

PARLIAMENTARY DEBATES

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OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

HOUSING AND PLANNING BILL

Fourth Sitting

Thursday 19 November 2015

(Morning)

CONTENTS

Programme order amended.
CLAUSE 1 agreed to.
Adjourned till this day at Two o'clock.

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IN GENERAL COMMITTEES

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The Committee consisted of the following Members:

Chairs: MR JAMES GRAY, † SIR ALAN MEALE

- | | |
|---|---|
| † Bacon, Mr Richard (<i>South Norfolk</i>) (Con) | † Lewis, Brandon (<i>Minister for Housing and Planning</i>) |
| † Blackman-Woods, Dr Roberta (<i>City of Durham</i>) (Lab) | † Morris, Grahame M. (<i>Easington</i>) (Lab) |
| † Caulfield, Maria (<i>Lewes</i>) (Con) | † Pearce, Teresa (<i>Erith and Thamesmead</i>) (Lab) |
| † Dowd, Peter (<i>Bootle</i>) (Lab) | † Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab) |
| † Griffiths, Andrew (<i>Burton</i>) (Con) | † Philp, Chris (<i>Croydon South</i>) (Con) |
| † Hammond, Stephen (<i>Wimbledon</i>) (Con) | † Smith, Julian (<i>Skipton and Ripon</i>) (Con) |
| † Hayes, Helen (<i>Dulwich and West Norwood</i>) (Lab) | Thomas, Mr Gareth (<i>Harrow West</i>) (Lab/Co-op) |
| † Hollinrake, Kevin (<i>Thirsk and Malton</i>) (Con) | Glen McKee, Katy Stout, <i>Committee Clerks</i> |
| † Jackson, Mr Stewart (<i>Peterborough</i>) (Con) | † attended the Committee |
| † Jones, Mr Marcus (<i>Parliamentary Under-Secretary of State for Communities and Local Government</i>) | |
| † Kennedy, Seema (<i>South Ribble</i>) (Con) | |

Public Bill Committee

Thursday 19 November 2015

(Morning)

[MR JAMES GRAY *in the Chair*]

Housing and Planning Bill

11.30 am

The Chair: I welcome Committee members back to the Housing and Planning Bill Committee. We now come to the line-by-line detailed consideration of the Bill. It might help new Members in particular if I lay down a few little house points before we begin. First, anyone who lets electronic devices go off inadvertently will be in deep trouble, and I will be extremely cross. Beyond that, although under the rules of the House it is perfectly acceptable to use electronic devices, particularly for purposes connected with a Bill Committee, I personally think it looks rather bad if we all use them all the time to clear our inboxes. I think we should use them to a minimal degree when we have to. That seems to be a sensible approach, although theoretically they can be used with decorum.

The same rules on general conduct apply in Committee as apply in the Chamber with regard to dress, eating and drinking, modes of behaviour and modes of address. All those things are precisely the same in Committee as they are in the main Chamber. I tend to apply that rule fairly strictly. Call me a dinosaur if you will, but I think that is the best way to conduct the business of a Bill Committee.

Before we begin, we first have to consider a motion to amend the programme motion that was agreed by the Committee on 10 November. The motion is on the amendment paper and stands in the name of the Minister. I remind Members that, under Standing Orders, if any Member objects to such a motion, it will lapse. In other words, when the Minister moves the motion to change the programme motion, if any Member indicates to me that they object to it, it will not be allowed to be made.

The Minister for Housing and Planning (Brandon Lewis): I beg to move,

That the Order of the Committee of 10 November 2015 be varied as follows:

1. Paragraph 3 of the Order shall be omitted.

2. Proceedings on consideration of the Bill in Committee shall be taken in the following order: Clauses 1 to 17; Schedule 1; Clauses 18 and 19; Schedule 2; Clause 20; Schedule 3; Clauses 21 to 55; Clauses 84 to 86; Schedule 4; Clauses 87 to 90; Schedule 5; Clause 91; Clauses 56 to 83; Clauses 92 to 102; Schedule 6; Clauses 103 to 121; Schedule 7; Clauses 122 to 127; Schedule 8; Clauses 128 to 134; Schedules 9 and 10; Clauses 135 to 139; Schedule 11; Clauses 140 to 145; new Clauses; new Schedules; remaining proceedings on the Bill.

It is a pleasure to serve under your chairmanship, Mr Gray. I look forward to working with the entire Committee, you and the team that will support us over the next few weeks as we go through the Bill.

The motion will allow part 5 of the Bill, on housing, estate agents, rent charges and other changes, to be considered before part 4. The proposed order will allow the discussion of clauses 85 to 88, which pertain to private rented accommodation, to be considered after parts 2 and 3, which also pertain to rogue landlords and the private rented sector. It will help to support a less fragmented debate on rented housing. There was much discussion on Second Reading about protection for tenants, so I would welcome being able to bring forward our discussion on clauses 85 and 86, which are concerned with houses in multiple occupation, and clauses 87 and 88, on tenancy deposit information. That will allow a debate on the private rented sector provision more broadly.

I have been advised by parliamentary counsel that the simplest way to achieve that aim is to move the whole of part 5 ahead of the debate on part 4. Although we will get to part 4, on social housing, slightly later, there will be ample time to discuss the measures in that part of the Bill, and Committee members will have more time to consider their views on part 4 before we get to the debate.

Question put and agreed to.

The Chair: The motion the Committee has just agreed to revises the order in which it will consider the provisions of the Bill. It does not affect part 1 of the Bill, and therefore does not affect the provisional selection and grouping of amendments for today. However, I and Sir Alan Meale, my co-Chairman, will revise our selection grouping for the parts of the Bill affected by the changes to the programme motion that the Committee has just agreed to.

I have a word to say about amendments. I should make it plain to members of the Committee that we do not intend to call starred amendments—in other words, amendments that have not been tabled with adequate notice. The required notice period in a Public Bill Committee is three working days. If you wish to table an amendment for Thursday, that has to be done by the rising of the House on Monday. If hon. Members want to table an amendment for discussion on Tuesday, that has to be done by the rising of the House on the previous Thursday. You have to table amendments by Monday evening for discussion on Thursday and by Thursday evening for discussion on the following Tuesday. Until such time as amendments have fulfilled the three working days' notice laid down under Standing Orders, they will be starred amendments and therefore not normally called unless, under exceptional circumstances, whoever laid a starred amendment requests that it should be called. I hope that is reasonably clear.

