



MailBAG: Issue 29

WELCOME

This is the first edition of our MailBAG newsletter for more than a year and that's largely due to the fact very little happened with the Local Plan during last year.

However, we feel the time is now right for us to provide a full update of where we are, what's happening (or not) and to provide some observations on the wider planning and housing building situation as it could apply to us.

We write this as the world finds itself in an unprecedented place and time. It is therefore impossible to predict what will happen in the future or when. Some of what we are including in this newsletter could therefore be overtaken by events so please bear that in mind.

Please stay strong and take care during this difficult time.



PROTECT THE **NHS**

 **save lives**

LOCAL PLAN STATUS

It is a year since Basildon Council submitted its draft Local Plan to the Planning Inspectorate in March 2019. We would have expected the Examination in Public to have taken place by now to test the soundness of the plan but it has still not been scheduled, although a Planning Inspector has been assigned to the case. The air quality issues on the A127 were responsible for some of the delay but it's now considerably behind the expected schedule. The current national crisis can only add more delay.

Until the draft Local Plan is examined, proved sound and adopted by Basildon Council, the sites proposed in Billericay cannot be developed and will remain protected Green Belt. This could be several years away. If the plan is thrown out as being unsound, Basildon Council will have to go away and try again which will lead to even further delays.

We remain committed to proving that the plan is in fact unsound and have specialists ready to help us.

MASTERPLAN

The draft Local Plan states that the four development sites in south west Billericay (known as H17A-D and totalling 1,700 houses) should be governed by a Masterplan to ensure that suitable infrastructure is provided. It also stops any one site being developed in isolation to the others. Should these four sites be finally adopted in a new Local Plan an effective Masterplan is therefore essential.

It is the responsibility of the four developers for the sites (Redrow, Scott Properties, Taylor Wimpey and Gleeson) to come up with a Masterplan and this will be considered and finally approved by Basildon Council. We understand that there will be a public consultation on the Masterplan.

Whilst the Council is currently finalising the process for approving the Masterplan, the consultants (Feria Urbanism) being used by the developers to create the Masterplan have yet to publish their ideas. We have seen their initial plan and do not believe it provides an adequate solution to the needs of so many houses running in an arc from Laindon Road to Mountnessing Road, crossing Frithwood Lane, Tye Common Road and London Road. Their ideas also appear to represent a major change to what is contained in the draft Local Plan that was subject to public consultation, including the apparent removal of the Relief Road meant to relieve accepted congestion at Sun Corner, funding for the provision of which was cited as the reason to add 1000 houses to this area.

We will be closely monitoring the situation and will provide updates as soon as we have more news.

PLANNING APPLICATIONS

As many of you will be aware, Redrow submitted an Outline Planning Application for 540 houses on the site (H17A) between Mountnessing Road and London Road. This is one of the sites under the Masterplan mentioned above so this application was not only ahead of and in isolation to that Masterplan, but it is also before the draft Local Plan has been examined and adopted. Furthermore, it's on land that will remain Green Belt until the Local Plan is adopted.

All in all this was a speculative and premature application and we expect it to be rejected when it comes before the Council's Planning Committee.

Additionally, Redrow and Scott Properties submitted a joint planning application for a roundabout on London Road which will provide access to their development development

sites (H17A & H17B) plus also forming part of the relief road proposed in the draft Local Plan. This roundabout provides no benefit in isolation, and as with the Redrow 540 houses application, it is premature. We expect this to be rejected too.

What both these planning applications highlight is that the developers are looking after their own interests and are not following the Masterplan. How can they, it's not been created or approved yet! Furthermore, they are predetermining the outcome of the Local Plan examination.

Many thanks to those of you that submitted objections to these planning applications.

We are following the Planning Committee agendas and will report back in due course.

HOUSING DELIVERY TEST

Basildon Council, like all other Councils, has to demonstrate that it is providing a steady stream of new houses and has to pass a Housing Delivery Test against a housing target. This is not strictly part of the Local Plan but the two are entwined as the Local Plan defines where houses can be built over a period of time.

Basildon Council has failed the Housing Delivery Test in the past and it has just failed it again.

It is now one of a handful of Councils being closely monitored by the Government for continued failures.

In the past Basildon Council has used the lack of a new Local Plan as a primary reason for not meeting the housing target, citing that it needs to release some Green Belt in a new Local Plan to provide more land for development. As we know from comments above, it could be years before a new Local Plan is adopted so we are watching carefully to see what Basildon Council will do to address its failure to deliver enough houses.

We would expect them to look at sites with planning approvals already granted to ensure developers are exercising those approvals and are building quickly. But the Council has limited powers to crack the whip and developers often build at a speed that suits their agenda or capabilities. A worry is that they could try to free up some Green Belt now,

although that would go against national policies.

