

# BEYOND BARKER

*A Two-Decade Review of England's  
Housing Policies and Progress*



MARCH 2024



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**ECONOMIST AND AUTHOR OF  
THE 2004 BARKER REVIEW OF  
HOUSING SUPPLY**

## Foreword

When asked to talk or write about housing over the past two decades I've often begun by looking back to assess how far policy has followed the recommendations of the 2004 Review. It's great to find that someone else has now done the hard work for me, and has done it so thoroughly. Thank you HBF. But it would have amazed me, in 2004, to have been told that the Review would be talked about after all this time.

The Review has had such salience because housing has remained a significant problem over those two decades, despite many further reviews, White Papers and planning reforms. Yet effective policy responses, as this paper makes clear, have come and gone. Home ownership is always a tempting topic for announcements as part of fiscal events or as a promise in manifestos. But the emerging policies have too often proved unhelpful, being what economists refer to, sniffily, as 'demand-side measures'. These help some people into home-ownership but have little effect on the underlying problems (and risk pushing up house prices).

So why haven't we solved the issues of affordability and good housing for the less well-off? Is it because the Review's recommendations were not up to the job, or because they were not followed through? At the time I did not believe that the Review alone would prove sufficient. While there was a simultaneous review looking at the mortgage market, there were other relevant

topics, particularly the taxation of housing and land, which lay out of scope. And too much change at once can be damaging. For those reasons my modest aims were: to ensure housing supply received the right prominence in public debate, and, to move planning policies in a more supply-friendly direction.

The first of those aims was successful, and I would argue that the second had some success in the years before the financial crisis. The election of 2010 was followed by positive policy changes (the initial NPPF), but also a significant negative with the abolition of regional planning. The latter has made infrastructure planning, or allowing for environmental concerns, at the right scale more difficult. Infrastructure and housing plans are still not joined up. And pushing decisions on housing numbers down to the local authority level has not proved successful.

I am particularly disappointed by the failure to follow through on the supply of new social rented homes. It is estimated that the stock of 'pure' social rent homes has fallen in England over the past decade, continuing the previous trend. It is depressing to see the data in this report on households in temporary accommodation, and on overcrowding. In addition, many households in private renting are struggling with rents which take too large a share of their disposable income.

More recently, as the HBF report makes clear, some policy changes have moved further away from support for sufficient housing supply, compounded by the squeeze on resources in planning departments. To the extent the Review could be counted a success, that success has waned. The prospect of 300,000 new homes a year in England seems as far off today as it did in 2004.

“*The prospect of 300,000 new homes a year in England seems as far off today as it did in 2004.*”



# Introduction

In March 2004, economist Kate Barker – in her landmark review of housing supply – called for a more equitable distribution of housing wealth, and warned of the potential for a growing economic and social divide between those who can access market housing and those who cannot.

Two decades on, Barker’s prediction has proved accurate:

- **The average age of first-time buyers is now 34 – up from 31 two decades ago when the Barker report was released<sup>1</sup>;**
- **Home ownership levels have fallen to 65% in 2022-23, from a peak of 71% in 2003<sup>2</sup>;**
- **Housing affordability has worsened in every local authority in England over the past two decades<sup>3</sup>;**
- **The ratio of median house prices to median earnings has increased from 5.9 in 2003 to 8.3 in 2023<sup>4</sup>.**

Therefore, while some of Barker’s recommendations were implemented, it is clear that successive governments have not truly delivered on Barker’s call for action to increase housing supply rates and to ensure more households can access market housing – and with an ever-growing housing shortage, today’s policymakers need to be even more ambitious than the vision Barker set out in 2004.

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1 DLUHC, English Housing Survey 2022-23  
2 Ibid  
3 ONS, House price to workplace-based earnings ratio  
4 ibid

# Overview

This report assesses the progress made by governments since 2004 in implementing the recommendations of the Barker Review, and outlines the challenges that remain. Our review finds that over the past two decades, England has fallen 2 million homes short of the number needed to deliver Barker's most ambitious affordability scenario - this shortfall is equivalent to the total housing stock in Ireland<sup>5</sup>.

If looking at Barker's central affordability scenario - which would have priced 5,000 extra households into the market every year by 2021 - England has still fallen 900,000 homes short of the number needed over the past 20 years.

Therefore, while significant progress has been made in the past decade - with an average of 48,000 more new build completions per year during the 2014-2023 period than recorded between 2006-2013<sup>6</sup> - levels of house building still fall far short of the number needed to make the housing market more equitable, as Barker outlined. In turn, house price growth per annum has averaged well above Barker's targets<sup>7</sup>, and more and more first-time buyers and low-income households are still being priced out of the market every year, increasingly leaving home ownership as the preserve of older, wealthier households or younger people with access to family wealth and support.

The report also assesses the progress of successive governments in delivering the recommendations of the review. This assessment shows that only 11 of the 36 recommendations are currently implemented in full - with a further 10 having been partially implemented, and 5 implemented and then reversed.

Furthermore, two decades on from this landmark review, Housing Secretary Michael Gove's rolling back of the positive planning reforms of the early 2010s means that the same barriers to action are being encountered again. The recent changes to the National Planning Policy Framework (NPPF) in December 2023 saw regression on three of the recommendations - those relating to targets, the allocation of land by local authorities, and the Green Belt.

Ultimately, the findings of our analysis are demonstrative of a housing crisis that has sharpened over the past twenty years, and reaffirms the need for action to increase housing supply and revive the dream of home ownership.

<sup>5</sup> OECD, Housing market indicators

<sup>6</sup> DLUHC, Live Table 118: Annual net additional dwellings

<sup>7</sup> ONS, House Price Index



# Background

In 2003, economist Kate Barker was asked by then-Chancellor Gordon Brown and Deputy Prime Minister John Prescott to conduct a comprehensive review of the issues underlying the lack of supply and responsiveness of housing to demand. Her remit included the role of competition, capacity, technology and finance of the house building industry, and the interaction of these factors with the planning system and sustainable development objectives.

The objectives of the review were to:

- **achieve improvements in housing affordability in the market sector;**
- **deliver a more stable housing market;**
- **ensure that the location of housing supply supports patterns of economic development;**
- **and provide an adequate supply of publicly-funded housing for those who need it.**

The Review emerged in the context of the failure of housing completions to rise in the 1990s despite improved economic conditions. By 2001, even in the context of strong economic growth, completions had fallen to their lowest level since the Second World War.

Barker's Review - 'Delivering Stability: Securing our Future Housing Needs' - was published on 17th March 2004, following an interim report published the previous year<sup>8</sup>, and many of the 36 recommendations were ultimately implemented<sup>9</sup>.