The selection list for today's discussions is available in the room and, as I understand it, on the internet. A glance at that list shows how the selected amendments have been grouped together for debate. Broadly speaking, amendments on the same issue or similar issues are grouped together. The Member who has put his or her name to the leading amendment in the group is called first. Other Members can then catch my eye and seek to speak on that amendment or any other amendment in the group. A Member may speak more than once in the debate on a group if he or she wishes, particularly if the debate is on more than one amendment.

At the end of a debate on a group of amendments, I will call the Member who moved the leading amendment again and, before they sit down, they will need to indicate whether they seek to withdraw the amendment or divide the Committee. That seems fairly clear. If any other Member wishes to press any other amendment or new clause in the group to a vote, they must let me know—I will not know unless they indicate to me that they seek to press their amendment or new clause to a vote.

I will work on the assumption that the Minister wants the Committee to reach a decision on all Government amendments that he has tabled. If there are any differences from that, he will have to let me know, but that is probably unlikely.

Decisions on amendments take place not in the order in which they are discussed, but in the order in which they appear on the amendment paper. In other words, debate on a particular amendment occurs according to the selection list, but decisions are taken when we come to the clause that the amendment affects. New clauses will be decided after we have finished with the existing text: in this particular case, that is after clause 145 of the Bill.

In addition, I and my co-Chairman will use our discretion to decide whether to allow a separate stand part debate on individual clauses and schedules following debates on amendments. Broadly speaking, if there has been a fairly full debate on the matter under discussion, it will not be necessary to have a stand part debate, whereas if there are not many amendments to a clause or schedule, we will have a stand part debate. That, however, is a matter for my discretion.

I hope that explanation is helpful, but I am happy to answer questions on other points of order if there are any.

Clause 1

PURPOSE OF THIS CHAPTER

Dr Roberta Blackman-Woods (City of Durham) (Lab): I beg to move amendment 59, in clause 1, page 1, line 6, after “promote” insert—

‘new homes across all tenures, including’

The amendment would change the purpose of the Bill to the supply of more housing across all tenures rather than starter homes.

May I say what a pleasure it is to serve under your chairmanship again, Mr Gray? The Opposition think that the Bill is a huge waste of an opportunity to get the housing we so desperately need to solve our housing crisis across all tenures. The amendment seeks to ascertain why starter homes have been prioritised in housing delivery over all other measures that would seek to raise housing supply to the level needed across all tenures.

There seems to be consensus among almost all commentators in the housing world that we are not only experiencing a housing crisis, but not building enough homes across all tenures and that we have not done that for quite some time. We feel that in particular in the supply of affordable homes.

Contrary to what the Minister usually says, no one Government are responsible for that. Indeed, the previous Government, of whom he was a member, are not immune

from criticism of their housing supply record. However, I am getting ahead of myself—I will come back to that. There is, as I said, pretty much a consensus, shared by organisations as diverse as Crisis, the Chartered Institute of Housing, the Council of Mortgage Lenders, the Local Government Association, the CBI and many others, that we need to be building well in excess of 200,000 homes a year if we are just to meet the demand from new household formation.

The Joseph Rowntree Foundation summed up the position that we face excellently in its briefing on the Bill. It says that we need to deliver on average between 240,000 and 245,000 new homes per annum in England and that, of those, 78,000 must be in the social sector to meet need. That point was echoed by Shelter, which in its evidence pointed out that England needs to be building at least 250,000 homes a year to meet demand. Its estimate is that 50% of those new homes can be delivered by the private market, but that 20% need to be for intermediate rent or low-cost home ownership and 30% need to be low-rent, affordable homes.

Given the Minister’s oft-cited comments about Labour’s housing record and his amnesia about the last five years, I thought I would put the figures on the record as part of my overall point, in moving the amendment, that more starter homes are indeed welcome. I make that point very clearly but will probably have to reiterate it again and again as the Committee proceeds. We are not against the idea of starter homes, but they are the only products that are needed to increase supply. This is a specific question to the Minister: why are the Government making them such a priority—a priority greater than, or to the exclusion of, everything else that could be deemed affordable?

Let me go back to the figures. In 2011-12, we started to build 110,000 homes in England. That was well short of the number needed. I would say that the Minister did really well or his predecessor did, because in 2012-13 the number of homes had risen—but oh dear, no it had not. It had fallen, from 110,000 starts in 2011-12 to 103,000 in 2012-13. However, to give the Government their due, by 2013-14 the figure was 134,000 and in 2014-15 it was 137,000. We can see a gradual increase, but it was half of what was necessary to deliver the homes that we need. It is true that when Labour left office, starts were down owing to the recession, but before that—this is a critical point—starts were at 170,000 for 2007-08. That was not enough, I know, but it was not the appalling position that the Minister would often have us believe.

That was starts, but I shall talk now about completions. In 2013, when the Minister took office, we had only 138,000 completions. By the way, I have taken the figures from the Department’s website. Over a number of years, simply not enough homes have been built. I was therefore curious, when I saw the Department’s press release praising itself for delivering a net increase in supply for 2014 of 170,000 homes, as to how that had been achieved. There is such a big difference, apparently, between 2014-15 and 2013-14. There is indeed a rise, on the Department’s figures, from 136,000 to 170,000, but on closer examination that is partly—in fact, in large part—due to changes in relation to permitted development and change of use, allowing offices to move to residential. Unless the Minister has his sights on using a great deal more of our office accommodation for housing, that is

[*Dr Roberta Blackman-Woods*]

hardly a sustainable position. Indeed, one wonders whether the self-congratulation on 170,000 net dwellings is not a little overdone, because what the Minister and the Department do not put on their website in the same press release is what was happening to the net housing figure before the recession hit. That is really interesting, because the net supply of dwellings in 2005-06 was 202,000; in 2006-07, it was 214,000; and in 2007-08, it was 223,000 dwellings. The 170,000 figure is welcome, but we should not overdo how great it is because it is nowhere near the level of net supply that we managed to achieve in the pre-recession years from 2005 to 2007.

11.45 am

I am using the figures to point out how we are still far from building the number of homes that we need across all tenures. If we compare current output figures with, say, 1969, we see that in 1969 we managed a housing supply figure of 357,070 dwellings across the UK, so we were doing significantly better then than we are now: 171,000 of those dwellings were in the private sector; 10,000 were produced by housing associations; and a whopping 178,000 houses were built by local authorities.

If we roll forward to 1990, we have 167,000 dwellings across all tenures—a half of the number being built in the 1960s—with 138,000 in the private sector, 20,000 built by housing associations and only 8,000 dwellings built by local authorities. This is a really important point because, as a number of commentators have suggested—it is well documented—the private sector in this country has seldom built more than 150,000 units a year. Housing associations have rarely delivered more than 30,000 dwellings a year, yet the estimates, as I said earlier, suggest that we need 250,000 houses.

