

Levelling up and planning

The government wishes to see 300,000 house a year built, largely by the private sector. This would amount to an annual investment of say £50 billion in their construction.

We have held the debates before about migration and numbers. Today I wish to discuss the issues the government is consulting on. The consultation is not about migration and just assumes large house numbers.

The issue is where should such a large number of homes be placed? The government has recently issued a couple of Planning policy documents. I wrote about the main one here, eliciting little interest.

The second one is a series of proposals for immediate rather than longer term reform of our planning system. It sets out a new method for calculating housing need which in turn would inform housing targets for each Council in the country.

The base position seems sensible, suggesting a 0.5% increase in existing stock in each Council area each year. This would provide a reasonable number of new homes everywhere allowing some flexibility to home buyers. There is then an added "affordability" formula or algorithm to increase these numbers, as 0.5% leaves the country well short of the government's own 300,000 target.

The adoption of this proposal produces a strange result. Instead of adding to the housing stock in the places where the government wishes to level up, their numbers are cut. Instead of reducing the flow of more investment and better paid people into the areas that are already well above average in prosperity and employment, they are scored to need many more. The estimates of the impact suggest Sussex would see a 127% increase and Surrey an 83% increase whilst the North East would have a fall of 28%.

I suggest the government thinks again lest this algorithm proves as troublesome as the exams one. We need a levelling up one, where more homes are built in those places which want the investment.