



**Ministry of Housing,  
Communities &  
Local Government**

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*Dear Nick,*

**Rt Hon Robert Jenrick MP**  
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Thank you for your letter of 28 April regarding recommendations on how we can work together to support economic recovery and get Britain building again.

The COVID-19 outbreak is the biggest public health emergency in living memory. A pandemic which has forced action across all of Government, resulting in an unprecedented response, from shielding the most vulnerable, to keeping business running, preventing the loss of jobs, and supporting our public services. Every part of this Department has been rapidly mobilised to support those in need, from saving lives, protecting the vulnerable to supporting our NHS.

We agree that housing is of vital importance at this time and we are taking unprecedented measures to help those facing challenges in paying for their housing, whether that's rent or mortgage payments. Secondly, we are ensuring that people can access homes where they currently don't have them and helping those sleeping rough. Finally, we are ensuring that the housebuilding and maintenance sector can continue functioning where safe to do so.

I welcome your ongoing engagement with my policy officials. It is vital that we continue to hear about the issues and pressures facing the sector and that we can continue to support you and listen to your feedback and suggestions. You will see that we have recently announced a number of measures to help re-start the housing market and the below sets out an overview of the steps we are currently taking to support the sector.

However, I recognise that whilst these may begin to address some of your concerns, further government support will be required in the months to come to support the sector through this crisis.

**Guidance and legislation**

The construction industry plays a crucial role in supporting the provision of essential public services, delivering vital housing, infrastructure and ensuring public safety (including through delivering critical public health facilities and the remediation of unsafe buildings).

As with other sectors, it is important that work continues at this time if it can be done in a safe way and that it is consistent with the latest guidance to employers on reducing the spread of

COVID-19, including, where possible, maintaining a 2-metre distance from others and washing their hands regularly.

I understand your concerns around the need for clear guidance and messaging to the industry to enable the housing market to re-start in a safe and coordinated way. We have recently announced the following:

- **HBF Charter for Safe Working Practice:** On 13 May I announced the publication of a Safe Working Charter, produced by the Government and the Home Builders Federation, committing signatories to a range of measures, consistent with PHE and CLC guidance, to ensure safe working on construction sites whilst Covid-19 remains prevalent. The Charter is aimed at members of the Home Builders' Federation, including housebuilders of all sizes, and companies within the supply chain and supporting industries such as utility companies. This initiative will help support a sustainable return to work across the sector, alongside the resumption of the selling market. In turn, this should give further reassurance to manufactures and builders' merchants in the wider supply chain.
- **Flexible Working Hours on Construction Sites:** On 13 May I announced steps to be introduced to allow more flexible working hours on construction sites, which will support these sites in meeting social distancing requirements, allowing varied start and finish times. It will also help to reduce the pressure on the transport system as construction workers can vary when they travel to work. The announcements have been boosted by the Business and Planning Bill which introduces a fast track route to seek temporary extended construction hours and will enable firms to plan for the safe reopening of sites for example by staggering working hours while importantly leaving local councils with discretion to refuse where they consider this necessary.
- **Guidance on enabling planning processes to continue:** We have also introduced a range of temporary measures to make it easier to operate the planning system in line with current public health guidance, such as allowing planning committees to take place virtually and giving greater flexibility to planning authorities in the way they publicise planning applications. These measures will ensure that the planning system can operate effectively and safely, as will flexibilities in deferring Community Infrastructure Levy payments which I address in greater detail below.
- **Guidance on Home Buying and Selling:** I announced a plan to enable people to move home safely and to re-start the housing market in line with social distancing advice. Following the change in regulations and new guidance published, Estate Agents, Letting Agents, Conveyancers, Surveyors, Removal Firms, and Private Landlords and everyone else associated with home moving have been able to take on new business. Estate agents' offices can open; viewings are permitted; show homes can open; removal companies and the other essential parts of the sales and letting process are re-started with immediate effect.

These measures represent an important first step in helping the industry to move forward, hopefully beginning to address some of the concerns raised in your letter. The measures are being kept under close review and we are ready to go further if necessary.

Your letter highlights other issues in relation to messaging, guidance and legislation. The below sets out an overview of steps we are taking to support the industry in key areas such as planning, design quality and MMC, and affordable housing.

## Planning

I agree that it is vitally important that planning processes can continue and the temporary measures announced in recent weeks will help enable this. Within MHCLG we arranged for suitable professional planning support to ensure decision making in Government continues until the new Chief Planner, Joanna Averley takes up her role. Additionally, the Planning Casework Unit at MHCLG is continuing to deal with its regular range of cases.

On your request for an extension to the planning consent period, I am aware that this is a major concern for the industry which is why we introduced measures to address this in the Business and Planning Bill.