Our experience shows that without a much greater role for local authorities or housing associations, it is very unlikely that we will get the number of homes that we need. We would have expected to see more measures in the Bill to encourage and resource the building of many more homes—not just a few; not just 20 here and there—by local authorities. That is the point of the amendment.

We also need to focus on the issue of whether affordable homes are being built. The figure produced by Joseph Rowntree, which I think is a fairly modest figure, for the number of affordable homes that we should produce each year is 78,000 in the social sector. How are we doing on that? The answer is that we are not doing very well on affordable homes, either. In 2013-14, output across all categories, including intermediate rent and low-cost home ownership, which is not included in the Joseph Rowntree calculation, was only 42,700, so a little more, but not much more, than half of what we need in the social rented sector. As I say, that figure includes types of accommodation that are not social rented.

If we look at figures from 2004 to 2011, we see that social renting was increasing. It increased from 21,000 dwellings in 2004 to 37,600 in 2011. During the last Labour Government, we certainly did not build enough social houses to rent, but the figure increased year on year. Although 37,600 homes for social rent was not enough, it was a lot more than the 10,000 delivered last year, so we will not take lectures on delivery or on what we did in the social rented sector from the Minister or

anyone else. I would like an explanation of why nothing in the Bill will tackle the incredibly low level of building of social homes for rent, which needs to be increased massively from last year's totally inadequate figure of 10,000.

That is why we seek in the amendment to change the primary purpose of the Bill, so that it does not just concentrate on the delivery of starter homes—useful though that is—but looks at much wider housing supply issues, including the question of having enough rented properties. The interesting figures that we got from Crisis show not only that the number of affordable rented properties in England fell from 43,000 homes in 2010-11 to 31,000 in 2013-14, but that because of the lack of churn in the sector, there are fewer tenancies available. That is an interesting point, which I do not think was raised by any of the people who gave evidence to the Committee. New tenancies by councils and housing associations fell from 231,000 in 2010-11 to 218,000 in 2013-14. Obviously, more people have been moved into the private sector, but we need to look at the fact that that is partly because tenancies from housing associations and local authorities simply have not been available.

Grahame M. Morris (Easington) (Lab): We all want to see more social housing and affordable homes. Does my hon. Friend agree that part of the problem may be that the definition of starter homes is too narrow? There are many examples in our region of the north of England—Gentoo, for example—of rent-to-buy options, which could considerably improve the prospect of increasing the number of affordable homes.

Dr Blackman-Woods: My hon. Friend makes an excellent point. It struck me yesterday, as I went through the evidence to the Committee, how many people commented on their concern that such an emphasis on starter homes risks crowding out other sorts of low-cost home ownership. They suggested that perhaps the Government should have looked at other ways of supporting people into home ownership, rather than concentrating on starter homes as much as they have done.

Teresa Pearce (Erith and Thamesmead) (Lab): Is my hon. Friend concerned, like me, that it is not just affordable rent that could be crowded out? The British Property Federation believes that starter homes could kill off the build-to-rent sector, which is one of the fastest-growing in the UK.

Dr Blackman-Woods: Yes. That is a very worrying piece of evidence. Interestingly, it is not only the British Property Federation that thinks so. I was looking, as one does, at comments made by the Mayor of London. I notice that the Mayor's office is concerned that the measure might crowd out other initiatives by the Mayor to support people in moving from renting into home ownership.

Clearly, the issue is not one that we have dreamed up out of nowhere. Out there in the real world, people who are responsible for supporting the delivery of housing and, indeed, producing housing, are concerned about the impact of the Bill, and particularly the clauses in question, on the viability of other products.

Brandon Lewis: Perhaps I may clarify something. What the hon. Lady said is not quite what the Mayor of London said. He is entirely supportive of starter homes and that is clear from the record.

Dr Blackman-Woods: I know that the Mayor's office has made positive comments about encouraging starter homes. However, the Mayor has also said that he is—or at least people in his office have said that they are—concerned about how the Bill will be implemented, and about powers that will be given to the Mayor to prevent damage to other products that he already makes available. The Opposition have been explaining that there is considerable concern about the possibility that the clauses will crowd out other useful products that exist to support people into home ownership.

Seema Kennedy (South Ribble) (Con): The hon. Lady has made much reference to the building of social housing, and how she would like that to be incorporated into the clause. Will she explain why fewer council houses were built between 1997 and 2010 than between 2010 and 2015?

Dr Blackman-Woods: Yes, I can do that easily and am happy to refer the hon. Lady to the figures I gave a moment ago. The last Labour Government supported housing associations to build social homes for rent. That is why the figures for social rented homes—*[Interruption]*. If Conservative Members want to look at the figures, they are on the DCLG website and they break down how affordable homes are delivered, and under what tenure. They make it clear that in 2003-04 about 20,000 homes for social rent were being built. By the time the recession hit, that had increased to about 37,000 or 38,000 homes a year.

That was not enough, but it was more than when we came to office. Last year, in that same category the number was 10,000. Perhaps we did not build enough homes for social rent, but the situation was a lot better than now.

Andrew Griffiths (Burton) (Con): Obviously the hon. Lady would not want to give the Committee the wrong impression. She has made reference to conversations or what the Mayor's office may have said. Will she later today come back with some hard evidence—some quotes for the Committee of what the Mayor is supposed to have said—so that we can clearly understand what was said, and the context?

Dr Blackman-Woods: The hon. Gentleman does not have to look very hard, because the front page of *Inside Housing* of either this week or last week has comments from the deputy Mayor about how concerned he is. Perhaps that is contrary to some evidence that was given to the Committee, but there is some concern in the Mayor's office about how starter homes might negatively affect what I think is the rent-to-buy scheme.

Mr Stewart Jackson (Peterborough) (Con): I have a soft spot for the hon. Lady, who is playing a sticky wicket particularly well. We should be basing our scrutiny on facts and demonstrable evidence. Surely she would concede that the expert witnesses we heard, notwithstanding

the fact that Build to Rent is quite a new regime, did not come forward with anything other than anecdote. They did not provide any evidence whatever Build to Rent would be “killed off” by starter homes. Surely she would concede that. Perhaps in a year we will find evidence, but at the moment that is not the case.

12 noon

Dr Blackman-Woods: That is actually a very helpful suggestion. Maybe we should suggest during the Bill's progress through Committee that monitoring arrangements should extend to reviewing whether the Bill is working in its intent of getting more people into home ownership, particularly people who would not be able to get on the housing ladder in the open market. Perhaps I will take on board the hon. Gentleman's suggestion and introduce an amendment later in the Bill's progress.