We note that the leader of one of our neighbouring local Authorities, Rochford, has voiced his own concerns about the practicality of many of the councils in our area being able to meet national housing targets.

We are watching this very closely.

SOME OBSERVATIONS ON PLANNING

We have been bemused by recent articles in the national press which boil down to what appears to be a mud slinging contest between Councils and developers. This started when it was reported that planning applications exist today for more than a million homes that have yet to be built. The report did not say how many of these relate to our borough.

The frustration from Councils, as partly explained in the previous article, is that they have little power to encourage developers to start building and then complete sites quickly. It is well known that developers will limit the supply of houses to avoid flooding the market. This keeps price, and therefore profits, high. It's called a slow 'build out' rate. As a result, large sites could take many years to be completed. They are also known to sit on land and applications until the market conditions are good for them to start building. Land and application banking is rife.

In a degree of retaliation, developers are blaming the planning process and Councils for slowing up approvals and putting obstacles in the way. This is no doubt true in part.

As with most things, the solution is a compromise that needs grown up talking. Councils could give faster planning approvals in return for binding commitments from developers to start and finish quickly. How hard can it be?!

If the current draft Local Plan is adopted many of the proposed allocations in Billericay could be building sites for up to 10 years.

We believe this is unacceptable.

GREENBELT FUTURES

Another argument being increasingly made during the 'housing crisis' is that the Green Belt is an archaic construct that stifles development where most people would like to live.

The clear signs are that Councils, developers and think tanks looking at the reforming the planning system are all exploring ways to negate the constraints the Green Belt, by design, provides. Unfortunately it looks like the Green Belt will be coming under increased scrutiny and threat.

But the Government has frequently stated and documented that the Green Belt is safe, but at the same time they want more houses than ever to be built.

With this dichotomy, is the Government bold enough to take drastic action on the Green Belt, much of which is in their supporter heartlands?

We are watching this with interest and a degree of trepidation.

HOUSE PRICES & AFFORDABILITY

After a short period of stagnation, house prices are starting to rise again, largely due to a degree of optimism following the general election. For those already on the housing ladder this is great news. For those struggling to buy, their goal of home ownership is moving even further away and affordability continues to be an issue.

Average house prices in the south east are now 12-16 times average wages. For those trying to buy their first house it means it's almost impossible with mortgages typically 4 times earnings, unless they have a very well paid job or if the bank of mum and dad can help out.

Government schemes like Help to Buy can make matters easier, and there is talk of a new First Homes scheme offering a 30% discount on a new home with that discount locked into the property when it's sold on. These are all worthy but the market price of a house is still rising and there are suggestions from some quarters that these schemes just keep prices high and allow developers to make huge profits.

It is yet to be seen what effect the current global crisis could have on house prices.

A big issue is the use of the word 'affordable'.

Many assume that it means cheaper houses on the market. But that is not the case.

It is generally accepted that affordable relates to houses that are made available at 80% of market rents or through a shared ownership scheme, typically through a housing association. These are often for key workers. Basildon Council has used this definition in the draft Local Plan and aims to set a policy for 31% of all developments to be affordable houses. On the face of it this would look to be a great aim but it raises two questions (1) how many people in Billericay will qualify for one of these 'affordable' homes and (2) will the developers really deliver that high proportion? Developers don't like building affordable homes as they usually have to sell them to housing associations at a lower price than they could on the open market. Across the country it has been demonstrated that less than 20% of developments are affordable houses so Basildon's target looks very bold.

But for anyone looking to buy a house on the open market, 'affordable' housing has no real benefit at all.

DEVELOPER RESULTS

A handful of big developers control the market and are releasing their financial results for 2019. It's a mixed bag but we can pull out a few points.

Generally they have all made good profits but most are a little down on the previous year and Right To Buy has helped them yet again. For some builders that scheme has been a lifeblood, with such sales accounting for a vast proportion of their business. It is our money that funds Help to Buy so we are in effect propping up developer profits.

Taylor Wimpey delivered a record number of completed dwellings in 2019 at just over 15,500. But what's most interesting is that they are sitting on a short term land bank of 76,000 plots with a more strategic land bank of around 140,000 plots. At the rate of completions of last year, they have enough land for the next 5-10 years. So if we 'gave' them more land via the draft Basildon Local Plan, would they really need it and would they be able to develop it? If they could drive big profits in Billericay the diggers will no doubt turn up tomorrow!

Persimmon built fewer houses last year than 2018 and are focussing on quality. Hopefully the houses they do build won't now fall down! They too have a healthy land bank which they state will last almost 7 years (93,000 plots).

