BUDGET 2020

British Property Federation policy analysis

View Budget documents online. Numbers in brackets [xx] below refer to paragraph numbers in the Budget paper. Information provided by the government (which may have been edited for length) is shown in normal type. BPF analysis is given in italics.

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High Streets

[2.261] As announced at Budget 2018, the Government will push ahead with its plans to reintroduce crown preference for certain tax debts. The implementation of this measure has however been delayed until 1 Dec 2020. It will also now be extended to Northern Ireland.

The return of Crown Preference is disappointing and will be damaging for the UK's rescue culture. A greater share of the pain in insolvency will now have to be divided amongst the remaining unsecured creditors, and struggling firms will be less able to raise funding as a result. We hope that the delay for implementation until December 2020 will allow the Government enough time to change its mind or at very least consider mitigating measures.

Housing and Student Accommodation

[2.91] Affordable Homes Programme – The Budget announces an additional £9.5bn for the Affordable Homes Programme. In total, the programme will allocate £12.2bn of grant funding from 2021-22 to build affordable homes across England. This should bring in a further £38bn in public and private investment. This new five-year programme will help more people into homeownership and help those most at risk of homelessness.

The allocation of additional funding towards affordable housing is respectable, but it is increasingly difficult to assess what impact this spending will have due to the wide range of affordable housing products, how money earmarked for affordablehomes is spent, and changes that are proposed to how planning gain is spent. Cost inflation and previous years' shortfalls should also be considered, so past spending may not be the best barometer for what is needed now. Ultimately, what Government will be judged on is the number of homes and the mix of affordability that is delivered. On that measure, this is an area where funding needs to be more ambitious.

[2.92] Housing infrastructure allocations – The Budget confirms allocations from the Housing Infrastructure Fund totalling £1.1bn for nine different areas, including Manchester, South Sunderland and South Lancaster. These successful bids will unlock up to 69,620 homes and will help to stimulate housing and infrastructure growth across the country. The Budget also announces additional housing investments in York Central, Harlow and North Warwickshire totalling £328m.

[2.93] Single Housing Infrastructure Fund – At the CSR, the government will launch a new long-term Single Housing Infrastructure Fund to unlock new homes in areas of high demand across the country by funding the provision of strategic infrastructure and assembling land for development.

All communities should expect housing development to be supported with excellent infrastructure. The new allocations of the Housing Infrastructure Fund are therefore welcome and we are pleased to see those spread around the country. It is particularly important that we recognise different land values across the country and support the provision of infrastructure where land valuesmay not support planning contributions.

[2.94] Brownfield Housing Fund – To level up all regions of the country, the Budget launches a new £400m brownfield fund for pro-development councils and ambitious Mayoral Combined Authorities with the aim of creating more homes by bringing more brownfield land into development. The government will shortly invite bids that are ambitious and represent a significant increase in housing supply on brownfield land. The government will consider proposals from areas such as the West Midlands Combined Authority to expand their existing brownfield land fund.

We fully support Government in making this funding available and supporting ambitious combined authorities. It is important that Government also gives ambitious city regions the planning powers to ensure that land is best utilised at a strategic level.

[2.95] Future Homes Standard – The government is committed to reducing emissions from homes and to helping keep household energy costs low now and in the future. In due course, the government will announce plans to improve the standards of new built homes.

We responded positively to the consultation on the Future Homes Standard earlier this year. The Government is right to be ambitious, as those ambitions are supported by alternative technologies and means of sharing best practice. However, most emissions come from existing stock and it is important Government soon provides sufficient incentives and disincentives, particularly to homeowners, to make significant progress with existing homes.

[2.96] Building Safety Fund – Following the Grenfell tragedy, one of the government's most important objectives is to ensure residents feel safe and secure in their home. Having taken expert advice, the Budget confirms an additional £1bn to remove unsafe cladding from residential buildings above 18 meters to ensure people feel safe in their homes.

This is a welcome further step in prioritising the remediation of High Rise Residential Buildings, as a coalition of managing agents, leaseholders, building owner representatives, and parliamentarians has called for in recent weeks. A dedicated fund is much needed support, though it will probably need further funding in future years if it is to meet the scale of interventions required. It is clear that the wider issue of building safety will take years to resolve and require a collaborative approach between all parties affected. How Government plans its long-term policy approach on this issue is very important, with funding going hand-in-hand with what is in scope.

[1.145] Where LPAs fail to meet their local housing need, there will be firm consequences, including a stricter approach taken to the release of land for development and greater government intervention.

