

Policy Unit  
Liberal Democrats  
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**Re: Homes and Planning - Consultation Paper 149**

Dear Colleagues,

Liberal Reform is an organisation within the Liberal Democrats that promotes opportunity, civil liberties and market based solutions. Housing policy in particular, is a keen interest of ours.

Throughout 2021 we ran our “Building Communities” campaign which focused on tackling the housing crisis, and in June we set up our [Building Communities Working Group](#) consisting of a range of people including Lib Dem councillors, housing experts and passionate activists.

This group worked together to produce our [Building Communities policy motion](#), which passed at Autumn Conference 2021 and became party policy.

The housing crisis is one of the most worrying issues facing Britain today, particularly for young people and those on lower incomes. It is essential that our party has robust policy in this area, which will deliver high quality homes that are widely available to those that need them, and that are built in the sort of numbers that will make a difference.

Liberal Reform have prepared an extensive response to [your proposals](#), and we will be addressing them section by section. Please see below!

Kind regards,

**Fraser Coppin**  
**Co-Chair - Liberal Reform**



### 3. Housing Numbers

We are deeply concerned about this section of the paper, which in our view falls far short of what is required.

#### The need for national targets:

Our Building Communities motion which was approved by conference and became Liberal Democrat policy in September 2021, called for a national housing target of 380k with 150k for social rent.

These targets are based on [a comprehensive study](#) by Glen Bramley, professor of Urban Studies at Heriot Watt University. Section 4 of the paper sets out an projection of housing need for Great Britain over the next 15 years, which we summarise below:

The calculation starts with, at the time of writing, the most recent Office for National Statistics Household Projections figure (the number of new households in England per year), which is: 216,284. Next a further 68,884 is added to include what the paper refers to as “Suppressed household formation”. This is basically, the number of people (predominantly young people) per year that would like to move out of their parent’s home or a flat share but can’t currently afford to do so. So this demand would re-emerge in the event housing supply increased and it became more affordable.

An additional 32,000 is added to take demolitions per year into account. Finally 22,000 is added to cover the slightly increased vacancy rate, which 1) is something we want in order to enable more movement and 2) something that’s likely to emerge anyway due to the sizable increase in supply we’re creating.

This results in a total supply requirement for England of 339,169 homes per year. Then this is combined with modelling undertaken to estimate numbers for Scotland and Wales, giving us the federal figure for Great Britain of 380k.

The paper also estimates that to ensure enough supply of genuinely affordable homes, that new social housebuilding required is around 100k per year, with 33k also delivered for intermediate affordable rent.

It was decided by the Building Communities working group in 2021 to round up/simplify this figure to 150k. We decided that we should go (slightly) above and beyond with this commitment to reflect both the urgent need of housing for those on lower incomes, and to emphasise the increased role of local authorities in the planning process that the motion overall proposed.

It is important to remember that the latent demand from suppressed household formation is genuine demand and represents a significant number of (predominantly) young people whose aspirations to live independently or to form new family/other units are being denied because of lack of supply of housing. Clearly, this is not a situation that liberals can accept, any more than we can ignore the urgent need for social housing.

This is in summary, why we propose a national housing target of **380k homes, including 150k for social rent**. (Which we reiterate, is currently party policy!)

#### Why previous housing targets have not worked:

Your paper refers to a [survey of house builders](#) in which developers said that: land availability (55%); slow planning permission (49%) and skills shortages (47%) were holding them back from building more homes.

Land availability issues can be tackled with reform of The Land Compensation Act and compulsory purchase powers, as well as a land value tax and action on land banking (As covered further down in Sections 9 & 11). Slow planning permission can be mitigated by the above as well as giving planning departments the resources they need instead of cutting them to the bone as the Tories have done in recent years (Section 12). And finally the solution to skills shortages is an ambitious training and retraining programme for construction, as well as greater investment in modern construction methods (Section 6).

The answer here is to tackle these problems to allow the targets to be achieved, not to just abandon the targets! And as your proposals also address all 3 of these at least in part, this would hopefully render the question moot.

Our main suggestion to ensure that this target is met however, would be to allow councils to take the lead in delivering homes by reforming the Land Compensation Act, planning infrastructure, and cracking down on land banking, as set out in existing party policy as agreed last year within the [Building Communities motion](#).

#### Your alternative?

Paragraph 3.6 calls for “a mechanism to enable and encourage local authorities to deliver the right homes”. This is incredibly vague and we would appreciate further clarification from you on what this would mean in practice.

We agree with the principle that local authorities should have a larger role in delivering homes, as we set out in our Building Communities motion. However it's essential to have the national target in place as well to provide balance, and a guarantee that local authorities will build homes in order to meet housing needs.