It remains the most significant review of housing supply in England during the 21st century. The report had a substantial impact on the policy environment and framework for housing supply, triggering a range of planning reforms and responses from the industry. The report also opened up a broader debate about the housing crisis by laying bare the scale of the challenge to increase housing supply and meet housing demand.

<sup>8</sup> Report and interim report available at <https://web.archive.org/web/20080917085114/> & [http://www.hm-treasury.gov.uk/consultations\\_and\\_legislation/barker/consult\\_barker\\_index.cfm#report](http://www.hm-treasury.gov.uk/consultations_and_legislation/barker/consult_barker_index.cfm#report)  
<sup>9</sup> HBF, Barker Review: A decade on, 2014

**“It remains the most significant review of housing supply in England during the 21st century”**

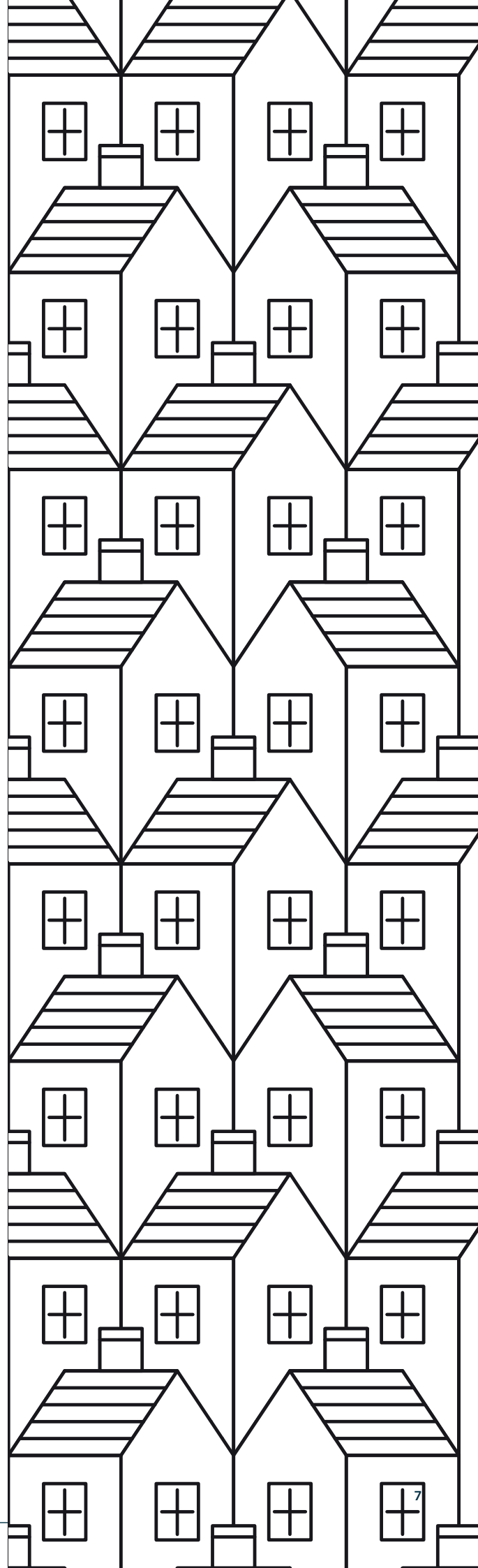


# Shortfall of housing today

Barker noted in her Review that “the long-term upward trend in house prices and recent problems of affordability are the clearest manifestations of a housing shortage in the UK”.

In turn, the Review set an objective of increasing housing supply, thereby pricing more households into the market every year and increasing access to home ownership for more first-time buyers and those on lower incomes.

The Review set out three scenarios to reduce the trend rate of real house price growth, down from 2.7% (the trend rate from 1970 to 2001) to 2.4%, 1.8% or 1.1%. A corresponding number of private sector housing starts needed per annum to meet each scenario was also set out in the Review.



## METHOD

To calculate the cumulative shortfall in housing over the past twenty years, the number of net additional dwellings in each financial year was compared to the number of homes needed to reduce the real price trend over time, as set out in the Barker Review<sup>10</sup>.

While gross housing starts figures were used to estimate the number of new homes needed in Barker’s review, these figures have been superseded by net additional dwellings figures (including the subset data of new build completions) as the main measure of housing supply over time:

- The Office for National Statistics has confirmed that net additional dwellings provide a ‘fuller’ and ‘more complete’ measure of new housing supply based on annual returns from local authorities<sup>11</sup>.
- A 2017 report by the UK Statistics Authority recognised that net additional dwellings are a more comprehensive measure of housing supply than housing starts and completions, and are quality assured with other sources such as Energy Performance Certificates.<sup>12</sup>

- New build starts and completions are now considered only a ‘leading indicator’ of supply, have been shown to undercount actual housing delivery by as much as 20% per year, and the data was renamed in 2020 to reflect these deficiencies.

Therefore, the calculations of housing shortfalls in this report are based on the number of net additions to housing supply for each financial year in England since 2003-4 – rather than gross housing starts<sup>13</sup>.

Using the equivalent percentage increases in housing delivery that were identified in the Barker Review, we estimated the number of net additional dwellings needed every year over the past twenty years to deliver the three affordability scenarios as shown in table one.

**TABLE ONE: AFFORDABILITY SCENARIOS SET OUT IN THE BARKER REVIEW OF HOUSING SUPPLY**

| PRICE TREND TARGET | PERCENTAGE INCREASE IN HOUSE BUILDING NEEDED TO DELIVER THIS PRICE TREND <sup>14</sup> | NET NUMBER OF ADDITIONAL HOMES NEEDED EACH YEAR TO DELIVER THIS SCENARIO | AVERAGE NUMBER OF NEWLY FORMED HOUSEHOLDS PRICED INTO THE MARKET PER ANNUM BY 2011 | AVERAGE NUMBER OF NEWLY FORMED HOUSEHOLDS PRICED INTO THE MARKET PER ANNUM BY 2021 |
|--------------------|--|--|--|--|
| <b>2.4%</b>        | 14.3%  | 182,737  | -5,000   | -7,000   |
| <b>1.8%</b>        | 50%  | 239,813  | 0  | 5,000  |
| <b>1.1%</b>        | 85.7%  | 296,888  | 5,000  | 15,000   |

**2002-03 BASELINE: 159,875 DWELLINGS**

## FINDINGS

The analysis of housing supply figures shows that housing supply has fallen far short of the numbers needed to make the housing market more equitable over time, with only the least ambitious of Barker’s scenarios being achieved.

On average there have been only 190,000 net additional dwellings per year since 2003 - whereas at least 240,000 homes a year were needed to deliver Barker’s more ambitious scenarios<sup>15</sup>.