Mr Jackson: The hon. Lady can take her own amendment; she does not have to pinch mine.

Dr Blackman-Woods: Indeed, but I could be supportive if the hon. Gentleman wanted to introduce one on that basis.

Chris Philp (Croydon South) (Con): I just had some figures brought over to me to answer the question about council housing and housing association builds over the last couple of Parliaments. I am sure that the hon. Lady will join me in welcoming the fact that taking council housing and housing association starts together, in the last Parliament, 2010 to 2015, there were 153,000 starts in those tenures, compared with 149,000 in the last four years of the last Labour Government. The current Administration have built more council and housing association units, when taken together. I am sure that the hon. Lady will join me in welcoming that.

Dr Blackman-Woods: The difficulty is that I have tried to separate out the number of homes built for social housing and at genuinely affordable rents, rather than including, as the tables do, figures on housing built at 80% of market rents, which I think a lot of us would accept are unaffordable for many.

Grahame M. Morris: My hon. Friend is making a completely sensible point. I think that most of the Committee would agree that there is a consensus that we need some 250,000 houses a year. In our scrutiny of the Bill, the question is whether we are doing everything that we can to encourage not just the private sector but the public sector to build their share. Our contention, and the point that she is making well, is that we could do rather more in passing the Bill to encourage that.

Dr Blackman-Woods: I am grateful to my hon. Friend for making that intervention, and for bringing us back to the real focus of the amendment, which is why the Government are not doing more to produce greater output in terms of housing delivery across all tenures. Most people would think that a reasonable question to ask, given the severity of the housing crisis that we face.

We must also question whether measures in the Bill are making an increase in housing units more difficult from the key sectors: local authorities and housing

[*Dr Blackman-Woods*]

associations' homes for social rent. We know, and a number of people have commented, that measures in this Bill and the Welfare Reform and Work Bill could make it more difficult for local authorities and housing associations to build homes, due to the combined impact of loss of rental income.

We are not criticising the reduction in rents; that is not the point. The point about the rent reduction is that less money will be available for local authorities and housing associations to build homes. That is simply the point that they are making. If the Government want to reduce rents—we think it a laudable objective to reduce the rents of people in social housing—it should be done in a way that does not impact negatively on the ability of housing associations and local authorities to build more homes. Unfortunately—we have seen this in some of the detailed evidence given by housing associations and local authorities—reducing rents reduces the amount of money available to them for short-term and longer-term investment in their current stock and building for the future. That does not seem to be a sensible approach.

Maria Caulfield (Lewes) (Con): I have to disagree with the hon. Lady, because the Bill protects those on the lowest income by reducing their rent. It is asking those on the highest income to pay to stay at market rents, and that money can be used by councils or housing associations to build more housing. There is already legislation on a voluntary agreement for those who earn £60,000 a year or more. We heard in evidence sessions that housing associations are not using the powers, and the Bill will address that problem.

Dr Blackman-Woods: We will debate pay to stay and the many, many problems with it—

The Chair: At a later stage.

Dr Blackman-Woods: At a later stage of the Bill. Unfortunately, the hon. Lady's sentiments are not shared, particularly by some of the larger housing associations. They have already said publicly that the combined measures of the Bill and the Welfare Reform and Work Bill mean that they are so unsure about their future income and their future ability to borrow to invest in that sector that they are pulling out of building social rented housing completely. We also know that many local authorities are already borrowing to the maximum against their housing revenue account. Because they are facing cuts and because of loss of income, they are simply saying that they do not have the resources to invest in new housing.

Is it the Minister's expectation that all the 245,000 houses that we need each year will be built by the private sector? If that is not the assumption underpinning the Bill, how does he expect homes to be built for social rent? Who does he expect to build them? Those are the questions underpinning the amendment, and I would like to hear what he and other Members have to say.

Peter Dowd (Bootle) (Lab): Reference was made by the hon. Member for Peterborough to anecdote, but I do not see—I am sure that my hon. Friend the Member

for City of Durham can comment on this—how housing associations, such as Riverside in my area, which has 59,000 houses, are coming along with anecdotes, because they have to base things on facts. Riverside said to the Committee that the Bill will not do enough to stimulate new housing development and urged the Government to introduce a national housing supply strategy by 2016. It went on to talk about how that could be financed and so on. The reality is that the Bill does not do enough. Would you agree?

The Chair: I would not agree, but the shadow Minister might or might not.

Dr Blackman-Woods: My hon. Friend makes a simply excellent point. The housing associations that I have spoken to have been careful in the comments they have made. The point that again needs emphasising is that no one is saying that there should not be an initiative to support starter homes, because that would clearly be ridiculous. Of course we want measures to stimulate starter homes and increase the ability of people who can to enter the housing market. What seems really strange to us is why starter homes are being prioritised in this way, even when there is a significant danger—this was expressed by many who gave evidence to the Committee—that they could crowd out other ways of entering the housing market, such as rent-to-buy schemes, or other types of affordable housing.

A manifesto commitment was made by the Conservative party to deliver 200,000 starter homes. It might be that the whole policy we are discussing has been decided upon because of that manifesto commitment. If that is the rationale, let us be clear about that—

Seema Kennedy: Will the hon. Lady give way?

Dr Blackman-Woods: I want to finish my point first.

I am not suggesting for a minute that the Government should not be delivering on a manifesto commitment if they wish to do so. I am suggesting that if that is the only rationale it explains a lot, because it means that there is no rationale behind housing delivery across all sectors; the rationale is simply to address that one commitment, to the exclusion of meeting housing need, and doing so across all other sectors.

Seema Kennedy: Will the hon. Lady accept that 86% of Britons aspire to home ownership, so our manifesto commitment is important? Also, on what basis should a Government legislate other than what was in their manifesto?

Dr Blackman-Woods: Had the hon. Lady been listening to me earlier, I said that if the only rationale for the particular clauses that we are discussing was a manifesto commitment, that is perfectly understandable. My point was about whether that is the only rationale. What one would expect to hear from her, or what I hope I will hear from the Minister in a moment, is why a manifesto commitment was made to deliver 200,000 starter homes to the exclusion of meeting housing need across all other tenures and sectors. That is the question I was asking.

As we all know, we are the party of aspiration, we want people to be homeowners and we are not against measures that improve access to home ownership. The point I was making was that a lot of people have given evidence to the Committee suggesting that prioritising starter home development in quite the way that the Bill does could crowd out other forms of access to home ownership, most notably other models of low-cost home ownership, such as rent to buy or equity share, and that is not entirely sensible. That is our contention, and it is a reasonable one given the evidence received.

