

Written evidence submitted by Fairview New Homes (LRB55)

Fairview: Levelling Up and Regeneration Bill

Executive Summary

1. The Levelling Up and Regeneration Bill represents a prime opportunity for the Government to support the SME housebuilding sector.
2. There are currently many barriers facing the sector which is preventing the development of much needed homes. These include delays in the planning system caused by the lack of resources available in planning departments and the availability of suitable smaller land sites.
3. Fairview New Homes have been building homes in London and the Home Counties since 1961. Fairview prioritises the purchase and development of brownfield land to regenerate neglected areas in London and the South East to the benefit of local communities.
4. Fairview are therefore calling on the following areas to be included in the Bill to help overcome these challenges:
 - A simplified planning system alongside extra resources for local planning departments to help speed up the planning process
 - Encouraging more people to enter the planning profession and ensure local planning authorities are able to give the training needed to planning professionals
 - The inclusion of ringfenced sites for SME developers and a review of existing brownfield sites and their accessibility for SME housebuilders
 - A focus on the importance of Levelling Up the entire United Kingdom, including deprived areas in London and South East which are too frequently missing from the debate
 - Ensuring that the planning system is pro-development particularly in the delivery of much needed affordable homes
 - A rethink of the proposed Infrastructure Levy and its potential effects on the amount of affordable housing being built. It is critical that the system which will be progressed by individual Councils reflects viability on individual sites can vary significantly. The current system allows for this. Also you cannot design, build and sell a development without knowing what your on-site affordable housing is before you start.
 - A review of the local plan process as local authorities failing to have a local plan or updating their local plans acts as a barrier to developers and the building of affordable homes

The role of SME Housebuilders in the sector

5. According to a report by the Lords Built Environment Committee, the number of SMEs in the housebuilding industry is decreasing. In 1988 SME housebuilders built 39% of new homes, now this is just 10%.¹

¹ Lords Built Environment Committee, January 2022, Meeting housing demand
<https://publications.parliament.uk/pa/ld5802/ldselect/ldbuiltenv/132/132.pdf>

6. This is hugely damaging for housing supply as SME housebuilders play an essential role in helping to meet the Government's housing targets and can target those smaller sites which larger developers tend to avoid. Unfortunately SME housebuilders face a number of barriers and are more badly affected by delays in the planning system, the complexity and cost of the planning system as well as suitable site availability.
7. As an SME developer committed to London and the South East, the Government's Levelling Up and Regeneration Bill is of significant importance and offers an important opportunity to remove the barriers SME housebuilders currently face in the planning system.

Barriers to Development for SME Housebuilders

8. Unlike large developers, SME housebuilders are much more effected by delays in local planning authorities. Even where sites have been allocated the uncertainty of planning committees and the length of time it takes officers to come to a recommendation is of huge detriment to smaller developers.
9. Even if a recommendation for approval is granted, years can still pass before a planning application is eventually turned down by planning committee members, influenced by the local politics rather than the urgent need for more housing.
10. To assist SME housebuilders, Fairview would like to see the following included in the Bill:
 - A simplified planning system alongside extra resources for local planning departments to help speed up the planning process
 - Encouraging more people to enter the planning profession and ensure local planning authorities are able to give the training needed to planning professionals
 - A review of the local plan process as research shows that currently 42% of councils do not have an up-to-date local plan² which acts as a barrier to developers and the building of affordable homes

Site availability

11. The lack of available small sites is a real barrier to the building of affordable housing particularly in London but also in the South East. Housing demand in the capital is currently outstripping supply, with the cost of buying a home in London far out of reach for the average worker.
12. The Levelling Up and Regeneration Bill needs to prioritise how land is allocated by local authorities to housing developments, as well as the type of land which is being made accessible. As part of the Bill we would like to see Government undertake a review of current disused brownfield sites in London and how these could be made better available to SME housebuilders. It is no longer the case that industrial sites need special protection given the significant purchasing power of the B2/B8 and data centre uses compared to the Housing Sector.
13. To assist with site availability Fairview would like to see the following included in the Bill:
 - The inclusion of ringfenced sites for SME developers and a review of existing brownfield sites and their accessibility for SME housebuilders

² Lichfields, May 2022, Ten years of the NPPF: What do we have to show for a decade of plan making?
https://lichfields.uk/blog/2022/may/4/ten-years-of-the-nppf-what-do-we-have-to-show-for-a-decade-of-plan-making/#_ftn2

- A rethink of the proposed Infrastructure Levy and its potential effects on the amount of affordable housing which it will be able to deliver

Levelling Up in London and the South East

14. Whilst it is rightly important that Levelling Up targets the most deprived and left-behind communities, as an SME housebuilder in the London and South East Fairview are all too aware of significant deprivation in these areas which are often missing from the overall policy discussion.
15. According to the Centre for London, nine of the ten local authorities in England with the highest rates of child poverty are in London and the very high cost of housing is a significant issue for many people trying to get on the housing ladder.³
16. Fairview is building new homes on neglected land in the South which aims to benefit the local area and communities. Operating in these areas as an SME developer gives Fairview a unique sense of the wide range of challenges local communities are facing in accessing the affordable homes which are desperately needed in these parts of the country.
17. To achieve Levelling Up across the whole of the United Kingdom, Fairview would like the Bill to focus on:
 - The importance of Levelling Up the entire United Kingdom, including deprived areas in London and South East, which are too frequently missing from the debate
 - Ensuring that the planning system is pro-development, particularly in the delivery of much needed affordable homes

Summary

18. The Levelling Up and Regeneration Bill needs to focus on the needs of SME housebuilders and encourage the market to work for them.
19. SME housebuilders are crucial to addressing the housing crisis currently facing the UK.
20. A simplified planning system with investment in local planning departments, the ring fencing of sites for SME developers to encourage competition in the housing market and a rethink of how the Infrastructure Levy will affect the amount of affordable housing being built should be included as part of the Levelling Up Bill.

About Fairview New Homes

21. Fairview have been building homes in London and the Home Counties since 1961. As an SME house builder Fairview have a strong track record in delivering much needed new homes primarily for first-time buyers and 'second steppers'.
22. Since 1961 we have developed over 440 housing sites, developing on average 750 homes a year and employing 200 members of staff.
23. Fairview prioritises the purchase and development of brownfield land to regenerate neglected areas in London and the South East to the benefit of the local communities. This ranges from small-scale schemes building a handful of houses in a village to helping to manage huge apartment projects.

1 September 2022

³ Centre for London, Like England, London needs levelling up too, June 2022
<https://www.centreforlondon.org/blog/london-needs-levelling-up/>