We fully support the Government's approach via the Housing Delivery Test and escalating sanctions. We have strong concerns, however, about how objectively assessed need is calculated, particularly in the north of the country, where OAN is reflecting historical trends, rather than local ambitions for growth.

[2.128] The government has designated the corridor of land connecting Oxford, Milton Keynes, Bedford and Cambridge (the OxCam Arc) as a key economic priority. Earlier this year, the government announced the East West Rail Company's preferred route for the new line between Bedford and Cambridge. The government will also, subject to planning consents, build a new rail station at Cambridge South, improving connectivity to the world-leading research facilities of the Cambridge Biomedical Campus – the largest cluster of medical and life sciences research in Europe.

[2.129] The Budget announces plans to develop, with local partners, a long-term Spatial Framework to support strategic planning in the OxCam Arc. This will support the area's future economic success and the delivery of the new homes required by this growth up to 2050 and beyond. The government is also going to examine and develop the case for up to four new Development Corporations in the OxCam Arc at Bedford, St Neots/Sandy, Cambourne and Cambridge, which includes plans to explore the case for a New Town at Cambridge, to accelerate new housing and infrastructure development.

The announcements today are a very welcome further step in how we plan for significant development in the OxCam Arc. They are a first step, however, that will raise challenges and require funding and policy solutions in the years ahead.

[2.58] Local Infrastructure Rate lending – The government will provide an additional £1.15bn discounted lending at 60 basis points above gilts via the Public Works Loan Board (PWLB) to support specific local authority infrastructure projects for England, Scotland and Wales.

[2.59] Housing Revenue Account lending rate – The rate for discounted PWLB lending to support social housing will be reduced to 80 basis points above gilts for local authorities in England, Scotland and Wales.

It is good to see that Government is recognising recent rate increases would have been unhelpful to some of its aspirations to get councils building more homes and delivering infrastructure. These proposals seem a sensible policy reaction to help promote capital spending on these areas.

[2.89] Changing Places Fund – The government is determined to see greater provision of Changing Places toilet facilities in new and existing buildings. These facilities are designed to provide sufficient space and equipment for people who are not able to use the toilet independently. Following on from a consultation in 2019, the government will change building regulations guidance by the end of this year to mandate the provision of Changing Places toilets in new public buildings. The Budget also confirms that the government will launch a £30m Changing Places Fund, working with the Changing Places Consortium and others to identify those sectors where we most need to accelerate the provision of such facilities in existing buildings.

Student Accommodation

[2.31] The government will increase the immigration health surcharge (IHS) from £400 to £624. For students and those entering on the youth mobility scheme, the surcharge will rise from £300 to £470.

For international students, an increase in the IHS of £170 is significant and could even put a small number off choosing the UK for their studies. This will be of some concern for providers of purpose-built student accommodation and our world-class HE sector, which relies on the UK providing a welcoming environment for students.

Infrastructure

[1.126] Infrastructure underpins the economy: it is essential for markets to function effectively, it supports jobs, attracts investment, and it matters to families, communities, towns and cities. Later in the spring the government will publish a landmark National Infrastructure Strategy which will set out plans for a once in a generation transformation of the UK's economic infrastructure.

From transport infrastructure to nationally significant energy infrastructure and the social infrastructure that underpins sustainable development, the importance of such provision can not be overstated. By connecting regions, cities, and communities together, and by delivering the facilities that support sustainable growth in housing and employment, the UK's potential can be achieved across geographies.

Investing in infrastructure right across the country will not only enable the delivery of well-designed and sustainable communities but will also ensure that hubs of employment and expertise can attract and retain the best skills and labour available.

We look forward to seeing the detail of the Government's ambitious infrastructure plans and welcome the opportunity to contribute to a matter that is of great importance to the breadth of our membership.

Tax

[2.212] Non-UK resident Stamp Duty Land Tax (SDLT) surcharge – The government will introduce a 2% SDLT surcharge on non-UK residents purchasing residential property in England and Northern Ireland from 1 April 2021. This will help to control house price inflation and to support UK residents to get onto and move up the housing ladder. The money raised from the surcharge will be used to help address rough sleeping. (47)

This measure was anticipated following the government's consultation last year. While we fully support the Government's ambitions to end homelessness, we need to build more homes and overseas investment plays a key role in increasing housing supply across the country. We are therefore very disappointed that no targeted reliefs are being considered for overseas investors contributing to new housing supply.