Stephen Hammond (Wimbledon) (Con): The hon. Lady would be right were that the only contention. Had she read the Conservative party manifesto, or followed what the Prime Minister said when he introduced the relevant section of it, starter homes were only one part of our housing philosophy, which is about ensuring that houses are in place across all the different types of tenures—and we build more of them for all different types of tenures. That was his starting point. So it is not only starter homes that the Government are aiming to provide. That is important to the context of her remarks.

Dr Blackman-Woods: I accept that the hon. Gentleman is at least seeking to address the question that I was asking. The key issue is not whether it was a manifesto commitment, but what is underpinning it. However, I dispute his contention that the Government are delivering in the Bill and elsewhere the housing that we need across all tenures. Patently they are not, because only about half the number of homes that we need are being delivered. The numbers for social rent are also derisory.

Matthew Pennycook (Greenwich and Woolwich) (Lab): There are clearly two issues here; one is whether starter homes will cannibalise other forms of affordable housing, and the other issue is a narrow one that picks up on a comment just made by the hon. Member for Wimbledon, which is whether the Government can meet their own target of 200,000 starter homes during this Parliament. Nothing I have seen in the evidence that we have had from witnesses suggests that. I am sure that, away from the Committee, the Department is scrambling to figure out how, given the above-average costs of the sites that we are talking about and the obligations already in the national planning policy framework, we will get anywhere near 200,000 homes a year. It is a question of supply and the impact on affordable housing. Does she agree that there is little in the Bill to prove that the Government will get anywhere near that 200,000 target?

12.15 pm

Dr Blackman-Woods: Indeed. My hon. Friend makes an excellent point, which was made by several witnesses who were very unsure about how the policy would work in operation and whether, at some point, the Government would have to revisit the definition of “starter home”. I would not be surprised to see that coming down the line in a few years, so that it will include equity share or rent to buy, should they survive the impact of the Bill, especially if the Government find themselves unable to continue to develop homes for low-cost home ownership in other ways, other than starter homes.

Peter Dowd: May I draw my hon. Friend’s attention to the Mayor of London’s submission that under the Bill,

“there is a risk that Starter Homes in London could displace much of the capital’s supply of shared ownership properties”

and that he would like starter homes to be an additional supply to increase

“the overall proportion and choice of low cost home ownership products in London”

to

“ensure that Starter Homes work alongside existing intermediate products”?

Do you agree that that seems to put paid to the argument—

The Chair: I would not agree, but Roberta Blackman-Woods might.

Dr Blackman-Woods: I thank my hon. Friend for that intervention, not least because over the lunch break I will look out the comments from the Mayor’s office. My hon. Friend highlights clearly the point I was making. He used a good example. I could have given many examples from the evidence to the Committee about people’s concerns about starter homes crowding out other sorts of housing delivery, but I thought in my naivety that Conservative Members might listen to a Conservative Mayor and the comments made by his office, but apparently not. Those comments crystallised for the Committee people’s concern that starter homes could crowd out other forms of low-cost home ownership. We would not particularly welcome that and we would like to hear from the Minister how he will ensure that starter homes will be in addition to other forms of low-cost home ownership and help people to get on the housing ladder, which we all want to see.

Mr Jackson: I shall be brief because I am getting looks of admonition from my Whip and perhaps also from you, Mr Gray. For the record, was it not the case that, when pressed, every expert witness said cumulatively that the starter homes policy would deliver more homes for people in our country and our constituencies?

Dr Blackman-Woods: Well, on the basis of the point made by my hon. Friend, let us wait and see whether that proves to be the case.

In conclusion, I am looking forward to hearing what the Minister says about ensuring that starter homes are an addition to all other types of homes to encourage people into home ownership and across all other tenures, and his answers to our question about why the Bill does not include measures to ensure that that is the case.

Brandon Lewis: I shall keep my comments relatively brief, because I know the Committee is keen to ensure that we finish at least clause 1 before we break at 1 o’clock. We have just spent 45 minutes discussing the first of two amendments to clause 1, a one-line clause. I draw hon. Members’ attention to what clause 1 does: it simply explains what the chapter is about. It states:

“The purpose of this Chapter is to promote the supply of starter homes in England.”

[Brandon Lewis]

I appreciate that the hon. Lady was having a wider discussion about the housing market more generally, but I will try to deal with the points about the one line of the clause.

As has been said, we should be proud of our record in both the previous Parliament, as a coalition, Conservative-led Government, and this Parliament. We delivered more council homes in five years than the previous Labour Government delivered in 13. In fact, under the Labour Government, the number of affordable homes dropped by 420,000, whereas in five years we increased the number of affordable homes. The hon. Lady outlined what we are doing across all tenures.

Let me focus on the questions that link to this one-line clause. Clause 1 outlines that the purpose of this chapter on starter homes,

“is to promote the supply of starter homes in England.”

Amendment 59 would change the purpose of the chapter to promote the supply of,

“new homes across all tenures”.

The Government are totally committed to increasing housing supply across all tenures. In fact—the hon. Lady and other hon. Members will appreciate this—we do not need legislation to do everything we want and need to do. We should not use legislation to increase housing supply where we do not need to do so. We have got our affordable housing guarantees; the guarantees scheme, with billions of pounds coming through for the private rented sector; the voluntary deal with housing associations, which the chief executive of the National Housing Federation confirmed will increase housing supply; the Help to Buy scheme; the builders finance fund; the planning changes we have made, some of which we will discuss later in this Committee; the fact that we increased local authorities’ headroom to enable them to borrow more—there is still £2 billion-worth of headroom, so local authorities can go further with building—and the work we are doing on custom build. I could go on, but I will stick to the one-line clause that we are discussing.

More than 608,000 new homes have been built since April 2010. That means there are now 795,000 more homes in England than there were in 2009, but we must go further—on that we agree. Housing starts in England are at their highest annual level since 2007. I am proud of that, but we need to go further. In the year to 31 March 2015, the reformed planning system gave planning permission for 261,000 new homes—up more than 64% on the year to March 2010. Starts on new homes in the year to June 2015 totalled 136,320 homes, compared with about 75,000 in the year to 2009. The hon. Lady’s boss, the shadow Housing Minister, is not sitting on the Committee, but when he was Minister he oversaw the lowest levels of house building since about 1923—75,000, 88,000 and 95,000. It is now back up to more than 136,000, but we need to go further.