<sup>10</sup> Net additions are calculated by subtracting demolitions from new builds, conversions and changes of use. The vast majority of net additions are new build homes.

<sup>11</sup> ONS, House building data: Data sources and quality

<sup>12</sup> UK Statistics Authority, ‘Systematic Review of Public Value: Statistics on Housing and Planning in the UK’, 2017

<sup>13</sup> DLUHC, Live Table 118: Annual net additional dwellings

<sup>14</sup> From 2002-03 baseline.

<sup>15</sup> DLUHC, Live Table 118: Annual net additional dwellings



Furthermore, the increase in delivery over the past decade has ultimately not been enough to eliminate the shortfall in housing under Barker’s more ambitious scenarios.

**TABLE TWO: PROGRESS IN MEETING BARKER’S AFFORDABILITY SCENARIOS**

| FINANCIAL YEAR | NET SUPPLY | REAL TREND GROWTH OF 2.4% P.A. |            | REAL TREND GROWTH OF 1.8% P.A. |            | REAL TREND GROWTH OF 1.1% P.A. |            |
|----------------|------------|--------------------------------|------------|--------------------------------|------------|--------------------------------|------------|
|                |            | 183,000 HOMES A YEAR           |            | 240,000 HOMES A YEAR           |            | 297,000 HOMES A YEAR           |            |
|                |            | ANNUAL +/-                     | CUMULATIVE | ANNUAL +/-                     | CUMULATIVE | ANNUAL +/-                     | CUMULATIVE |
| 2003-04        | 170,969    | -11,768                        | -11,768    | -68,844                        | -68,844    | -125,919                       | -125,919   |
| 2004-05        | 185,553    | 2,816                          | -8,952     | -54,260                        | -123,104   | -111,335                       | -237,254   |
| 2005-06        | 202,653    | 19,916                         | 10,964     | -37,160                        | -160,264   | -94,235                        | -331,489   |
| 2006-07        | 214,936    | 32,199                         | 43,162     | -24,877                        | -185,142   | -81,952                        | -413,442   |
| 2007-08        | 223,534    | 40,797                         | 83,959     | -16,279                        | -201,421   | -73,354                        | -486,796   |
| 2008-09        | 182,767    | 30                             | 83,989     | -57,046                        | -258,467   | -114,121                       | -600,917   |
| 2009-10        | 144,870    | -37,867                        | 46,122     | -94,943                        | -353,410   | -152,018                       | -752,935   |
| 2010-11        | 137,394    | -45,343                        | 779        | -102,419                       | -455,829   | -159,494                       | -912,429   |
| 2011-12        | 140,785    | -41,952                        | -41,173    | -99,028                        | -554,857   | -156,103                       | -1,068,532 |
| 2012-13        | 130,611    | -52,126                        | -93,299    | -109,202                       | -664,059   | -166,277                       | -1,234,809 |
| 2013-14        | 142,494    | -40,243                        | -133,542   | -97,319                        | -761,378   | -154,394                       | -1,389,203 |
| 2014-15        | 176,582    | -6,155                         | -139,697   | -63,231                        | -824,609   | -120,306                       | -1,509,509 |
| 2015-16        | 195,534    | 12,797                         | -126,900   | -44,279                        | -868,888   | -101,354                       | -1,610,863 |
| 2016-17        | 223,234    | 40,497                         | -86,403    | -16,579                        | -885,467   | -73,654                        | -1,684,517 |
| 2017-18        | 228,170    | 45,433                         | -40,970    | -11,643                        | -897,110   | -68,718                        | -1,753,235 |
| 2018-19        | 247,766    | 65,029                         | 24,059     | 7,953                          | -889,157   | -49,122                        | -1,802,357 |
| 2019-20        | 248,591    | 65,854                         | 89,914     | 8,778                          | -880,378   | -48,297                        | -1,850,653 |
| 2020-21        | 217,754    | 35,017                         | 124,931    | -22,059                        | -902,437   | -79,134                        | -1,929,787 |
| 2021-22        | 234,462    | 51,725                         | 176,656    | -5,351                         | -907,788   | -62,426                        | -1,992,213 |
| 2022-23        | 234,397    | 51,660                         | 228,316    | -5,416                         | -913,204   | -62,491                        | -2,054,704 |



## AFFORDABILITY SCENARIO ONE: 183,000 HOMES A YEAR

The analysis shows that only the least ambitious of Barker’s scenarios, to achieve the objective simply of slowing down the pace at which households were being priced out of the housing market - requiring 183,000 homes per year on average since 2003, thereby reducing the price trend to 2.4% - has been delivered.

This is primarily due to progress made since 2015 following the positive reforms of the early 2010s - such as the introduction of the National Planning Policy Framework (NPPF), and the Help to Buy Scheme. Within this positive landscape, house building began to exceed the 183,000 net homes a year required to deliver the first of Barker’s scenarios, and the shortfall began to reduce.

However, as will be discussed later in the report, the political will to increase housing supply that was seen during the 2010s has waned. Furthermore, under this scenario, the Barker review estimated that an average of 7,000 newly formed households would still have been priced out of the market per annum by 2021. Therefore, building at this rate has simply reduced and slowed the rate at which households are priced out of the market, rather than opening up home ownership to more households every year.

## AFFORDABILITY SCENARIO TWO: 240,000 HOMES A YEAR

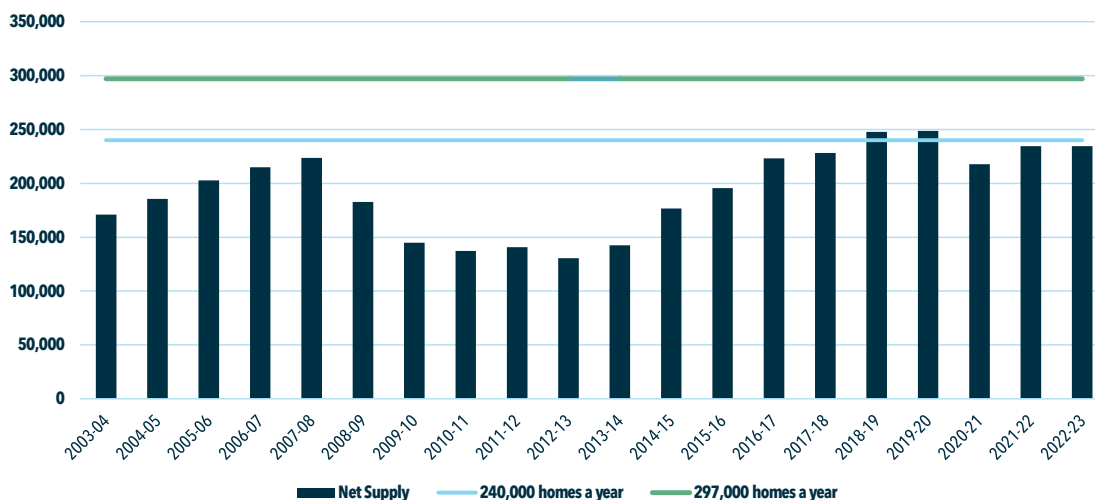
The central affordability scenario set out by Barker was to reduce the price trend to 1.8% a year, requiring at least 240,000 new homes to be delivered every year from 2003.