[2.198] Capital Allowances: Structures and buildings allowance (SBA) rate – The annual rate of capital allowances available for qualifying investments to construct new, or renovate old, non-residential structures and buildings will increase from 2% to 3%. The change will take effect from 1 April 2020 for corporation tax and 6 April 2020 for income tax. The introduction of SBA at Budget 2018 greatly enhanced the international competitiveness of the UK's tax system and this increased rate of relief goes even further, providing businesses who invest with over £1bn in additional relief by the end of 2024-25.

We welcome an increase in the rate of the structures and buildings allowance. For many investors, this measure simply brings forward the timing of tax relief, but it is a step in the right direction and a helpful boost to cash flows for those looking to invest in new buildings in the UK.

[2.191] Business rates retail discount – The government has already announced that, for one year from 1 April 2020, the business rates retail discount for properties with a rateable value below £51,000 in England will increase from one third to 50% and will be expanded to include cinemas and music venues. To support small businesses in response to COVID-19 the retail discount will be increased to 100% and expanded to include hospitality and leisure businesses for 2021. (26)

[2.192] Business rates pubs discount – The government previously committed to introducing a £1,000 business rates discount for pubs with a rateable value below £100,000 in England for one year from 1 April 2020. To further support pubs, in response to COVID-19 the discount for pubs will be increased to £5,000. (27)

[2.193] Business rates local newspaper office space discount – The £1,500 business rates discount for office space used by local newspapers in England will be extended for an additional five years until 31 March 2025.

[2.194] Business rates public lavatories relief – The government will bring forward legislation as soon as possible in this session to provide mandatory 100% business rates relief for standalone public lavatories in England from April 2020.

[2.195] Local authorities will be fully compensated for the loss of income as a result of these business rates measures.

[2.196] Business rates review – The government is launching a fundamental review of business rates to report in the autumn. The Terms of Reference for this review

[2.197] Valuation Office Agency (VOA) business systems transformation programme – The government will invest an additional £11.5m in the VOA in 2020-21 to support the modernisation of VOA systems and processes, to increase efficiency and improve customer service in the future.

The government have increased or expedited existing promises to relieve the business rates burden. In light of COVID-19, the retail discount will be increased to 100% for the next year, and expanded to include hospitality and leisure businesses.

The drastic relief required at this time is testament to how urgently the business rates system needs to be reviewed to avoid putting undue pressure on business. To the end, we are pleased that the government will launch its "fundamental review" in the spring, with a view to reporting in the autumn. The review's terms of reference seem broad enough to consider our key concerns. However, we are disappointed that abolishing the downwards phasing mechanism was not included as part of the urgent measures to support businesses at this time. Small and large businesses alike are struggling on our high streets, and the least the government could do would be to allow businesses to pay a rates bill based on their up to date valuations.

However, it is promising that the government has acknowledged the need to support the VOA in modernising their systems and processes to better improve customer service in the future, and a have allocated additional funding for this.

[2.208] Review of the UK funds regime – The government will undertake a review of the UK's funds regime during 2020. This will cover direct and indirect tax, as well as relevant areas of regulation, with a view to considering the case for policy changes. The review will begin with a consultation, to be published at the Budget, on whether there are targeted and merited tax changes that could help to make the UK a more attractive location for companies used by funds to hold assets. The review will also consider the VAT treatment of fund management fees and other aspects of the UK's funds regime.

We have increasingly encountered issues with how changes to the wider business tax system inadvertently impact on the funds industry – most recently with the introduction of the non-resident Capital Gains Tax charge. The UK has an internationally-renowned funds industry and we are pleased that the government has launched this review, which we hope will lead to greater flexibility in property fund structuring and less reliance on overseas holding companies. We look forward to engaging in due course.

[2.205] Digital services tax (DST) – As announced at Budget 2018, the government will introduce a new 2% tax on the revenues certain digital businesses earn from 1 April 2020. This will ensure the amount of tax paid in the UK reflects the value these businesses derive from their interactions with, and the contributions of, an active user base. Legislation will require businesses to pay the DST on an annual basis, consistent with the draft legislation published in July 2019. The government will continue to give consideration to how the legislation applies to marketplace delivery fees and whether that application is consistent with the policy rationale of the DST. The government remains committed to developing a multilateral solution to the challenges digitalisation has created for the corporate tax system and will repeal the DST once an appropriate global solution is in place.

As the economy evolves it is right that the Government looks at how the tax system can keep pace. While there has been a focus on the 'clicks versus bricks' debate in retail, we feel it is right that the government is taking a broader approach and looking at all businesses that create value through digital interaction.