This Bill will extend planning permissions and listed building consents which have or are due to lapse between 23 March and 31 December 2020 to 1 April 2021. This extension will be automatic for any permissions which are extant at the time the measures take effect. The provisions will apply to grants of full planning permission (including temporary permissions), outline planning permission, reserved matters approvals and listed building consents.

The Bill will also provide the Planning Inspectorate with flexibility to streamline and speed up decision making on planning appeals to assist economic growth in England. This will be done by enabling the Planning Inspectorate to use more than one procedure type simultaneously when dealing with a planning appeal (i.e. written representations, hearing, and/or inquiry). This permanent measure will enable them to address efficiently the backlog of appeal cases that has built up as a result of the impact of COVID-19 restrictions.

In the longer term, Government remains committed to delivering the homes needed for now and the future and is considering how best to continue to support high-quality development in cities, towns and garden settlements across the country.

## Design quality and modern methods of construction (MMC)

I would also like to reassure you that Government remains committed to high quality design and build for new buildings. We have already taken steps to encourage the best design and quality to create beautiful places and communities where people want to live. This includes establishing the Building Better, Building Beautiful Commission and publishing the National Design guide last year. Our proposals for the New Homes Ombudsman and our commitment to the fundamental reform of the building safety regime will improve the quality and safety of new buildings. As building resumes it is vital that quality is at the heart of that recovery.

In addition, we want to see more homes built using modern methods of construction (MMC). We are committed to stimulating the growth of this sector, for instance through our Local Authority Accelerated Construction programme and the Home Building Fund.

## Affordable housing

Affordable housing delivery will be critical to the recovery of the housebuilding sector and I recognise the need to provide positive signals to providers. At Budget 2020 HMT reversed the October 2019 interest rate rise for new loans issued by the Public Works Loan Board for councils to build social and affordable housing within their Housing Revenue Account. We also announced at Budget 2020 that we are investing £12bn to build affordable homes between 2021/22 and 2025/26. This will be the biggest cash investment in affordable housing for a decade and will deliver up to 180,000 additional affordable homes. On 30 June we further announced this will include an ambition to provide 1,500 First Homes through a new pilot programme – with homes prioritised for first-time buyers, key workers and local people at a 30 per cent discount off market prices.

## Fiscal Measures

Government is committed to doing everything it can to ensure that the construction industry emerges from this crisis with the capability and capacity to support the economic rebuilding that will be necessary.

The Government has announced an unprecedented range of measures to help firms continue operating and support workers through this challenging time including more than £330 billion of loans and guarantees, deferring VAT payments, and Job Retention and Self-Employed Income Support schemes.

I appreciate the financial pressures facing the industry, particularly SME businesses, and this department continues to support sector specific programmes and funds, for instance:

- The £4.5bn **Home Building Fund**, first launched in 2016, remains open to potential borrowers. The £2.5bn **Short Term Fund** provides development finance for housing and is targeted at SME builders and innovators. The Prime Minister announced in June 2020 that the fund will be boosted by an additional £450m, to support the delivery of around 7,200 more homes.
- The **ENABLE Build** guarantee scheme, provides up to £1bn of guarantee support to lenders for SME house builders.
- **Temporary Stamp Duty Land Tax (SDLT) cut** – due to the severe impact of lockdown on the housing market, in July 2020 the Chancellor announced a temporary increase to the Nil Rate Band of Residential SDLT from £125k to £500k. Applicable from 8 July 2020 until 31 March 2021, this means that 9/10 people getting on or moving up the property ladder will pay no SDLT at all. This measure delivers an average saving of £4,500 in SDLT. It will drive growth and support jobs for the half a million people working in the housing supply chain.

In addition, I recently announced that we will legislate to give local authorities more flexibility to support small and medium sized developers, by allowing them to defer Community Infrastructure Levy payments. This will enable local planning authorities to support SMEs who are struggling with cashflow, while ensuring that local communities still receive contributions towards infrastructure from developers in the longer term. Local planning authorities already have significant flexibilities to defer s106 payments, and so further regulation is not necessary. However, we have provided local authorities with guidance encouraging them to consider where deferrals may be appropriate.

However, I recognise that further financial support for SMEs, and the wider sector, may be required and Government is considering a range of options to ensure the construction industry is able to operate effectively and recover from this unprecedented crisis. My officials would welcome a discussion on your requests around **Help to Buy**, **Affordable Housing investment**, and **Homes England support** to understand more detail on the rationale for the measures you propose and the potential challenges of implementing these.

Thank you for your vital support in our collective effort to re-start the housing market. I am pleased to hear that you will be meeting with the Housing Minister after the summer recess. In the meantime, I welcome your continued engagement with my officials and please continue to raise issues and suggestions with them.



RT HON ROBERT JENRICK MP