This scenario would halt the increase in the affordability gap and slowly make the market more affordable over a 20-year period - with 5,000 more households priced into the market every year by 2021.

However, overall, the level of housing supply since 2003 has fallen short of the numbers needed:

- On average, 48,000 more homes were needed every year since 2003 to deliver this scenario.
- England would have over 900,000 more homes today if this scenario had been delivered, equivalent to the entire housing stock of Slovenia<sup>16</sup>.
- Even if the number of new homes delivered rose to 240,000 per year overnight, the country would still be almost four years behind where it was in 2004.
- The shortfall did not increase significantly after 2016 due to progress in increasing delivery. However, 2018-19 and 2019-20 were the only years in which the 240,000 target was met.

**Net Housing Supply in England, 2003-4 to 2022-3 compared with inferred Barker Report targets to improve housing market affordability**



16 OECD, Housing market indicators



## AFFORDABILITY SCENARIO THREE: 297,000 HOMES A YEAR

The final and most ambitious scenario set out in the review was to reduce the real price trend to 1.1%, the EU average at the time – requiring at least 297,000 new homes every year since 2003.

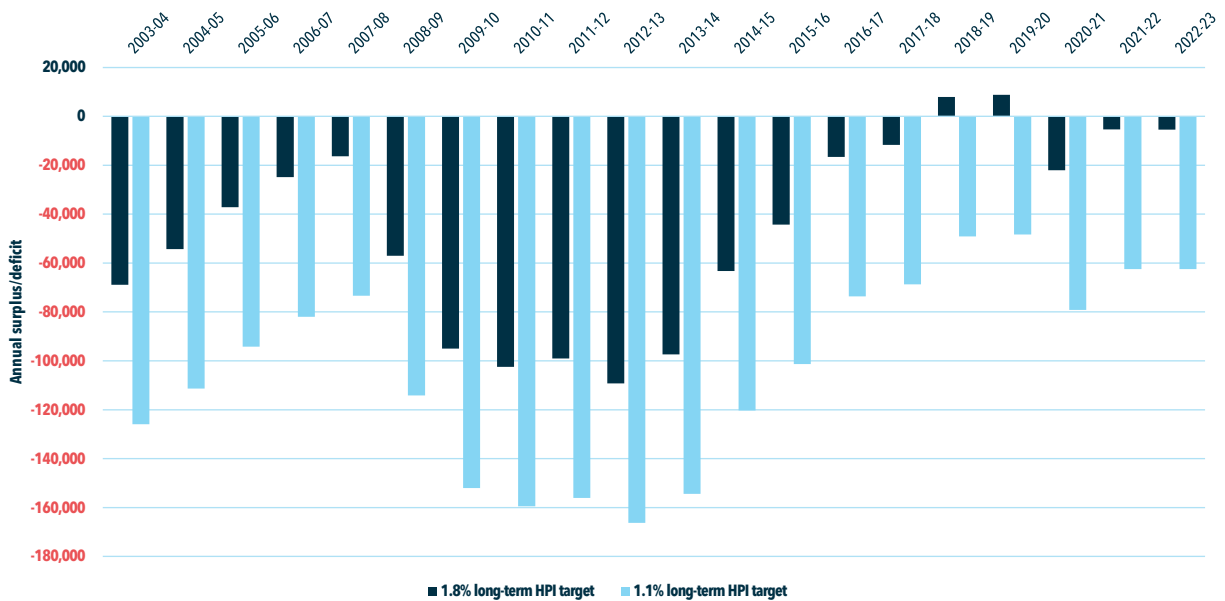
This scenario would have improved the housing market substantially over time. By 2021, 15,000 newly formed households would be priced into the market every year if this scenario had been fulfilled. Furthermore, by 2021, one third of households priced out of the market in 2004 would have been priced in.

England has fallen far short of this scenario:

- In no year since 2002-3 has there been 297,000 net additional dwellings – just under 300,000, the Government’s current target.

- On average, almost 110,000 more homes would have been needed per year since 2003 to deliver this scenario.
- England would have 2 million more homes today if this scenario had been delivered. This is equivalent to the total number of dwellings in Manchester and Birmingham combined<sup>17</sup>, or the total housing stock in Ireland<sup>18</sup>.
- Even if the number of starts rose to 297,000 per year overnight, the country would still be seven years behind where it was in 2004.

**Annual performance against Barker equivalent housing supply targets, 2003/4 to 2022/23**



17 Centre for Cities city outlook, 2024 - The Centre for Cities defines cities as primary urban area (PUA), a measure of the built-up area of a large city or town, rather than combining individual local authority districts. The Manchester PUA contains 9 local authority districts, and the Birmingham PUA contains 6 local authority districts.

18 OECD, Housing market indicators



# Key findings of the Barker Review: 2004 vs. 2024

Alongside the scenarios for increasing housing supply outlined above, Barker’s review made several observations about housing affordability, the planning system and the interaction of the housing market with the broader economy. It is striking how many of these findings and observations are still true - if not more so - today.

## AFFORDABILITY

In her review, Barker warned that “for many the aspiration [for home ownership] will remain unfulfilled unless the trend in real house prices is reduced”. Barker also stated, “I do not believe that continuing at the current rate of housebuilding is a realistic option, unless we are prepared to accept increasing problems of homelessness, affordability and social division.”

Despite considerable progress in increasing

delivery during the late 2010s, the shortage of housing remains extremely acute today; England has the lowest rate of available properties compared to its population of all OECD members, and significantly fewer homes per 1,000 people than other near-sized economies<sup>19</sup>.

