

28th November 2005

Barratt chief calls for more help for first-time buyers - and planning reform

More help for first-time buyers, more brownfield development and reform of the planning system are urgently needed, according to Barratt, Britain's leading housebuilder.

Introducing an eighteen-point programme of suggested reforms, Barratt Group Chief Executive David Pretty said: "The Government is calling for more homes, more social housing, more urban regeneration, more training, more innovation and better design – and we at Barratt are delivering on all of those fronts.

"But the industry could do so much more if the consistent obstacles to building more homes were cleared away and the planning system overhauled. There is no shortage of Government commitment and awareness of what needs to be done and I am encouraged by the genuine political will to make improvements. Now we really do need the system freed up so that we can get on with the job."

Mr Pretty's suggestions include:

- Expansion of the definition of 'affordable' housing to enable housebuilders to sell homes at substantial discounts direct to key workers, first-time buyers and others who cannot afford to get on the home ownership ladder.
- Increasing the Government's existing national 'brownfield' development target from 60% to 65% to encourage more regeneration – and backing it by introducing a fast-track process for brownfield planning applications.
- Strengthening protection for core Green Belt areas but releasing many of the small, scruffy, unused fringe areas of Green Belt which have little merit other than as potential housing land.

Mr Pretty, a leading figure in housebuilding for over 25 years and a member of the Government's Sustainable Buildings Steering Group, also suggests a number of changes to reduce the burden on the planning system, such as:

- Specialist planning training for councillors on local authority Planning Committees.

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- Requiring elected councillors to implement their council's adopted planning policies, which are, in fact, often ignored for local political reasons triggering wasteful appeals.
- Introduction of charges for planning appeals, with the losing party paying the successful party's costs, thereby reducing ill-considered appeals and spurious objections.

Mr Pretty said that Barratt – which built over 14,350 homes last year, more than any other housebuilder - and other major builders had confirmed to Government that industry production could be increased by at least 10 per cent every year given a speedier planning process.

He said: “Planning and building approvals take on average between eight and 18 months, whereas 25 years ago the average maximum was 18 *weeks*. That, in a nutshell, shows how bad the problem has become.

“It is not just that council planning departments and the Planning Inspectorate are seriously under-resourced for the task in hand – which is unquestionably true – but that planning at a local level has become totally bogged down in consultation, administration and regulation.”

He added: “Planners need more flexibility, too, on the crucial issues of today, like housing density, car parking and design, with local authority members and officers working with builders to provide appropriate local solutions, with less prescription from central Government. I would also like to see more development corporations (DCs) or even ‘mini-DCs’ to facilitate regeneration and by-pass unnecessary red tape in pockets of particularly urgent need.”

Mr Pretty also suggests help for rural communities, where there is a desperate shortage of homes for first-time buyers and the lower-paid: “I would suggest that local authorities in country towns and villages are each required to identify one small site to be designated for at least 40 homes specifically for first-time buyers and key workers, and fast-tracked through the system. It may not sound much, but if it happened in hundreds of country communities, it would have a quick and significant effect – and probably be more acceptable to local people than larger developments” he said.

Another radical point in Barratt's 18-point plan is the suggestion that the Government, as the nation's largest landowner and largest supplier of land to housebuilders, should accept prices significantly below market value when disposing of redundant land stock to housebuilders - in return for lower selling prices to first-time buyers and key workers, as well as more design and environmental innovation.

Said David Pretty: “Looking further into the future, the Government should consider a major shift in how the vital local democratic process is controlled and managed. There is far too much consultation at every stage of planning with the result that the process just seems to go on for ever – and the inevitable effect is that less houses are being built than 50 years ago, and for a much larger population!

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“It is generally accepted that we should be producing over 250,000 homes annually to meet the basic national housing need, but we actually produce much less than that each year while the population continues to grow. I suggest the Government focuses democratic participation and consultation on deciding local planning policy; once the strategy is agreed, consultation should end there - and the professional planning officers be left to implement it.”

He added: “The stark reality is that we already have a housing problem and it is getting worse. No single party is to blame for the accumulated effect of decades of neglect on the system, which has now reached the stage where, ironically, no one is happy and everyone thinks it is working against them – whether they are local communities, preservation bodies, builders, planners or local authorities.

“My 18 points don’t require a seismic shift, but will serve to refine the system in everyone’s interest. Individually, they are relatively small, common-sense improvements which combined could, I believe, make a big difference in a relatively short space of time.”