There were more than 131,000 housing completions in the year to June 2015—15% up on the previous year. That is good; we are on the right trajectory, but we need to go further. We want to do more. The clauses are about something new, something additional—a new approach to addressing the pressing problem of young people and home ownership. We cannot rely on failed

past models of housing delivery that, in and of themselves, have not delivered enough. Planning is part of that. If we are to address the current difficulties we need to innovate, and starter homes are innovative.

Teresa Pearce: The Bill says that the purpose is, “to promote the supply of starter homes”,

and the Minister just said that this is an innovative new approach. One of the barriers for people who want to buy their first home is access to finance. Has the Minister had any conversations with mortgage lenders about the way they approach these homes, which will have a strange type of market value that they are not used to?

Brandon Lewis: Yes, we have. One point I think I made in the oral evidence session is that when starter homes are linked to Help to Buy, which requires just a 5% deposit—bear in mind that, as we have seen in evidence, there are new build homes in our constituencies for below and just above £100,000—home ownership is made available to people who have been cut out of the market since Labour’s recession. That is also why the Conservative party manifesto included the ambitious target of building 200,000 starter homes for first-time buyers under 40. The Bill sets the framework for delivering on that commitment.

The hon. Member for Greenwich and Woolwich asked on Tuesday, as has been asked today, on what evidence the Government wish to legislate. Over the past 20 years, the proportion of people under 40 who own their home has been on a continuous downward trend: it has fallen by a third, from 62% to 39%. During that same period, there has been a 25 percentage point increase in the proportion of that age group who rent homes in the private sector: from 17% to 42%. By contrast, the proportion of people over 40 who are homeowners has remained above 70% throughout the past 20 years.

The Council of Mortgage Lenders recently looked into the challenges facing first-time buyers. It found that 71% of those born in 1970 were homeowners by the age of 40, but it projects that 51% of those born in 1980 and only 47% of those born in 1990 will be homeowners when they are 40. That is unacceptable and that is why we have included clauses in the Bill that build on our other work on housing supply.

Clause 1 will lay the foundations for 200,000 new starter homes to help young first-time buyers on to the property ladder by 2020. As I said on Tuesday, starter homes are just one part of our package of affordable housing options, which will increase the choices available to those who wish to own their own home.

Matthew Pennycook: I would like to get on the record whether the Minister is absolutely confident that the Bill will allow him to meet the 200,000 target for starter homes by the end of the Parliament.

Brandon Lewis: As I said on Tuesday, I am absolutely confident that we will be delivering 200,000 starter homes in this Parliament. It was a manifesto pledge and it is one purpose of the clause. The Bill goes way beyond that and we are doing other things on housing supply, not all of which need legislation, but we are certainly looking to deliver 200,000 starter homes in this Parliament.

The clause sets out our position clearly. Legislation is required to increase the number of starter homes available for young people to buy, and to prevent the percentage of homeowners under 40 slipping further. We need a radical shift in how the housing market supports young first-time buyers; otherwise, we will condemn a whole generation to uncertainty and insecurity. Starter homes are part of that radical shift and I am determined to ensure that, by the end of the Parliament, many more people will have a home of their own, delivered through our reforms. I hope that, with that assurance, the hon. Member for City of Durham will feel able to withdraw her amendment.

Dr Blackman-Woods: What I would say to the Minister is, on total net supply of housing, even on the Department's best figures and with some drastic measures to increase supply, such as office-to-residential, that are not likely to continue for too long, we are still delivering 60,000-plus units less than a decade ago. I would have thought it was important to put it in the Bill that the Government want to increase supply across all tenures, because that would be a clear signal to the people with concerns out there to show that starter homes will genuinely be in addition to all other forms of housing to be delivered and not instead of them. I am therefore not certain why the Minister, especially if he is doing all these amazing things across all types of tenure, does not want that recognised in the Bill. Perhaps we will ponder that issue. No doubt we will bring it back again.

Helen Hayes (Dulwich and West Norwood) (Lab): The key issue that the Minister has not addressed, which is fundamental, is that when developers deliver new homes, they have a pot of money for homes under the affordable category that stretches only so far. That is why there is such considerable concern about starter homes squeezing out other forms of affordable housing. It is not because those other forms of affordable housing will not exist any more, but because the pot will only stretch so far. I do not think that the Minister has answered that point.

12.30 pm

Dr Blackman-Woods: My hon. Friend makes an excellent point, to which I hope we can return in the later stages of the Bill. As I was saying, if all these amazing things are happening all over the place, I am unsure why the Minister does not want that reflected in the Bill, but that is a matter for him. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Dr Blackman-Woods: I beg to move amendment 60, in clause 1, page 1, line 7, at end insert

'and the infrastructure needed to support such developments'.

The amendment would ensure that additional housing is supported with adequate infrastructure.

This is a really important amendment. I am unsure why the Minister has become so tetchy about our tabling amendments to clause 1, because we merely want to improve the legislation so that it reflects some of the concerns we heard in the evidence sessions and in some of the written submissions. Indeed, the Minister himself has acknowledged on a number of occasions that not

only do we need homes as places for people to live in, but homes need to be built in communities where people want to live, with the right infrastructure, so that those who rent or purchase them have access to good-quality healthcare, schools, further and higher education, transport links and, of course, employment. That takes a significant amount of planning. Good communities can develop organically, but our experience is that a good-quality built environment needs to be planned for and delivered. The amendment seeks simply to insert into clause 1 the importance of not only the supply of starter homes, but supplying the necessary infrastructure to support such developments, which is important, given the evidence we received.

Although we support measures that seek to improve access to home ownership, as I have said and will continue to say, the need for homes to be built in sustainable communities seems to have fallen out of the Bill. The Bill would be enhanced and the Minister's desire for good-quality housing in good communities would be strengthened if he takes amendment 60 on board. It reflects what I am sure is his genuine intention to build good-quality homes in good-quality communities. There is a long history in this country of not enough attention being paid to the infrastructure that supports housing, which can lead to communities failing in the long term. Housing cannot be considered on its own without taking into account the context in which houses are placed or will be placed.

When listening to the evidence we heard last week and earlier this week, I was struck by how many of the witnesses started by talking about the lack of support for infrastructure in the Bill and the fact that it seems to contain no measures whatsoever to ensure that adequate infrastructure is in place to support the delivery of what we hope will be many, many homes. That sentiment was expressed not only by people from Shelter or the Town and Country Planning Association, but by a number of council leaders, including Conservative council leaders. I was particularly struck by how the leader of Westminster City Council opened her comments by saying that she welcomed the measures on starter homes, provided that they do not crowd out anything else—we got all the caveats—but then went on to say that she was concerned that there is nothing in the Bill to ensure that Westminster City Council, as a local authority, will be able to deliver the infrastructure required to support the developments in its community.