Redrow built around 2,500 in 2019, down from nearly 3,000 in 2018. They have banked land for about 28,000 dwelling so around a 10 year supply at current build out rates.

Gleeson bucked the trend reporting increased profits and showed an increase in completions. Being one of the smaller companies with options to build in Billericay their numbers are relatively modest although they too seem to have enough plots for nearly 10 years (28,000).

So, despite all the focus on the need to build houses, and Government schemes to encourage home ownership, the big developers have not really accelerated house building and it looks like 2019 did not deliver the sharp upturn in completions the 'crisis' presumably needs. And as reported earlier, prices are still going up. Land is still being banked.

The Government seems loathe to reign in developers, or get tough with them, and continually makes it easier for them to get access to land and planning approvals. The complicity in this is staggering.

THE REAL HOUSING CRISIS

The Government has set a very ambitious target for 200,000 – 300,000 new homes to be built each year for at least the next 5 years.

But are there really enough people or families, with sufficient finances, waiting or wanting to buy properties that will be typically in excess of £220,000 based on the national average, but more like in excess of £350,000 in the south east, and that will be for a 2 bedroom property at best?

Admittedly there are young people coming into the market for the first time each year, and families want to move up as their families grow, but generally the numbers don't add up.

It is finally starting to be reported that the 'real' housing crisis is a shortage of social housing, or council houses. No significant numbers of Council houses have been built in the last 50 years and many have been sold off. This has happened under all Governments since Right To Buy was launched in 1980.

Every council has a long waiting list of people needing a home, but for many reasons those people will not be able to buy a home, even those under the 'affordable' description. Basildon has this issue but none of the houses in the draft Local Plan are council houses. Basildon Council simply doesn't have the financial resources to build council houses to the scale that is needed.

The net of this is that we will have a Local Plan that will build the wrong sort of houses and inevitably in the wrong places, and local people still won't have a home

of their own.

BRENTWOOD

Brentwood Council has just submitted its draft Local Plan to the Planning Inspectorate. Being our immediate borough neighbour to our west, it's important to understand what they plan to do.

Whilst they are not proposing any significant new development close to the border with Billericay, they are progressing with Dunton Hills Garden Village which will place an initial 2,700 houses on the border with parts of Basildon (Laindon and Langdon Hills).

Basildon Council has raised objections to the Brentwood Local Plan as they are concerned about the new Brentwood residents using infrastructure and services in Basildon. That is no doubt true but many services are not limited by borough boundaries, such as schools and health facilities. And Basildon will no doubt welcome Brentwood citizens that use the regenerated Basildon town centre. It cuts both ways. Perhaps the two councils should speak to each other positively rather than throwing stones. They both have to build houses so they should aim for some common ground.

From a Billericay perspective, the Brentwood Local Plan highlights something very interesting.

The 2,700 homes planned for Dunton Hills Garden Village is almost exactly the same as the number of houses being proposed for Billericay in the draft Basildon Plan.

Brentwood are proposing some extensive new infrastructure for Dunton, covering several new schools, health facilities, a shopping centre and improved transport links. Compare that to the plans for Billericay and the same number of people. We get just a small new primary school.

Brentwood seems to be taking infrastructure seriously whereas Basildon seem happy to just dump the houses on an existing community with no major enhancements.

WHAT DOES ALL THIS MEAN?

It's a mess!

There are so many contradictory moving parts with no one really taking a lead on sorting it all out.

The only constant seems to be the belief that we need a lot more houses. But key matters such as what type, where they should be built, how much the environment should be protected, how suitable infrastructure will be provided and how to make homes more financially accessible, are still not clear.

And with that lack of uncertainty comes a risk of knee-jerk reactions and houses being built that do not address the problem and adversely affect existing communities.

Through all this the only winners seem to be the landowners and developers who make profits, local councils who benefit from increased Council Tax and other levies and, coincidentally, existing home owners seeing their asset increase in value.

This is why we remain committed to doing all we can, with your help, to get a better Local Plan for Billericay and the borough as a whole. One that delivers on our **Four Firsts Charter**, whatever the final number of houses:

- **Infrastructure First**
- **Environment First**
- **Local First**
- **Affordable First.**

LINKS TO REPORTS

In recent weeks a number of interesting reports have been published.

The BBC have produced a good and unbiased view of the housing situation.

<http://news.files.bbc.co.uk/include/newsspec/pdfs/bbc-briefing-housing-newsspec-26534.pdf>

This one, from a think tank and written by someone who is now a housing advisor to the

Government, takes a more detailed look at the planning system and suggests changes to existing processes to help deliver housing more efficiently.

<https://policyexchange.org.uk/wp-content/uploads/Rethinking-the-Planning-System-for-the-21st-Century.pdf>

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