Furthermore, many indicators of housing affordability suggest the situation has sharpened in the two decades since Barker’s warning:

**TABLE THREE: INDICATORS OF HOUSING AFFORDABILITY, 2004 VS. 2024**

|  | 2004           | 2024 <sup>20</sup> |
|--|----------------|--------------------|
| <b>Average age of a first-time buyer</b> <sup>21</sup>                             | 31.4           | 33.5               |
| <b>Average age of a first-time buyer in London</b> <sup>22</sup>                   | 32             | 35.3               |
| <b>Average price of a home for first-time buyers in England</b> <sup>23</sup>      | £140,000       | £273,000           |
| <b>Average price of a home</b> <sup>24</sup>                                       | £192,000       | £360,000           |
| <b>Ratio of median house prices to median earnings</b> <sup>25</sup>               | 5.1            | 8.3                |
| <b>Proportion of households owning their own home</b> <sup>26</sup>                | 70.7%          | 64.8%              |
| <b>Proportion of households privately renting</b> <sup>27</sup>                    | 11%            | 19%                |
| <b>Proportion of households (age 25 to 34) owning their own home</b> <sup>28</sup> | 58.6%          | 44.7%              |
| <b>Households in temporary accommodation</b> <sup>29</sup>                         | 99,530         | 105,750            |
| <b>Overcrowded households</b> <sup>30</sup>  | 486,000 (2.4%) | 708,000 (2.9%)     |

<sup>19</sup> HBF, Housing Horizons: Examining UK Housing Stock in an International Context, 2023

<sup>20</sup> Or most recent data.

<sup>21</sup> DLUHC, English Housing Survey 2022-23

<sup>22</sup> Ibid.

<sup>23</sup> ONS, House Price Index: Annual Table 23 (2022 figure)

<sup>24</sup> Ibid.

<sup>25</sup> ONS, House price to workplace-based earnings ratio

<sup>26</sup> DLUHC, English Housing Survey 2022-23

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> DLUHC, Statutory homelessness live tables (up to Q2 2023)

<sup>30</sup> DLUHC, English Housing Survey 2022-23



## PLANNING AND SUPPLY

In Barker’s view, lack of affordability was in large part a function of a lack of supply. In turn, Barker argued that supply is constrained by:

- a lack of land availability,
- the complexity and risks associated with the planning process,
- barriers associated with the provision of infrastructure and developing brownfield land.

The Review also argued that planning needed to make better use of market signals, including information about prices and preferences, and that the process needed greater certainty and speed to increase supply.

Many of Barker’s observations about the planning system remain true today:

| BARKER 2004  | 2024   |
|--|--|
| <p>“The planning system is complex, timescales are often unacceptably long and the requirements of planning can be used to prevent development.”</p> | <p>It is widely accepted that planning timescales have significantly extended over the past 10 years particularly. Planning applications have become more detailed, more technical and local planning authorities have seen a halving in their resources. In a recent survey of small and medium-sized developers, 93% said that ‘delays in securing planning permission or discharging conditions’ were a major barrier to growth and housing delivery, suggesting little has changed since 2004 <sup>31</sup>.</p>   |
| <p>“Local authorities face few sanctions if they fail to provide the housing numbers allocated by Regional Planning Guidelines.”</p>                 | <p>Between 2013 and 2022, the National Planning Policy Framework required local authorities, through their Local Plans to meet local housing needs. During this period, housing supply doubled. However, in 2022, Housing Secretary Michael Gove announced that a revised NPPF would no longer include mandatory housing targets for councils. Following a consultation, Government announced in December 2023 that the proposal would be implemented. In the meantime, more than 60 planning authorities had already withdrawn or paused local plan production.</p> |
| <p>“Those in need of housing are much less likely to have a strong voice in the political process compared to those who are already housed.”</p>     | <p>Engagement in the planning process remains low and concentrated among a small group. In a survey conducted for HBF last year, only 7% of people said they regularly attend public meetings and/or take part in consultations. Around 80% of people, however, were supportive or not averse to more homes being built in their local area <sup>32</sup>.</p>   |
| <p>“In order to allow local planning authorities to focus on key development decisions, resources need to be released or strengthened.”</p>          | <p>Barker’s vision of a well-resourced planning system has not been realised. A 2019 analysis by the Institute for Fiscal Studies revealed that, between 2009/10 and 2019/20, net spend on planning and development reduced by 60%, which was the largest reduction across all areas of local Government <sup>33</sup>. Furthermore, 90% of SME developers said that lack of resources in Local Planning Authorities (LPAs) was a major barrier to delivery in a recent HBF survey <sup>34</sup>.</p>  |

31 HBF, Close Brothers and Travis Perkins, State of Play, 2024

32 HBF, Housing the Nation, 2023

33 IFS, English local government funding: trends and challenges in 2019 and beyond, 2019

34 HBF, Close Brothers and Travis Perkins, State of Play, 2024



| BARKER 2004   | 2024   |
|---|--|
| “Clear and timely mechanisms” are needed to provide the necessary infrastructure and services to support development and deliver sustainable communities. | Avoidable delays in negotiating Section 106 and Section 278 Agreements continue to undermine the provision of necessary infrastructure that supports development. Furthermore, CIL and S106 contributions are also often held unspent for extended periods of time due to a lack of LPA capacity - with £2.8 billion in S106 contributions held unspent by local authorities in 2023 <sup>35</sup> . |

## THE ECONOMY

Barker also noted that the UK housing market is characterised by a lack of responsiveness to demand, with “a weak supply of housing contributing to macroeconomic instability and hindering labour market flexibility, constraining economic growth”.

| BARKER 2004  | 2024   |
|--|--|
| “Weak housing supply contributes to macroeconomic instability and hinders labour market flexibility.”  | The number of working-age people moving into a higher housing cost area has decreased by over 3% between 2002-3 and 2017-19 <sup>36</sup> . Furthermore, on average individuals moving to places of high productivity can expect to be less well off than two decades ago <sup>37</sup> .                |
| Barker noted that housing wealth is “inequitably distributed” within the economy.  | Recent data shows that 78% of those aged 65 and over are owner-occupiers - compared to 45% of those aged 25-34. This gap has widened considerably over the past two decades <sup>38</sup> .  |
| “Higher and more responsive levels of housebuilding, leading to a lower trend in real house prices, would benefit the UK in economic terms.” | This remains the case. Policy Exchange estimates that increasing housebuilding by 100,000 homes would add £17.7 billion to the UK economy <sup>39</sup> . In 2022/23, the home building industry also generated over £40 billion in economic activity, and sustained almost 750,000 jobs <sup>40</sup> . |

“Higher and more responsive levels of housebuilding, leading to a lower trend in real house prices, would benefit the UK in economic terms.”

35 HBF, Section 106 contributions and unspent developer contributions in England and Wales, 2023

36 Resolution Foundation, Moving Matters, 2019

37 Policy Exchange, Homes for Growth, 2023

38 DLUHC, English Housing Survey 2022-23

39 Policy Exchange, Homes for Growth, 2023

40 HBF/Lichfields estimates.



# Barker's recommendations: Assessing progress

Kate Barker made 36 recommendations to Government, regional and local bodies, and the home building industry. While many of the recommendations have been implemented at some point, not all were taken forward and many others have since been overtaken by broader reforms such as the abolition of regional government and regional planning.