As Members of Parliament, we have all attended meetings in our constituencies about a proposed new development to which people object. We go along and say, "Why are you objecting to this new development?"—that is what I do, anyway—and usually it is not the case that they actually do not want the new homes. Somewhere, they recognise the need for more housing, and they do have concerns about whether their children and grandchildren will be able to access good-quality homes. The questions they ask are usually about whether enough doctors will be available and about the pressure on hospitals. I get lots of questions about how we are going to deal with the additional traffic and what it will mean for transport links. In many areas of the country, real pressure could be put on schools, or there could be issues with access to employment. These are important issues that affect whether or not people welcome new housing.

[Dr Blackman-Woods]

One would hope that the starter homes developments that the Minister described would be welcomed, but a number of witnesses told us that they simply will not be successful in the longer term unless the infrastructure to support them is put in place. It is not entirely clear how that will happen when there is no mention of infrastructure in the Bill. Perhaps equally important is the fact that it is not at all clear to most people how the infrastructure will be paid for. I will come on to that in a moment.

I want briefly to highlight the example of Milton Keynes Council. One really interesting thing about Milton Keynes is that until perhaps five years ago if one talked to people about it, one found that their impressions were quite negative. In the past five years Milton Keynes has gone from being a place where people perhaps would not consider living to being the third most attractive place to live in the country. What is interesting about Milton Keynes is not only that it was planned as a new city, with all the infrastructure going in first—that is critical—but that its funding model, and that of many other new towns, allowed for long-term investment in those communities, which is very important.

Milton Keynes has been around for about 50 years now, and the council is not only building new roads to continue to support its development, but replacing roads that were built when the city was started. We forget that infrastructure has to be not only provided, but improved. So Milton Keynes Council has huge experience of how to successfully develop a community that works. We have heard that, by and large, Milton Keynes is an area that works for the people who want to live there; they have access to employment, good-quality schools and healthcare, and the transport links are very good indeed.

My point is that we should pay attention to what Milton Keynes Council told the Committee. Its evidence stated that,

“the provision of new homes needs to be planned with the provision of jobs, schools, shops and necessary infrastructure and facilities in order to create sustainable communities.”

We are concerned that the short-term demands of first-timebuyers may be met, but at the expense of considering the serious long-term consequences of failing to require such infrastructure.

Indeed, as I said earlier, Philippa Roe, the leader of Westminster City Council, said that she wishes to make the Government aware of the potential problems that may arise without the correct infrastructure. She said:

“One of the issues we face in this debate is that we talk about housing in a silo... you cannot do that if you are to create a proper community. You have to talk about proper regeneration of an area.”—[*Official Report, Housing and Planning Public Bill Committee*, 10 November 2015; c. 14, Q27.]

We know that people need not only a home, but good schools, roads, shops and communities. If we are to implement starter homes, we need to ensure that they are places where people want to live. The Government have noted on several occasions the importance of creating great communities with local infrastructure. Yet the same Government are putting in peril the infrastructure that is needed for making such communities by not putting in the Bill a requirement to deliver necessary infrastructure. That is even more surprising

when we know that the Minister has aspirations for creating places that people want to live in. The statement he gave in March 2015 said:

“Starter homes developments are expected to be well-designed and of a high quality, contributing to the creation of sustainable places where people want to live, work and put down roots to become part of the local community.”—[*Official Report*, 2 March 2015; Vol. 593, c. 44WS.]

That is an excellent sentiment, which I totally share.

The Minister also cited the Department for Communities and Local Government’s 2015 consultation on starter homes:

“Most local authorities and a number of representative bodies expressed views about the potential impact on employment land and local economies”

of this policy. We need to square that with the desire to see such homes built in places that are truly sustainable, with access to employment and other opportunities that people want to see.

In the evidence session, Martin Tett, vice-chair of the housing board at the Local Government Association, stated:

“The need to address the issue of adequate contributions towards local infrastructure is fundamental.”—[*Official Report, Housing and Planning Public Bill Committee*, 10 November 2015; c. 26, Q58.]

The Bill fails to create the great places that we need for people to live in and call home. It completely misses the importance of creating vibrant and socially inclusive communities and ignores important environmental factors surrounding housing.

I am sure hon. Members were very interested to see the written evidence that we had from the Woodland Trust. When we think about housing, we do not necessarily think about making sure our trees are protected. The Woodland Trust wants to make sure that we do not lose valuable trees when we create new housing developments. Planting new trees is an important part of establishing a new community and making it a well-designed community that people want to live in. I could go on, but I will not—I am trying to finish speaking to the amendment before we break for lunch.

12.45 pm

A number of people made it clear that there is not enough in the Bill to support infrastructure, but the situation is a little worse than that. We might forgive the Minister for omitting infrastructure from the Bill, particularly if he accepts the amendment. However, the inclusion of measures that negatively impact on the ability of local authorities and developers to provide the necessary infrastructure is not something we wish to see, and it should be condemned and addressed.

The starter home element of developments will not have the community infrastructure levy attached to it. The point the Local Government Association, Milton Keynes and lots of other councils are making is that, although the Government might think it is fine in the short term to forgo this income to promote starter homes because we have a big policy driver somewhere else, we run the great risk of there not being enough money to provide the infrastructure needed for particular developments, which will produce a funding gap. I look forward to the Minister telling me how that infrastructure funding gap will be met, because it is not clear at the moment. CIL will not apply to the starter home element,

and I think section 106 provisions will not apply, although we perhaps need a bit of an update from the Minister on that.

When one asks developers what the main issues are that slow down development—the Minister will know this, because he must, like me, talk to developers—it is quite rare these days for them to say it is the planning system. They usually say there is not enough resource in planning departments for planning applications to be put through expeditiously—that is No. 1. The second point is always that there is a real problem with infrastructure. In a lot of authorities, CIL is not working effectively, and they do not have enough money because of Government cuts, so there simply is not the money to support the infrastructure that is needed, or there is only enough money to partially meet infrastructure needs.

That seems contrary to the tenet underpinning the national planning policy framework, which starts by saying that its aim is to promote sustainable development. The contention of a lot of the people who gave evidence to the Committee is that we simply cannot promote sustainable development and, therefore, that the clauses before us are not in line with the NPPF, because they do not address sustainability in terms of the wider environment or the infrastructure needed.

