

National Infrastructure Assessment

August 2016

The Home Builders Federation

The HBF is the principal trade association for private sector home builders in England and Wales and our members produce about 80% of the new homes built each year.

Principles

Q1. The Government has given the National Infrastructure Commission objectives to:

- **foster long-term and sustainable economic growth across all regions of the UK**
- **improve the UK's international competitiveness**
- **improve the quality of life for those living in the UK**

What issues do you think are particularly important to consider as the Commission works to this objective?

Although we note that the Commission's remit does not include housing supply directly, long-term growth across regions and quality of life are intrinsically and undeniably linked to housing quality and availability. Increasing the supply of housing will support the stated aims and whilst not an explicit objective of the Commission, in the context of the country's deeply entrenched housing crisis, the NIC's work should consider the residential development potential of the specific infrastructure projects under its consideration. Indeed, we would propose that whilst not making direct recommendations on housing supply, the provision of new homes could be a secondary objective of the Commission, serving as a possible metric for assessing possible projects. Home building is arguably unrivalled in its economic and social benefits with very little import leakage and a vast array of direct and indirect advantages in the areas of employment, social investment and improvements to the environment. It is estimated that, in addition to providing a home for a household, each new home built supports the employment of more than four people and generates a range of tax receipts for both local and central government

The planning and provision of key infrastructure can create substantial and compelling opportunities to deliver new homes, via large strategic developments, smaller infill schemes and all possible housing sites in between. In many cases this potential can only

feasibly be realised if the planning of investment is made with a view to effectively unlocking the housing potential of the scheme.

We have seen in recent years a greater focus given to housing potential by Local Enterprise Partnerships in bidding for central government funding for local and regional infrastructure projects. Where possible, given the scale of the challenge the country faces to close the gap between housing demand and supply, we believe this approach should be adopted when assessing nationally significant infrastructure requirements.

Q2. Do you agree that, in undertaking the NIA, the Commission should be:

- **Open, transparent and consultative**
- **Independent, objective and rigorous**
- **Forward looking, challenging established thinking**
- **Comprehensive, taking a whole system approach, understanding and studying interdependencies and feedbacks?**

Are there any principles that should inform the way that the Commission produces the NIA that are missing?

We have no specific remarks in response to Question 2.

What the NIA will cover: Sectors

Q3. Do you agree that the NIA should cover these sectors in the way in which they are each described?

The sectors identified in the consultation document are a sensible and appropriate set of economic infrastructure priorities, most of which directly read across to the potential for increasing housing supply.

On **transport**, HBF would encourage the Commission to give strong consideration to the potential for unlocking housing supply whilst addressing transport need.

In the area of **digital and communications**, we believe that there is scope for the Commission to take into account future housing plans when developing an assessment of infrastructure requirements in this category.

The Commission's work on **water and drainage** and on **flood defences** will be important for developers. Protecting and bolstering flood defences may create new development opportunities for house builders to help meet housing demand. House builders have for many years provided Sustainable Drainage Systems (SuDS) on housing schemes and are estimated to have provided in excess of a billion pounds to water companies since the

current charging regime was established in the early 1990s. The industry has significant doubts about the way in which this has been invested. In the wider context, doubts about future availability of water and of drainage capacity has led to some groups lobbying government to remove developers' right to connect to existing infrastructure. This would undoubtedly compromise housing supply and fails to take into account the vast investment made by developers in what was intended to help secure additional capacity in the future.

Q4. Are there particular aspects of infrastructure provision in these sectors which you think the NIA should focus on?

As outlined above, we believe that the implications for housing providers – and the opportunities that infrastructure enhancements could bring to our efforts to tackle the housing crisis – should be considered across the Commission's work and assessments of these sectors.

Q5. The NIA will seek to pull together infrastructure needs across sectors, recognising interdependencies. Are there are particular areas where you think such interdependencies are likely to be important?

We have no specific comments.

Cross-cutting issues

Q6. Do you agree that the NIA should focus on these cross-cutting issues?

Yes. There should be a strong emphasis on local growth. Infrastructure has the capability to shape future growth and transform local housing and employment markets, providing the Commission with the tools necessary to deliver on its objectives of improving quality of life across the UK.

Likewise, exploration of innovative funding models should give consideration to opportunities for new housing delivery at scale.

Q7. Are there any other cross-cutting issues that you think are particularly important?

As above.

David O'Leary
Policy Director