An assessment of progress on the recommendations finds that, of the 36 recommendations:

- 11 are currently in place and have been implemented in full – just under a third of the recommendations<sup>41</sup>.
- A further 10 recommendations have been only partially implemented.
- Five of the recommendations were implemented, but then reversed.
- The recent changes to the NPPF have seen backwards progress on three of the recommendations.
- All but one of the five recommendations directed at the home building industry were introduced in full.

## PROGRESS IN MEETING THE THIRTY-SIX RECOMMENDATIONS

TABLE FOUR: PROGRESS IN MEETING BARKER REVIEW RECOMMENDATIONS

|    | RECOMMENDATION  | ASSESSMENT OF PROGRESS               | ADDITIONAL CONTEXT   |
|----|---|--------------------------------------|--|
| 1. | Government should establish a market affordability goal.  | Implemented, then reversed           | While briefly implemented by the previous Labour Government via PSAs, there is not currently a market affordability goal.  |
| 2. | Local authorities should use their powers to charge more for second homes to improve efficiency of the use of stock.  | Implemented                          | The Levelling Up and Regeneration Act, passed in December 2023, included extra provisions to allow councils to charge additional council tax of up to 100% on second homes. Individual councils can choose whether to implement the premium from April 2025. Stamp Duty Land Tax (SDLT) is also higher for those who already own a property.   |
| 3. | Further research should be undertaken to improve the evidence base for housing policies, for example on the relationship between housing, economic growth and deprivation at a micro level. | Implemented, then reversed           | While the National Housing and Planning Advice Unit (NHPAU) was established in 2006 to advise the Government on the impact on affordability of planned housing provision, it was subsequently abolished in June 2010.  |
| 4. | Government should establish a review of the housing market to report in no more than three years' time.   | Not implemented                      | No whole housing market review has taken place to assess progress in implementing the Review's recommendations. However, it is worth noting that a number of independent reviews of the new homes market and house building generally have taken place, including the the Callcutt Review in 2007; the Office of Fair Trading's Market Study in 2008; the Letwin Review in 2018; and the Competition and Markets Authority's Market Study in 2024. |
| 5. | Each region, through the Regional Planning Body, should set its own target to improve market affordability.   | Partially implemented, then reversed | See discussion of revised NPPF below.  |

<sup>41</sup> 3 more were implemented in full but are no longer applicable, superseded by subsequent reforms.



|     | RECOMMENDATION  | ASSESSMENT OF PROGRESS     | ADDITIONAL CONTEXT   |
|-----|---|----------------------------|--|
| 6.  | The Regional Planning Bodies and Regional Housing Boards should be merged to create single bodies responsible for managing regional housing markets.  | Implemented                | No longer in place following the abolition of regional planning in 2011.   |
| 7.  | Government should set out technical guidance, accompanying a revised Planning Policy Guidance 3 (Housing), on determining the scale and allocation of housing provision at the regional level to ensure that methodologies reflect a full consideration of the economic, social and environmental costs and benefits of housing at the regional and local level.  | Implemented                | No longer in place following the abolition of regional planning in 2011.   |
| 8.  | Government should set out guidance on the composition of Regional Planning and Housing Bodies.  | Not implemented            |  |
| 9.  | Local plans should be more realistic in their initial allocation of land, and more flexible at bringing forward additional land for development. When allocating land sufficient to meet their housing targets, local authorities should allow for the proportion of sites that prove undevelopable, often as a result of site-specific problems.   | Implemented, then reversed | See discussion of revised NPPF below.  |
| 10. | <p>Planning guidance should be amended to advise regional and local planning authorities on assessing the value of land to society.</p> <p>The general principle of containing urban sprawl through greenbelt designation should be preserved. However, planning authorities should show greater flexibility in using their existing powers to change greenbelt designations where there are strong pressure points in a particular urban area.</p> | Partially implemented      | <p>See discussion of revised NPPF below.</p> <p>In relation to the green belt, measured on a consistent basis, land designated as green belt in England has increased by almost 18,000 hectares (1.1%) since the Barker Review was published.</p> <p>As discussed below, the revised NPPF has made it more difficult to review or alter green belt designations.</p> |
| 11. | The Government should introduce two additional routes for developers to choose between when applying for planning permission: an outline only route, and a design code route.   | Not implemented            |  |



|     | RECOMMENDATION   | ASSESSMENT OF PROGRESS     | ADDITIONAL CONTEXT   |
|-----|--|----------------------------|--|
| 12. | Future revisions should be grounded in an evidence base and should be subject to scrutiny from a panel of housing and planning stakeholders, including the development industry. Restrictions on development should have an identifiable and evidenced benefit that outweighs their costs. | Partially implemented      | The first draft of the NPPF was produced with the input of a practitioner's group which included developers and planning professionals. The NPPF's presumption in favour of sustainable development addresses the need to evidence and identify any restrictions on development.<br><br>However, the recent changes to the NPPF were not subject to industry and stakeholder panel scrutiny in the same way. |
| 13. | Government should allow Regional Spatial Strategies to deviate from PPG 3 where there is clear evidence to support a different approach within the region.   | Implemented                | No longer in place following the abolition of regional planning in 2011.   |
| 14. | PPG3 should be revised to require local planning authorities to be realistic in considering whether sites are available, suitable and viable. Any site which is not available, suitable and viable should be disregarded for the purposes of the sequential test.                          | Implemented                | First introduced in 2006 through PPS3, the NPPF also specifies that 'deliverable' sites must be 'available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years'.  |
| 15. | Government should assess whether consideration of appeals levels in the distribution of Planning Delivery Grant (PDG) could help correct the potential perverse incentive for local planning authorities to reject planning applications in order to meet their performance targets.       | Implemented                | In 2005 the Labour Government introduced a measure of abatement into the PDG for authorities whose performance on defending appeals was poor, correcting the perverse incentives to decline applications under the PDG. It was replaced in 2007/8 by the Housing and Planning Delivery Grant (HPDG), and in 2011 by the New Homes Bonus.   |
| 16. | In order to allow local planning authorities to focus on key development decisions, resources need to be released or strengthened. This includes via permitted development rights and raising planning fees.   | Partially implemented      | In line with the recommendations, targeted permitted development rights have been introduced since 2004, and planning fees have been raised over time. However, as previously discussed, LPAs continue to lack sufficient staff and resources.   |
| 17. | Central government funding settlements for local authorities should be made more forward looking and take into account expected housing growth.  | Implemented, then reversed | The Government proposed moving to three-year settlements in 2005 that included projections of changes in populations and the council tax base. However, more recently some settlements have tended to be made on a one-year basis, and the baseline for determining each local authority's need for grants has not been reset since 2013/14.   |
| 18. | The Government should consider ways of incentivising local authorities to meet housing growth targets.   | Partially implemented      | While Barker's suggestion on council tax was not implemented, the New Homes Bonus provides a form of financial incentive for planning permission to be granted for new homes.  |
| 19. | All Government departments and agencies should assess the demands implied by the Government's housing targets in their spatial planning and funding decisions.   | Not implemented            |  |