Under the working group's proposed "mechanism", what would prevent Tory councils in the Blue Wall that are worried about losing their seats to the Lib Dems just blocking every and all buildings for political gain?

#### Impact on electoral performance:

There is a concern that the policy of a national target may lose us votes. However, other than a small amount of anecdotes, we are not aware of any evidence that supports this claim. In fact polling undertaken by Shelter has shown that 48% of people were supportive of more homes being built in their local areas, with only 30% opposed (Polling which you cite yourselves in section 8 of your paper!) Lib Dem led councils like Eastleigh, Chelmsford and South Cambridgeshire are also building plenty of homes, and are still winning elections!

Furthermore, a national target allows us to send out a clear message that we are in favour of providing homes and this will very likely WIN us many votes, particularly from young people who are disproportionately affected by the housing crisis. Every new person that moves into your area is a new potential voter!

An increasing number of people, primarily but not exclusively at the younger end of the age range, are likely to come to view excessive housing costs as a key political issue. Gaining a reputation as a party that is primarily concerned with opposing new developments presents a substantial political risk in its own right.

The reality is that our opponents are always going to be attacking us for one thing or another. And the way we should respond to jibes from the Tories (or from any other party), is to make a positive case of our own, which having a robust housing policy will allow us to do!

And it should also be noted that the mere presence of a national housing target in our policy platform, doesn't prevent us campaigning on a local basis against certain developments and/or for protecting green spaces. It just means that we can't oppose absolutely every development for the sake of it (and rightly so!).

#### **4. Social and Affordable Homes**

We welcome the focus on building social homes and prioritising those with the greatest need. Increasing the supply of homes is also important in order to tackle the housing crisis more generally.

But the proposed programme of 1 million over 10 years is not enough, instead this should be increased to 1.5 million over 10 years (Meaning that we would build on average 150k homes for social rent per year, which is current party policy). As outlined above, there is an objective need for a large increase in the supply of affordable homes in this country, and this should be reflected in the target.

It's also not clear why your proposals reject a building target for homes generally but support one for social homes? This is an inconsistent position that we will likely get challenged on during an election campaign. We should have national targets for both!

However we welcome the proposed change to the definition of an affordable home, as the current definition is often unhelpful. Defining an affordable home in relation to local incomes rather than local rents would be a good step forward and allow us to contextualise the housing crisis in a better way.

#### **5. Energy and the Environment**

We welcome the proposals in this section, and we believe it is crucial that Liberal Democrat policy on housing reflects the need to tackle the climate and ecological emergencies.

We particularly welcome the proposals to retrofit existing homes, which will not only reduce carbon emissions but cut energy bills for millions of households that are struggling to make ends meet at the moment. We should seek to be ambitious on this and combine it with past proposals for a Green Investment Bank to ensure that those who might not be able to afford a retrofit are supported in doing so.

We would however have liked to have seen more here on the benefits of densification. By densifying our towns and cities around good public transport networks, we can use housing as a tool to reduce CO2 emissions and reduce car dependency.

## **6. Skills, Labour and Technology**

Delivering the homes that we need will require significant investment in skills, labour and technology, so we welcome this section!

Ultimately the best thing we could do to ensure we have enough labour would be to rejoin/mirror the single market? (But that may go beyond the remit of this working group!)

## **7. Tenant and Landlord Rules**

This section is no doubt well intentioned but incredibly muddled.

Regarding the proposals in 7.5 for landlord licensing: We can see the argument for this but would like to see more research on it. Do other countries do this and does it actually make a difference?

Licensing would also create a barrier to entry into the market (as it does in any other industry) and there is a possibility that this could reduce the supply of homes available to rent even further. If obtaining the licence costs a significant amount of time and/or money then it's "smaller landlords", who perhaps own 1 or 2 properties, that would disproportionately be hit by this.

Furthermore, the proposed policy of "Rent smoothing" seems like it would operate in practice as a form of rent control? If so, rent controls are a terrible idea that won't work and never has.

There is a large body of research on this topic, particularly focused on large cities in the United States where rent controls have been implemented. It shows that controls benefit incumbent residents but they also reduce the supply of housing available over the longer term and exacerbate inequality within these communities.

A far better solution for the problems of rising rents and poor housing conditions in the rented sector, would be to increase the supply of affordable and social homes!

The issue is that inadequate supply places far too much power in the hands of landlords: regulation might be able to influence exactly how that hurts tenants, but is unlikely to be able to prevent it from doing so.