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Notes for Editors - 1:

Full list of Barratt’s suggestions to increase housing provision, starting with general policy:

MEASURES TO INCREASE HOUSING PROVISION

- Expansion of the definition of ‘affordable’ housing to enable housebuilders to sell homes at substantial discounts direct to key workers and other lower-paid people who cannot afford to buy outright, as detailed in Barratt’s Key Worker Initiative announced in May 2005. This could free around £500m in public money, which in turn could provide an additional 6,000 homes per year for rent for those on lower incomes who are unable to buy. *[Full account of the Key Worker Initiative available on request from bob.barlow@rbc-pr.com]*
- Increasing the Government’s existing national ‘brownfield’ development target from 60% to 65% to encourage more regeneration - and fast-tracking of these applications through the system.
- The Government, as the nation’s largest landowner – and the largest supplier of land to housebuilders - should accept prices significantly below market value when disposing of redundant land stock to housebuilders, in return for lower selling prices to first-time buyers and key workers.
- Help for rural communities, with all rural local authorities required to designate at least one site in towns and villages, each providing circa 40 homes specifically for local first-time buyers, key workers and

others who cannot afford to get on the home ownership ladder. Applications for these sites also to be fast-tracked.

Notes for Editors continued/...

- Strengthening protection for core Green Belt areas.
- Releasing many small, scruffy, unused fringe areas of Green Belt which have little merit other than as potential housing land.
- More development corporations (DCs) or smaller 'mini-DCs' to facilitate regeneration and by-pass red tape in pockets of particular need.

Suggested reforms to the planning system:

- A limit on the burgeoning requirement for public and other consultation, which has served to massively extend the time taken to deal with applications. Once planning policy is approved, consultation should end and professional planning officers left to implement agreed strategy. Currently, over 50% of applications recommended for approval by planning officers are rejected by councillors.
- Requiring elected councillors to implement their council's adopted planning policies, which are, in fact, often ignored for local political reasons triggering wasteful appeals.
- Specialist planning training for councillors on local authority Planning Committees (in much the same way that Justices of the Peace are required to undertake legal instruction).
- Government-issued advice for local councillors on what are and are not 'material planning issues' to be taken into account when determining planning applications. There is often far too much time-consuming debate on non-planning issues, such as the perceived effects on local property prices, temporary construction noise etc.
- Introduction of charges for planning appeals, with the losing party paying the successful party's costs, thereby reducing ill-considered appeals and spurious objections.
- More resources for the Planning Inspectorate to speed up appeals
- Introducing a fast-track process for brownfield planning applications, which currently get absolutely no priority .
- Allowing local planners more flexibility on housing density, using density guidelines as a minimum rather than a maximum and encouraging more innovative design.
- Allowing local planners more flexibility on car parking, now one of the most controversial planning issues – and one which is unpopular with homebuyers and results in streets cluttered with on-site parking
- Less design prescription from central Government, which can often result in urban-style housing which can be inappropriate for its location. Local authority members and officers should be allowed to work with builders to provide appropriate local solutions.
- Recognition that many objections to planning applications are about lack of infrastructure, not the prospect of new housing. Regrettably, Britain invests far less than many other countries in local and national infrastructure.

Notes for Editors – 2:

Brief background on Barratt and David Pretty:

ABOUT BARRATT

Barratt Developments has been the major force in British housebuilding for over 40 years and is currently Britain's largest housebuilder by volume, last year completing over 14,350 homes in England, Scotland and Wales. The company has undergone 13 consecutive years of organic growth and is the nation's leading urban regenerator, committed to the creation of sustainable communities and building homes in all price ranges. The company's geographical spread and organisation combines the benefits of local companies answering local needs with the financial and management resources of an international developer.

In addition to private housing, Barratt has a major commitment to social housing partnership development, providing homes for rent, shared-ownership and low-cost sale with local authorities, housing associations and other bodies, particularly in the UK's inner-city areas, and also has the largest skills and training programme in the housebuilding industry. The Barratt Group is increasingly recognised for its design innovation, and – with its MMC (modern methods of construction) joint venture company, Advance Housing – is currently preferred developer on two key sites designated for the Government's Design for Manufacture Competition

DAVID PRETTY, GROUP CHIEF EXECUTIVE

David A Pretty, Group Chief Executive of Barratt Developments PLC, is one of the housebuilding industry's best-known figures, having been active at senior management level for well over 25 years. Although recognised primarily for his extensive experience and leading role in the fields of urban regeneration, land buying and marketing, he is also considered a pioneer of social housing partnership development in the inner-cities. He undertook one of the first private-public partnerships in London 25 years ago and today, as CEO of Barratt, heads the nation's largest provider of social housing.

He was raised on a council estate in Shepherds Bush, west London, and achieved an honours degree in economics at the University of Hull. In 1966, he joined Procter & Gamble, the consumer goods multinational, as a graduate trainee and moved into the housing industry in 1968, joining Barratt as a sales and land director in 1976. In 1980, he was appointed managing director of Barratt Central London, with responsibility for opening up Barratt operations across the capital – which included many major inner city projects, and also selling a large Barratt family home in Dulwich to the then Prime Minister Margaret (now Baroness) Thatcher. He subsequently became Barratt Group Marketing Director and then Chairman of Barratt's Southern Region, transforming it into the Group's largest region. He was appointed Group Managing Director in 1998 and Group CEO in October 2002. He remains the longest-serving member of the Barratt Main Board. David Pretty is married with two daughters and four granddaughters, and lives in London with his wife.

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Images of David Pretty are downloadable free from www.barratt-investor-relations.co.uk