

BACKHOUSE
BACKING BRITISH HOUSING

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Opportunities and Threats: Policy and Implementation

Bristol Planning Law and Policy Conference

14 November 2019

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WHY?

THE OPPORTUNITY

Why does Britain need a new housebuilder?

And why talk about it at a planning conference?

Our strategy was born of two crises and built around the political response – including a change in planning regulation.

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WHY?

THE OPPORTUNITY

Two crises:

- Financial crisis
- Housing crisis

The financial crisis led to a significant reduction in finance available to Small and Medium (SME) housebuilders.

Housebuilding activity tanked, exacerbating a decades-long under-investment in housing and deepening the housing crisis.

Pre-crisis there were 6,000 SMEs building 70% of all new houses in the UK.

The crisis and its aftermath reduced this to 2,000.

By 2015, 10 large PLCs were building 60% of all new houses in the UK.

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WHY?

THE OPPORTUNITY

Political response and a change in planning rules...

The political reaction to the housing crisis has taken a number of forms:

- Target of 300,000 new houses per year by mid-2020s
- Funding programmes to stimulate re-growth in the SME sector
- Changes to planning law
- Low interest rates and Help To Buy

...resulting in a fantastic opportunity for businesses like ours:

- Improving land supply – 360,000 consents for new homes granted in the year to March 2019
- Improving funding conditions – funding from players like the Housing Growth Partnership (Castle Cary and Westbury)
- Support for home buyers – low borrowing costs and Help To Buy for new build homes

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WHAT?

THE STRATEGY

We are building a profitable, independent, design-led SME housebuilder

- Housing as a Commodity
- Housing as a Consumer Product

As an industry, 300,000 houses per year will require us to attract more buyers and new types of buyers and occupiers.

There is a huge focus on design in all the consume products we buy.

Britain is a powerhouse of design and innovation – across sectors – and housebuilding is late to the party.

HOW?

THE PLANNING CHALLENGES

The good news:

- Overall number of consents is up

The bad news:

- You can't build an outline consent
- Timelines for approvals, including:
 - discharge of conditions
 - technical approvals etc
- Particularly poor experience with a specific sign-off where the design is a question of regulations and standards

HOW?

SUPPLY AND DEMAND IN APPROVALS

Finding a Balance:

- Public sector involvement vs. private sector involvement
- Democratic oversight of decisions at a local level vs. the efficient delivery of a nationwide strategy

A Market for Approval Resource:

- Approvals looked at like car MOTs
- The utilisation of expert resources (the approval seekers vs the approval granters)
- Allowing the market to set the price and distribute the resource
 - Technical Consultation on the Implementation of Planning Changes – February 2016
 - Housing and Planning Act 2016

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Thank you