## **8. Community and Public Engagement**

We completely agree with the point that currently homeowners and retirees dominate the discussion on planning. Given that it is often young people and those on lower incomes that feel the hardest effects of the housing crisis, this imbalance urgently needs to be addressed.

We would question whether “strengthening duty to consult” as called for in 8.5 is needed. This already exists and as stated in section 3: the slow planning system is already a barrier to new building. If the concern is that insufficient attention is paid to marginalised groups, it will be necessary to reach beyond existing channels, which are already proven not to be effective at reaching these people.

We also have severe doubts that the financial benefits of new housing (such as S106 funds) are fully understood by the public, and would like to see efforts to raise awareness of this within communities, which would hopefully lead to some more support for building.

We agree with the principle of community engagement but this needs to be balanced by a national target to ensure that housing needs are addressed. It is vital to remember that the key beneficiaries of housebuilding are often structurally prevented from engaging in the planning process, for the simple reason that they are not yet resident in an area. Any system that does not include a mechanism to ensure their interests are still protected is almost certain to lead to inadequate housebuilding.

## **9. Infrastructure and Economic Development**

Ensuring that delivering new homes goes hand in hand with the necessary infrastructure was a big focus of our Building Communities motion last year, so we’re happy to see it included again here.

We also agree with the point raised in 9.4 that “there is also a tendency to build the neighbourhoods of the past rather than the future”. Much current development emphasises our overreliance on cars, by prioritising parking spaces over more dwellings and green spaces for example. In order to tackle the climate and ecological emergencies this needs to be reduced.

We would suggest a focus on denser developments around existing and upgraded public transport stations, there are many sites in close proximity to Tube and Rail stations in Greater London for example that would work well for this.

In more rural areas where this may not be possible, then we should coordinate new development with bus routes either by building on existing routes or by creating new ones, in order to give residents the greener option of using public transport over the car. Every effort should be made to ensure that developments are walkable, with facilities like shops and schools nearby, further reducing the need to drive and providing additional benefits to public health.

## **10. Second Homes and Investment Property**

We welcome most of these proposals to ensure that second home owners make a fair contribution to their local communities and to free some of these homes up for those who need them.

However, we point out that these problems are slightly exaggerated, with only [0.9% of housing in England](#) classed as “long term vacant” in 2019, and nearly every country in Europe has a [higher share of empty homes](#) than the UK.

We do appreciate that second homes make up a much higher than average share of housing stock in areas popular with tourists such as Cumbria, Cornwall and the Highlands and Islands of Scotland. So we would welcome measures to allow local authorities in these areas to tackle the problem, such as the suggested tax raising powers.

Ultimately we would like to see a move towards a progressive land value tax to replace council tax and business rates, which is a policy the party has promoted in the past. This would help ensure that second home owners contribute their fair share, as well as completely solve the issue of the “holiday let loophole” that you mention in 10.3.

## **11. Land**

We welcome reform of The Land Compensation Act and compulsory purchase powers to allow local authorities to purchase land at its current value. This was an integral part of the Building Communities proposals so it’s great to see its inclusion here too!

We also agree that more should be done to capture the value of land and use the proceeds to fund infrastructure and the building of social homes. As mentioned above, the previous Lib Dem policy of replacing council tax and business rates with a Land Value Tax is something we think is worth revisiting.



## 12. The Planning System

We welcome the proposals in this section and agree with the principle that a locally accountable, democratic planning system has a positive role to play in building homes. We would like to see local planning departments given the resources they need, which will allow our councils to take the lead on delivering homes for their communities.

We would also like to see some creative solutions to speeding up the planning process. [Luisa Poritt's policy](#) of bringing disused office space into use for housing from our London Mayoral campaign for example, is the sort of thing we should be considering.

### References

Building Communities Working Group report:

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Building Communities motion:

<https://www.libdems.org.uk/f20-building-communities>

Homes and Planning Working Group, Consultation Paper 149:

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Survey of housebuilders:

<https://www.showhouse.co.uk/news/less-than-half-of-housebuilders-think-300000-homes-a-year-is-achievable/>

Empty Housing in England. *Commons Library*:

<https://commonslibrary.parliament.uk/research-briefings/sn03012/>

Unoccupied Dwellings across Europe. *Eurostat - Statistics on Housing Conditions*:

[https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:People\\_in\\_the\\_EU\\_statistics\\_on\\_housing\\_conditions#Housing\\_characteristics:\\_unoccupied\\_dwellings](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:People_in_the_EU_statistics_on_housing_conditions#Housing_characteristics:_unoccupied_dwellings)

Luisa Poritt's housing policies:

<https://www.luisa4london.co.uk/homes>