[2.207] Corporate capital loss restriction – As announced at Budget 2018, from 1 April 2020, the government will restrict the proportion of annual capital gains that can be relieved by brought-forward capital losses to 50%. This measure includes an allowance that gives companies unrestricted use of up to £5m capital or income losses each year, meaning that 99% of companies will be unaffected. Following consultation on the detailed design of the rules, the government will also exclude certain companies in liquidation from the scope of the restriction.

We remain disappointed that these measures to restrict tax relief on losses are going ahead as they will unfairly penalise industries where gains and losses happen to arise in different accounting periods – as is the case for real estate investment. However, it is helpful that the government has at least acknowledged the need to carve out companies in liquidation.

[2.241] VAT Partial Exemption – Following the recent call for evidence on the simplification of the VAT rules on Partial Exemption and the Capital Goods Scheme, the government will continue to engage with stakeholders in relation to their responses and will publish a response in due course.

As we set out in our response to the government's review last year, there is much the government could do to simplify how these rules work in a property context. We look forward to engaging in due course.

Healthcare

[1.107] The NHS is the government's number one spending priority. The NHS settlement, confirmed in January 2019, provided the largest cash increase in public services since the Second World War – an additional £34bn per year by 2023-24. Spending Round 2019 confirmed the government's commitment to the NHS, with £139bn for health budgets in 2020-21. The Budget provides over £6bn of further funding to strengthen the NHS in England and pay for vital services that will improve people's health, reaffirming the government's commitment to health and social care.

While the Chancellor's announcement of £6bn worth of new funding for the NHS is welcome, there remains a great deal of uncertainty around the measures that will be taken to ensure that the wider NHS estate is fit for purpose in years to come.

With significant backlog maintenance bills within the NHS estate, clarity is needed on the steps that government will take to address these issues, and crucially, how improvements to vital buildings and infrastructure will be funded.

We acknowledge that some of this clarity may be provided through the comprehensive spending review, due to conclude in July, and as such we welcome any opportunity to contribute to this process in coming months.

Sustainability

[1.242] The heating of our homes will need to be virtually zero carbon by 2050, replacing natural gas and other fossil fuels with low carbon alternatives – likely to be primarily a mix of green gas, heat pumps and heat networks. To meet this challenge, the Budget accelerates the greening of the gas grid by announcing a new support scheme for biomethane, funded by a Green Gas Levy. The government will also support the installation of heat pumps and biomass boilers by introducing a Low Carbon Heat Support Scheme. Recognising the energy efficiency benefits of heat networks, the Budget confirms funding for the Heat Networks Investment Project for a further year to 2022 and provides £270m of new funding to enable new and existing heat networks to adopt low carbon heat sources.

[1.243] To encourage businesses to operate in a more environmentally friendly way, the government is raising the Climate Change Levy on gas in 2022-23 and 2023-24 (whilst freezing the rate on electricity) and reopening and extending the Climate Change Agreement scheme by two years.

We continue to be supportive of the government's ambitions to decarbonise heating in homes and in the wider building stock. Ultimately, buildings will need to move away from the use of certain fuel sources and towards low carbon and zero carbon solutions if we are to hit the 2050 net zero target.

However, the Budget was light on detail surrounding any wider package of measures that will be introduced to help decarbonise the UK's existing and future building stock. Whilst the promotion of heat pumps and heat networks are important to the endeavour for a green transition, the necessary expertise, market conditions, and skills capacity to achieve a swift transition have not been realised.

[1.246] Access to high quality, convenient charging infrastructure is critical for drivers to make the switch to electric vehicles confidently. The government is therefore providing £500 million over the next five years to support the rollout of a fast-charging network for electric vehicles, ensuring that drivers will never be further than 30 miles from a rapid charging station. This will include a Rapid Charging Fund to help businesses with the cost of connecting fast charge points to the electricity grid. To target spending from this fund effectively, the Office for Low Emission Vehicles will complete a comprehensive electric vehicle charging infrastructure review.

It is right that the Government targets sustainable modes of transport as a pivotal step towards a greener society and economy. Encouraging people to take up electric cars and vans will not only deliver carbon savings but will also have profound positive implications for air quality and quality of life.

However, the current lack of electric vehicle charging infrastructure is a significant barrier to shifting behaviours, and whilst we welcome the funding commitments to rapid charging infrastructure, Government must be cognisant of the potentially rapid rate of technological redundancy. This is to say that in deploying EV charging infrastructure and requiring such provision in new and existing buildings, any associated planning must take a long-term view to minimise wasted time or resource.