|     | RECOMMENDATION   | ASSESSMENT OF PROGRESS                                  | ADDITIONAL CONTEXT  |
|-----|--|---|---|
| 20. | To minimise delays to development, infrastructure providers, such as the Highways Agency and water companies, should be involved from an early stage in developing both the regional spatial strategy and the local development plan.        | Implemented but not practically achieving desired goals | <p>Water companies have received £1bn from developers over the past three years and should engage in local plan development - but too many are still unable to provide adequate services in a timely fashion. The inability of water companies to upgrade their infrastructure has led to a moratorium on building new homes in 74 local authority areas due to insufficient wastewater treatment facilities and suspended housing delivery in parts of Southern England because of a lack of available water.</p> <p>Furthermore, although local highways authorities are theoretically invited to participate in the local plan development process, their involvement in individual site design and adoptions is still required and often proves to be a cause of delay in the development process. The Competition and Markets Authority's 2024 Housebuilding Market Study identified this issue as one that requires immediate attention.</p> <p>Finally, in recent years, issues with a lack of preparedness for new housing delivery on the part of electricity network providers and broadband providers has affected housing delivery in parts of England.</p> |
| 21. | English Partnerships (EP) should have a lead role in delivering development through partnering with public and private sector bodies in assembling complex sites, masterplanning, remediating land and developing supporting infrastructure. | Implemented   | The Homes and Communities Agency (HCA) and Homes England have since taken on this role.   |
| 22. | A Community Infrastructure Fund (CIF) of £100-200 million should be established.   | Implemented   | A Community Infrastructure Fund was introduced in 2006, followed by a Local Infrastructure Fund and a Housing Infrastructure Fund.  |
| 23. | Central and regional government should be more strategic in its use of area-based special purpose vehicles to deliver housing development, including New Towns and Urban Development Corporations (UDCs).                                    | Partially implemented                                   | Legislation is in place to allow the creation of locally-led New Town Development Corporations. There have also been UDCs in places such as Thurrock and London Thames Gateway. However, the use of these vehicles has remained limited overall.  |
| 24. | Section 106 should be reformed to increase the certainty surrounding the process and to reduce negotiation costs for both local authorities and developers, and scaled back to the aim of direct impact mitigation.                          | Partially implemented                                   | While Section 106 Agreements have been supplemented by CIL, the process through which S106 Agreements are conducted can be costly and uncertain- there is no widespread use of standard template agreements, and an over-reliance on locum staff in LPAs who negotiate each agreement from scratch.   |
| 25. | Government should consider the extension of the contaminated land tax credit and grant scheme to land that has lain derelict for a certain period of time.   | Not implemented   |   |



|     | RECOMMENDATION  | ASSESSMENT OF PROGRESS | ADDITIONAL CONTEXT  |
|-----|---|------------------------|---|
| 26. | Government should use tax measures to extract some of the windfall gain that accrues to landowners from the sale of their land for residential development.   | Not implemented        |   |
| 27. | The provision of social housing should be increased.  | Partially implemented  | <p>The total number of affordable homes delivered in 2022-23 was 67% higher than in 2002-3. However, the availability of homes for social rent specifically has fallen as different products such as Affordable Rent have become more common.</p> <p>Furthermore, the private sector has increasingly taken on the responsibility of delivering affordable homes. 2,000 homes were built through cross-subsidy by the private sector (Section 106 Agreements) in 2002-03, compared to over 30,000 in 2022-23.</p> |
| 28. | Government should continue to explore the scope to achieve both greater RSL efficiency and higher funding through debt finance, to increase the level of housing through the most cost effective means.               | Partially implemented  | Various reforms to housing association financing have taken place over the last two decades, and Registered Providers have increasingly explored options such as retail bonds.  |
| 29. | Government should explore moving to an alternative scheme to Right to Buy and Right to Acquire, which is provided at lower cost and enables greater recycling of revenues to increase the social housing stock.       | Implemented            | Right to Buy is still in place, but with discounts raised in 2012/13 and a commitment to replace properties sold with affordable homes.   |
| 30. | Government should deliver its proposals to promote greater interaction between institutional investors and the residential property market, through the introduction of tax transparent property investment vehicles. | Partially implemented  | Action to promote institutional investment in the private rented sector has occurred sporadically over the past twenty years.   |
| 31. | Local planning authorities to have regard to the impact on competition when allocating sites in their Local Development Frameworks.   | Partially implemented  | Local planning authorities are required to seek opportunities to support small sites for community-led, self-build and custom-build housing. A further strengthening of planning policy to increase the availability of small sites more generally in local plans would further support SMEs.   |
| 32. | The housebuilding industry must demonstrate increased levels of customer satisfaction.  | Implemented            | HBF introduced a Customer Satisfaction Survey in 2005 and the first results were published in 2006. Industry results are published annually, as are customer satisfaction Star Ratings for HBF member companies. Results have improved year on year, with 90% of those surveyed saying they would buy a new build home again in the latest survey. The industry also developed a Code of Conduct which was formally introduced in 1st April 2010.   |



|     | RECOMMENDATION   | ASSESSMENT OF PROGRESS | ADDITIONAL CONTEXT   |
|-----|--|------------------------|--|
| 33. | The House Builders Federation <sup>42</sup> , in conjunction with NHBC, ConstructionSkills and other interested parties, should develop a strategy to address barriers to modern methods of construction.  | Implemented            | HBF led a project to follow up on this Recommendation, involving all the key parties. It produced a report which analysed the issues and concluded in essence that the barriers to greater uptake first and foremost stemmed from the lack of a sufficient assured volume of housing supply (largely due to planning-related constraints) which meant that the potential economies and scale of MMC could not be achieved in practice. There were also recommendations on a range of other issues, including skills. |
| 34. | CITB-ConstructionSkills and the House Builders Federation should work together to develop a strategy for substantially increasing the take-up of apprenticeships from the current level.   | Implemented            | HBF's Home Building Skills Partnership (HBSP) was set up by the HBF in 2016 (initially funded by CITB) and is a collaboration of home builders and supply chain organisations working together to attract and develop the workforce of the future. Its work includes promoting careers, developing a sector skills plan and increasing diversity in the workforce.   |
| 35. | The industry should work together with CABA to agree a code of best practice in the external design of new houses.   | Implemented            | HBF worked with CABA and Design for Homes to develop the Building for Life Guide (now the Building for Life 12 Guide) <sup>13</sup> as an industry standard, endorsed by government, for well-designed homes and neighbourhoods.   |
| 36. | The House Builders Federation, in consultation with its members, should draw up a best practice guide for voluntary compensation schemes to directly compensate those immediately affected by the transitional effects associated with development. This might include cash payments to individual households. | Not implemented        | Industry and government were cautious about implementing and the recommendation was not therefore taken forward, with a focus instead on more community benefit to be demonstrated through development (such as greater sums through S106 and additional CIL payments). This is the only recommendation directed at the industry that was not implemented, but it was carefully considered.  |

