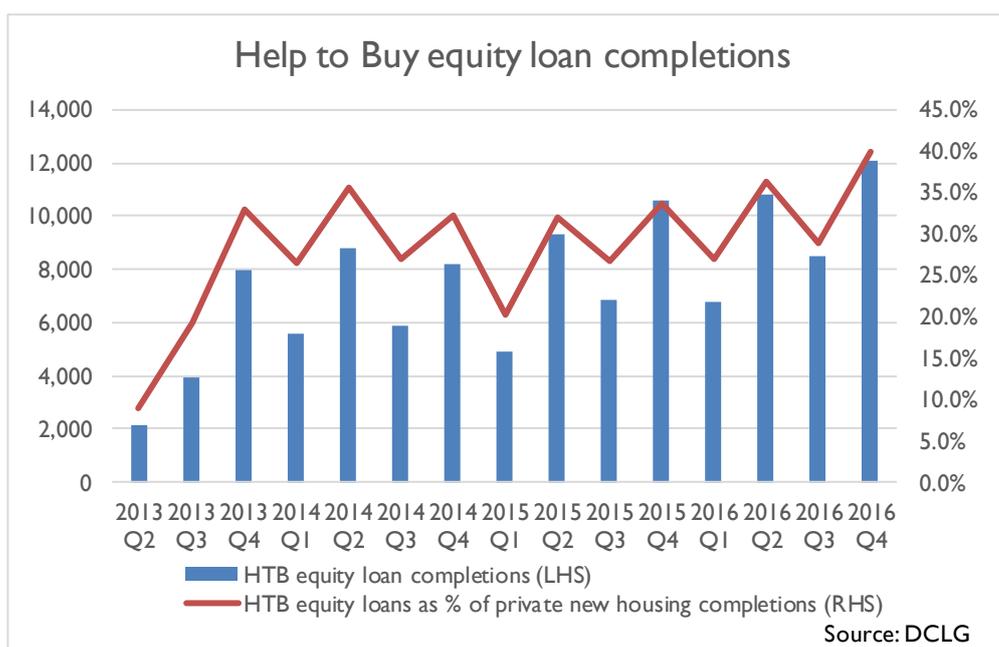
Capacity issues remain a threat to the delivery of UK infrastructure needs. The CPA's [Product Manufacturing Capacity Utilisation](#) report predicts that, without additional investment in capacity, there could be a pinch point in product manufacturing as early as 2019 Q4.

Questions for consultation:

25) What are your views on whether local authorities should be encouraged to shorten the timescales for developers to implement a permission for housing development from three years to two years, except where a shorter timescale could hinder the viability or deliverability of a scheme? We would particularly welcome views on what such a change would mean for SME developers.

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Demand for new house purchases has been supported since April 2013 by the Help to Buy equity loan. Over its total period of operation, the equity loan has been used on 29.0% of private sector new build completions in England, but this proportion had risen to 39.8% in the fourth quarter of 2016. With strong support on the demand side from the equity loan continuing to at least March 2021, there is an argument for adjustments to be made on the supply side to ensure this is accompanied by an increase in building activity, rather than the enabled demand simply driving house price inflation. However, house builders frequently cite that it is the discharge of pre-commencement conditions, particularly on large and brownfield developments, that lengthens the amount of time for a planning permission to become 'implementable' and allow a start on site. The practical application of such a condition would need to be studied and consulted on.



Questions for consultation:

34) Do you agree with the proposals to amend national policy to make clear that the reference to the three dimensions of sustainable development, together with the core planning principles and policies at paragraphs 18-219 of the National Planning Policy Framework, together constitute the Government's view of what sustainable development means for the planning system in England?

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The three dimensions of sustainable development: an economic role, a social role and an environmental role are the standard ones used, but it would be beneficial to make them clearer alongside the rest of the NPPF.

In addition, recognising the environmental, economic and social values of a project at planning stage can deliver many benefits, such as:

- UK suppliers being in a better position to compete for contracts throughout the supply chain
- Recognition of the innovation by UK-based manufacturers to deliver national goals of reducing carbon, improving material and water efficiency and reducing waste
- Reducing bureaucracy and improving efficiency through linking procurement asks with third party verification schemes

The CPA has called on government to embed 'whole life' values into its procurement decisions to ensure that infrastructure projects are procured not just on lowest cost but also recognising the value of sustainability – environmentally, economically and socially. There is also clear scope for this approach to be used in planning for housing.

Questions for consultation:

35) Do you agree with the proposals to amend national policy to:

- a) Amend the list of climate change factors to be considered during plan-making, to include reference to rising temperatures?
- b) Make clear that local planning policies should support measures for the future resilience of communities and infrastructure to climate change?

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Global warming results in changeable weather patterns and these will vary depending on where on the planet you live. In the UK, our weather, especially in summer, is dependent on the position of the jet stream and this depends on the variation between sea temperature in the Arctic and further south. Less temperature difference due to global warming means a meandering jet stream and its influence on variable UK weather patterns. It is suggested, therefore, that reference is made to changing temperature patterns due to global temperature rises.

The CPA agrees that it should be made clear that local planning authorities need to consider climate change impacts on the community as a whole, rather than just for new developments.

Questions for consultation:

36) Do you agree with these proposals to clarify flood risk policy in the National Planning Policy Framework?

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The CPA agrees with the proposal to clarify flood risk policy in the National Planning Policy Framework. This holds true for minor developments and changes of use applications as well, as the building of additional housing developments can raise overall local risk for existing settlements.