[1.247] The government will also remove the entitlement to use red diesel from April 2022, except in agriculture, fish farming, rail and for non-commercial heating (including domestic heating). By removing this tax relief on pollution, the government will encourage businesses and industry to improve the energy efficiency of their vehicles and machinery or look for greener alternatives. The development of these alternatives will be supported by the government more than doubling its investment in the Energy Innovation Programme. (39

Clearly the removal of the red-diesel tax rebate from April 2022 will place UK construction, a sector which already operates on tight margins, under further strain. Once implemented, construction clients will undoubtedly see this change filter down when negotiating their construction contracts with main contractors.

[2.98, 2.99, 2.1, 2.101] The government will invest £5.2bn in a six-year capital investment programme for flood defences; will invest £39m in the Environment Agency's network of water supply and water navigation assets; will provide £120m to repair flood defences which were damaged this winter; and, has confirmed a new £200m package of place-based resilience schemes to ensure faster recovery for rural, urban and coastal communities most at risk of flooding.

The injection of capital investment announced in the budget for the UK's flood defences is significant and commendable. However, climate change could dramatically increase both the severity and frequency of flooding in the years to come. Government will need to match this increased expenditure with reform of the Flood Re reinsurance programme so that leaseholders and those in the private rented sector are able to access affordable cover.

Devolution

[1.155] The Budget goes further to support places, regions and nations to grow. As part of this the government has agreed a devolution deal with West Yorkshire to establish a Mayoral Combined Authority with a directly-elected Mayor from May 2021. This deal will provide £1.1bn of investment for the area over 30 years, as well as devolving significant new decision-making powers on transport, planning and skills. It also underpins the agreement of a long-term intra-city transport settlement for the region starting in 2022-23. This devolution deal is an important step in delivering on our levelling up agenda by giving power and investment to local areas.

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[2.127] Changing where the government makes decisions – The government will relocate a minimum of 22,000 civil service roles out of central London, the vast majority to the other regions and nations of the UK. This will take place over the next decade via the Cabinet Office and its Places for Growth programme. HM Treasury, alongside DIT, BEIS and MHCLG, will establish a new economic decision-making policy campus of over 750 roles in the north of England. HM Treasury will also establish representation in Northern Ireland and Wales, adding to its existing presence in Scotland.

[1.130] Building on the Transforming Cities Fund, the government will also provide £4.2bn from 2022-23 for five-year funding settlements for eight Mayoral Combined Authorities (in West Yorkshire, Greater Manchester, West Midlands, Liverpool City Region, Tyne and Wear, West of England, Sheffield City Region and Tees Valley). While it will be for elected Mayors to put forward ambitious plans, the government would welcome the opportunity to support a range of schemes, such as the renewal of the Sheffield Supertram, the development of a modern, low-carbon metro network for West Yorkshire and tram-train pilots in Greater Manchester. As a first step, the government will open discussions with Greater Manchester, Liverpool City Region and the West Midlands in the coming months.

[2.120] English Devolution White Paper – The government will publish an English Devolution White Paper in the summer, setting out how it intends to meet its ambitions for full devolution across England.

The Government's continued commitment to further devolution of power to the UK's regions will underpin the success of its levelling up agenda. The announcement of a new combined authority in West Yorkshire as well as the new £4.2bn, five-year funding settlements for the eight mayoral combined authorities will allow the respective administrations better to plan and deliver for their communities.

Further, given the importance of devolution and the provision of greater autonomy in making financial and planning decisions t, we welcome the commitment to consult on a Devolution White Paper in the summer. We look forward to working with government to develop and deliver a devolution strategy that delivers real value and benefit to communities across the country.

We support greater devolution of powers to local government as well as important measures to ensure that those leading the country are present in the areas that they serve. The Government's commitment to locating significant numbers of civil servants and Treasury officials in some of the UK's regions will be a great vote of confidence for the respective areas. We have seen through government bodies such as Homes England, that being located in, and integrating with local markets, the communities and businesses in those locations are provided with greater certainty and confidence to invest and deliver.