The amount of money being lost from infrastructure is quite substantial. Milton Keynes has helpfully told us:

“To give an example around 40% of our planning obligation requests are directed to meeting primary/secondary education needs...On a typical mid-range development of say 50 units this may equate to £400,000...If ‘starter homes’ are exempted and equate to 20% of the units on this development then we will...need to redistribute £80,000...over the other 40 units”.

Councils are asking—this is a serious point that I hope the Minister can address for me—whether they are supposed to redistribute the missing CIL or section 106 money across the rest of the units. That is what Milton Keynes is asking. It is a genuine question: what should it do about the £80,000 shortfall in school places? Should it go over the rest of the site, or will it simply not have enough money to meet the need for school places? Will that money come from a direct grant from the Department for Education? I am sure that we are all interested to hear what would happen in those circumstances. I look forward to hearing what the Minister has to say about that and how he will reassure the Opposition that infrastructure to support those new housing developments will be in place and of good quality to ensure sustainable communities for the future.

Brandon Lewis: I entirely disagree with the hon. Lady’s point about developers and what they are saying about the planning system. I am pleased that the changes that we have made over the last few years have been welcomed by the building industry, but there is still a view that the planning system is too slow. Part of what we will debate over the next few weeks is how to go further in speeding up and simplifying that process and ensure that local people’s voices are more loudly heard. We will debate that later.

Equally, in many cases, local authorities sign planning performance agreements with developers in order to ensure that they get the level of support and work that they want. Given that local authorities, as we have seen

today, now have reserves rising from £13 billion to £22 billion, they should consider carefully how to finance and resource their planning departments, which should absolutely be at the heart of local authorities.

Amendment 60 would amend clause 1 to refer explicitly to the infrastructure needed for starter homes. To respond to the hon. Lady’s opening remarks and to the last intervention during debate on the previous amendment, this chapter of the Bill is entitled “Starter Homes”. It is about starter homes, a new product that we are adding to the mix. Let me be clear: nothing that we are doing to promote starter homes will fundamentally change the importance of having good infrastructure in place to support new developments. We are one on that. We as a Government strongly believe that new housing developments must be supported by improvements in local infrastructure, from better roads to new schools and doctors’ surgeries to more parks and open spaces, and good design to create communities.

Our manifesto clearly stated:

“When new homes are granted planning permission, we will make sure local communities know up-front that necessary infrastructure such as schools and roads will be provided.”

We particularly want local authorities and infrastructure providers to plan positively for the broader infrastructure needs of their area as part of local plan making. Our starter homes reforms will not change that. Yes, we will exempt all starter homes from the community infrastructure levy. We will lay the draft regulations shortly, and I appreciate that the House will have an opportunity to debate them soon, but I say gently to the hon. Lady that there is a discount of at least 20% on starter homes, which is funded in part by the reduction of the community infrastructure levy. If she is saying that it should still be levied, where does she think the extra funding will come from?

Affordable housing is already exempt from the levy, so the impact of the reform on local infrastructure financing will be much less than many might imagine. Furthermore, planning decisions for all developments, including those that contain starter homes, will still need to be made in accordance with local planning policy, subject to the starter homes requirement and other material considerations.

Infrastructure considerations will be an important part of consideration for any substantive development. In particular, local planning authorities will still be able to secure section 106 contributions for site-specific infrastructure improvements required for the development, including new roads or financial contributions to local schools. Accordingly, this explanatory amendment to clause 1 is not necessary, as infrastructure considerations will continue to be an important factor for developments with starter homes. With those points in mind, I hope that hon. Members will withdraw the amendment.

Dr Blackman-Woods: I am very, very disappointed that the Minister did not take the opportunity that I provided for him to reassure the Committee and the many people who gave evidence that the Government had clearly thought through how infrastructure would be provided to support these new developments and, critically, how it would be paid for.

The specific point I put to him was not whether the community infrastructure levy should or should not apply to the element of starter homes in new developments;

[*Dr Blackman-Woods*]

I did not comment at all on that. I simply pointed out that some of the councils that will have to operate the system were very unclear about how the gap in funding would be addressed. Milton Keynes is a good example, in that it pointed out that on an average-sized development the council could be £80,000 short of providing necessary school places to support that development.

If the Minister and the Government are promoting these new homes, it is important that they have thought through clearly how the infrastructure to support them will be provided. It is also important that they seek to reassure us and answer the questions we have directly raised. As I said, I am very disappointed. Bearing in mind the large number of witnesses who identified concerns about this issue in their evidence to the Committee, I hope that the Minister and his officials, even if they do not want to pay attention to the matters we are raising, might pay attention to the matters that developers and others are raising.

Brandon Lewis: Actually, developers have welcomed starter homes and explained that they are potentially a huge opportunity to increase housing supply. The National Housing Federation also backed that up. If the hon. Lady reads through *Hansard*, she will see that I explicitly outlined the infrastructure point, both in terms of CIL and more widely, and in site-specific section 106 agreements.

Dr Blackman-Woods: I was just coming to that. As the Minister has made an intervention, perhaps he could make another helpful one, to show that section 106 agreements will apply to the whole site, including counting the number of homes provided for starter homes.

Brandon Lewis: I again ask the hon. Lady to read *Hansard*, because it will tell her exactly what I said. I repeat that local planning authorities will still be able to secure section 106 contributions for site-specific infrastructure improvements required for the development, including new roads or financial contributions to local schools.

Dr Blackman-Woods: As the Minister suggests, I will indeed check *Hansard* in the next few days. I thank him for his clarification. My point was that I do not think

we had an answer to the specific question raised by Milton Keynes Council and others about how the funding shortfall resulting from not applying CIL to a proportion of the development, because of starter homes, will be met.

Brandon Lewis: I again draw the hon. Lady's attention to my words. I made the situation regarding the community infrastructure levy very clear, including the fact that at the moment affordable homes do not get the community infrastructure levy, and therefore there is a negligible difference.

Dr Blackman-Woods: Nevertheless, CIL will not be applied to the homes that are being built as starter homes. It is important to identify how that shortfall will be met.

Brandon Lewis: It is not a question of a shortfall. Affordable homes do not attract the community infrastructure levy now, so that is not a change.

Dr Blackman-Woods: As the Minister will recognise, these homes have not actually been built and they will, after five years, go on the open market. Therefore, I am not sure he is making a direct like-for-like comparison. In any case, the issue about how the shortfall will be addressed remains. I would like him to reflect on that further and think about how better to reassure the Committee on how infrastructure will be delivered. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

The Chair: We now come to the question of whether the clause stand part of the Bill. My inclination is that, because of the time and the substantive debate we have had, we should move forthwith.

Clause 1 ordered to stand part of the Bill.

1 pm

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.