<sup>42</sup>

<sup>42</sup> The House Builders Federation was renamed the Home Builders Federation in 2005



## IMPACT OF THE REVISED NPPF ON PROGRESS

The recent changes to the National Planning Policy Framework (NPPF) in December 2023 have seen a regression in the implementation of three of Barker's recommendations. These changes have undermined many of the benefits of the NPPF - and several of the barriers to delivery that were present in 2004 have now returned.

### **RECOMMENDATION FIVE: EACH REGION, THROUGH THE REGIONAL PLANNING BODY, SHOULD SET ITS OWN TARGET TO IMPROVE MARKET AFFORDABILITY.**

While Barker's original recommendation pertained to Regional Planning Bodies, the Review recognised the need for flexible targets that take into account housing demand and which are focused on improving affordability in each area. However, the revised NPPF removes mandatory housing targets based on housing need, deviating from this important principle.

In particular, the changes to the NPPF mean that the standard method for calculating housing need is merely an advisory starting point, rather than mandatory. Furthermore, only in exceptional circumstances, including relating to 'the demographic characteristics of an area', can alternative approaches to assessing housing need other than the standard method be used. Mandatory housing targets are of critical importance to housing supply, as without clear goals in place there is a considerable likelihood that LPAs will significantly reduce the scale of housing allocations included in local plans.

HBF estimates that the abandonment of mandatory housing targets could lead to a drop in supply of 77,000 homes a year<sup>43</sup> - reversing the progress made in recent years in increasing delivery.

### **RECOMMENDATION NINE: LOCAL PLANS SHOULD BE MORE REALISTIC IN THEIR INITIAL ALLOCATION OF LAND, AND MORE FLEXIBLE AT BRINGING FORWARD ADDITIONAL LAND FOR DEVELOPMENT. WHEN ALLOCATING LAND SUFFICIENT TO MEET THEIR HOUSING TARGETS, LOCAL AUTHORITIES SHOULD ALLOW FOR THE PROPORTION OF SITES THAT PROVE UNDEVELOPABLE, OFTEN AS A RESULT OF SITE-SPECIFIC PROBLEMS.**

Local authorities were first advised to establish a five-year supply of land for residential development

in 2006. This requirement continued with the introduction of the new NPPF in 2012, with local authorities required to identify and update a 'supply of specific deliverable sites' for five years' worth of housing supply with an additional 5% buffer.

However, changes to the NPPF made in December 2023 confirmed that Local Planning Authorities with a local plan that is less than five years old will no longer need to continually demonstrate a five-year land supply ('5YHLS'). Furthermore, the 5% and 10% 'buffers' applied to local authorities' 5YHLS calculations have been removed. The change will further weaken obligations on local authorities to ensure the delivery of new housing.

### **RECOMMENDATION TEN: THE GENERAL PRINCIPLE OF CONTAINING URBAN SPRAWL THROUGH GREENBELT DESIGNATION SHOULD BE PRESERVED. HOWEVER, PLANNING AUTHORITIES SHOULD SHOW GREATER FLEXIBILITY IN USING THEIR EXISTING POWERS TO CHANGE GREENBELT DESIGNATIONS WHERE THERE ARE STRONG PRESSURE POINTS IN A PARTICULAR URBAN AREA, AND WHERE FORCING DEVELOPMENT ELSEWHERE WOULD LEAD TO PERVERSE ENVIRONMENTAL IMPACTS (THROUGH INCREASING INFRASTRUCTURE REQUIREMENTS, FOR EXAMPLE).**

The NPPF makes clear that Green Belt boundaries can only be reviewed or altered in 'exceptional circumstances', including environmental concerns. However, this language was tightened in December 2023 when the Government confirmed Green Belt boundaries do not need to be reviewed or altered, even if this would be the only way of meeting housing need in full - contrary to the spirit of the Barker Review recommendation.

<sup>43</sup> HBF, *Planning for Economic and Social Failure*, 2023





# Conclusions and recommendations

The limited progress in implementing Barker's recommendations, and the sharpening of the housing crisis over the past twenty years, lay bare the scale of the challenge awaiting any future Government committed to tackling the housing crisis.

With supply likely to fall in the months and years ahead, and housing affordability having worsened in every part of the country over the past twenty years, the housing crisis cannot now be ignored.

Several actions can be taken by Government to deliver on those of Barker's recommendations which are still salient today:

- **NPPF - BARKER RECOMMENDATIONS 5 AND 9:**

A reassessment of the recent changes to the NPPF is needed – particularly the Government's removal of mandatory housing targets and the removal of the requirement to demonstrate a continual five-year supply of land.

- **LPA RESOURCES - BARKER RECOMMENDATION 16:**

There is an ongoing need for the Government to carefully consider how LPAs can be placed on a self-sustaining financial footing for the long term. The Royal Town Planning Institute (RTPI) estimates £500 million will be required over four years to properly address the delays in the planning process<sup>44</sup>.

- **DEVELOPER CONTRIBUTIONS AND INFRASTRUCTURE ADOPTION - BARKER RECOMMENDATION 24:**

Measures could be introduced to ensure consistency across the country and mitigate delays, including the wider use of standard template agreements as a basis for Section 106 negotiations. There should also be national standards for adoption of highways and other infrastructure, as the Competition and Markets Authority (CMA) recently called for.

- **SKILLS - BARKER RECOMMENDATION 34:** Finally, there is a need for greater influence and control over the funding that the industry currently provides via the construction industry training Levy. This change would allow the industry more control over its strategy to deliver apprenticeships and develop the skills of the workforce, as Barker recommended.

Ultimately, Barker concluded that "creating a more flexible housing market is a considerable challenge, which will take time and requires determination to engage in ongoing reforms. It will not happen overnight."

With the housing crisis having significantly intensified over the past 20 years, there must now be a renewed determination to tackle this challenge.

<sup>44</sup> 'RTPI calls for £500m boost to England's planning system in CSR response', 2020



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HBF is the representative body of the home building industry in England and Wales. Our members are responsible for providing around 80% of all new private homes built in England and Wales and most of our members are small or medium-sized enterprises.

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