Research and Innovation

[1.220] The Budget sets out ambitious plans to increase public R&D investment to £22bn per year by 2024-25. This landmark investment is the largest and fastest ever expansion of support for basic research and innovation, taking direct support for R&D to 0.8% of GDP and placing the UK among the top quarter of OECD nations – ahead of the USA, Japan, France and China. This unprecedented increase in investment will support a range of objectives, including:

• supporting world-leading research in all regions and nations of the UK, including by cutting bureaucracy, experimenting with new funding models, and establishing a new funding agency to focus on high-risk, high-reward research

• meeting the great challenges facing society, including climate change and an ageing population, and providing funding to pursue 'moonshot' scientific missions

• investing in the government's own strategic science capability and improving public services

• backing businesses to invest and innovate so that they can compete in the global technology-driven economy

Real estate of all types including private homes is a major contributor to carbon emissions and user of natural resources, and the Chancellor must therefore ensure that the important announcement on amplified R&D spending prioritises the decarbonisation of the built environment.

[2.67] Data sharing – The government has already improved its use of data through the Artificial Intelligence and Data Grand Challenge and the ONS Data Science Campus. The Budget goes further by investing £16.4 million over the next three years, including £6.8m for the ONS to make it easier to share more, higher-quality data across government. This will improve policy making and evaluation, and combine datasets in new ways to detect fraud. This investment is a first step in the government's National Data Strategy to unlock the power of data across government and the wider economy, while building trust in its use.

Comment: Government is a key producer of and consumer of data, and as a client can exert positive force on the wider economy to become more data-driven. However, the data it releases for use that relates to the built environment is not always easy to find or use and the monies provided today should at least in part be devoted toward existing workstreams that are seeking to address these issues.

[2.97] HM Land Registry (HMLR) – HMLR will be provided with £392m to transition from a Trading Fund into part of central government. This funding includes £350m that will be offset by HMLR returning its income to the Exchequer, and £42m of funding to allow HMLR to continue with its ongoing project to digitise land registration in England and Wales, and enable further innovation in the property market and the wider UK economy.

As a key supporter of the Real Estate Data Foundation and efforts to leverage productivity benefits and value from data in the real estate sector, we welcome this announcement. There is much insight and benefit to be obtained from public data, but we recognise that in releasing more, Government bodies need to be mindful of a number of challenges, such as data protection. Bringing Land Registry into Central Government will give it the resources it needs to pursue digitalisation and innovation in the real estate market while preserving the vital services that Land Registry provides, not least security of title.

Digital connectivity

[2.78, 2.79, 2.80, 2.81] The Budget commits £5bn to support the rollout of gigabit-capable broadband in the most difficult to reach 20% of the country; announces that DCMS will shortly publish a consultation response which will confirm the government's intention to legislate to ensure that new build homes are built with gigabit-capable broadband; and announces that the Shared Rural Network agreement has been finalised between the government and industry, with the Government committing up to £510m of funding.

The measures outlined in the budget to support the rollout of gigabit-capable broadband are far reaching and welcome. Property owners and occupiers alike have been calling for better digital connectivity across the country, especially as it has become an essential utility now - not unlike water or electricity. However, we are keen to impress on Government that new legislation requiring new build homes to have gigabit-capable connections must consider any adverse impact on development viability.

Planning

[1.145] Land availability, as constrained by the planning system, is the most significant barrier to building more houses. The Secretary of State for Housing, Communities and Local Government will shortly set out comprehensive reforms to bring the planning system into the 21st century, followed by a Planning White Paper in the spring. These reforms will aim to create a simpler planning system and improve the capacity, capability and performance of Local Planning Authorities (LPAs) to accelerate the development process. Where LPAs fail to meet their local housing need, there will be firm consequences, including a stricter approach taken to the release of land for development and greater government intervention. The government will also explore long-term reforms to the planning system, rethinking planning from first principles, to ensure the system is providing more certainty to the public, LPAs and developers.

We look forward to engaging with government when the planning white paper is published in the Spring. There are many practical ways in which the existing system can be improved - we published our own planning manifesto in December 2019 detailing our members' recommendations for a better functioning system.

If the ambition of a more accelerated planning system is to be realised, the forthcoming planning white paper will need to tackle the chronic underfunding of local authority planning departments head on, with more central government funding combined with greater investment from the private sector. One of the contradictions in government policy since 2010 is that spending on the English planning system has been cut by 55% (inflation adjusted per head) – the greatest fall across all council activities – meanwhile housing targets over the same period have increased by 50% to 300,000.

With regards to the government's more fundamental review of the planning system, we will wait to see the specific proposals that come forward in this area. We hope that we'll see reforms that focus on injecting a greater level of certainty as this will, in principle, find support from developers navigating the existing planning system.

OUR KNOWLEDGE AND ADVICE ON NATIONAL POLICY IS HELPING THE UK REAL ESTATE SECTOR GROW AND THRIVE

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