



PART D

The role of planning in creating successful and sustainable communities

The third part of this collection of essays is from:

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These essays explore the role of the planning system in creating successful and sustainable communities.

Themes include:

- Extending planning permissions for a further 12 months and making build-out a pre-requisite of Government funding or planning permissions.
- Granting short-term planning freedoms including an extension of permitted development rights as part of a programme to deliver long-term housing growth.
- Implications of local authorities offering tenure blind planning and development and whether homes for older people should be included in housebuilding delivery figures.
- Case for demanding spatial plans be produced by infrastructure authorities to support "good growth" and as a pre-requisite for additional Government funding.
- The digital transformation of planning and empowerment of local authorities to plan pro-actively.

Priorities for Planning

Richard Blyth

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Housing costs across all tenures have risen dramatically in recent decades leading to a wide lack of affordability. Average house prices are now more than eight times average incomes in England¹. Home ownership rates have been declining since 2003². Private renters now pay an average of 41% of household income on housing³. There is no silver bullet solution.

However, the Government sees urban planning as an important way to tackle this and we agree.

The impacts of COVID-19 may provide new challenges for sustainable housing growth. The economic uncertainty brought about by the virus has major potential impacts on the viability of private sector housing development as well as any development by housing associations and councils which depends on private sales to form part of mixed market developments. Any potential loss of developer contributions to infrastructure may also have a major knock on impact on sustainable placemaking.

The two most recent difficult periods faced by the housing sector were 1990-1992 and 2008-2012. Responses by government varied, but in the most recent global financial crisis, the response was to redouble dependence on a private sector delivery model, at the same time as considerably reducing the contribution of the private sector to other tenures through developer contributions. This response will not tackle the affordability crisis and it will not help us rise to other challenges such as improving housing design and sustainability.

How is the government approaching the housing question?

The Government published a document alongside the March 2020 Budget called *Planning for the Future*. Through this paper, the Government seeks to help those “trapped paying high rents and struggling to save for a deposit” and to “ensure security for those who do not own their own homes”. We welcome a number of the proposals for achieving this. However, we observe two competing visions of how to achieve these

¹ ONS (2019) Housing affordability in England and Wales: 2018. ONS Statistical Bulletin

² MHCLG (2018) English Housing Survey 2016 to 2017: home ownership, English Housing Survey Collection

³ Department for Work and Pensions (2019) Households below average income, 1994/95-2017/18. 13th Edition. UK Data Service. SN: 5828

objectives. The government prioritises “*creating beautiful, sustainable places*”. It proposes strengthening policy on design through revising the NPPF to further prioritise design and a new National Model Design Code. However, this approach seems to conflict with calls to weaken the influence of planning through greater permitted development rights and zoning. The former view assumes that stronger planning can do more to promote good design. The latter stems from the opinion that deregulation would improve development by enabling more organic design and settlement patterns, and freeing up resources to invest in design.

More generally we are concerned about solving housing affordability through the primary focus on facilitating the building of more market homes. Two assumptions influence this approach, first that increasing the supply of new build market homes is the best way to make housing more affordable, and second that planning restricts new development by artificially rationing the supply of housing land. This can lead to a conclusion that the solution is to deregulate planning in order to deliver more planning permissions. However, the evidence does not support this conclusion.

Our analysis of the housing affordability crisis

Analysis from the Bank of England⁴ and others⁵ suggests that the supply of new housing is only a small part of the affordability crisis. Meanwhile, while the planning system has delivered a greatly increased number of permissions in recent years, there have not been directly corresponding increases in starts or completions⁶. Furthermore, the increases we have seen in new homes delivered have had little discernible impact on prices over a 10 year period or on improving the existing housing stock. So if the housing crisis is not rooted in a lack of planning permissions, where should we instead be looking for solutions?

The RTPI has long argued that better planning can be an important way of solving the housing affordability crisis, and the solutions proposed below reflect this⁷. For example, our research on local authority direct delivery of housing showed strong foundations for local authorities and planning officers to play a role in direct delivery⁸. However, it's also crucial to acknowledge what planning cannot do. First, planning permissions are not the same as new homes – planning has few powers to force permissions to be enacted or to be built out more quickly. Second, the biggest impact on house prices is the number of people financially able to buy a home, and this is largely determined by the availability of credit⁹. Third, public investment decisions play a crucial role, with policies like Help to Buy keeping prices high by stimulating demand, and decisions like the withdrawal of grant for social housing forcing more people into the private rented sector and driving up housing benefit spending.

4 Miles, D. & Monro, V. (2019) UK house prices and three decades of decline in the risk-free real interest rate, Bank of England Staff Working Paper No. 837

5 See for example, Hudson, N. (2015) Housing Market Note, New Build Research, A Panacea? Savills: London

6 RTPI (2017) Better Planning for Housing Affordability

7 RTPI (2017) Better Planning for Housing Affordability

8 Morphet, J. & Clifford, B. (2017, 2019) Local authority direct delivery of housing. RTPI

9 Hudson, N. (2015) Housing Market Note, New Build Research, A Panacea? Savills: London

Recommendations for reforms to ensure sustainable, affordable, safe and secure housing for all

In April 2020 we published five recommendations for planning reform which would help deliver sustainable, affordable, safe and secure housing for all and in so doing kick start a green recovery in the local (and thereby the national) economy¹⁰. We call for:

- **Investment in place:** We need better resourcing for planning as well as investment in infrastructure, new social housing, and regeneration and retrofit of the existing housing stock. Increasing the supply of social housing would provide secure, affordable housing for those on lower incomes as well as supporting the housebuilding sector through counter-cyclical investment. Investment in infrastructure would stimulate development and regeneration. Proper resourcing of planning would support local authorities to plan proactively and assemble sites. Investment in regeneration and retrofit would support levelling up and decarbonisation.
- **A refocus on 21st century issues:** we need planning to focus on people rather than housing units, and to look at issues such as climate change and public health more closely. To tackle an affordability crisis the government should explore how to integrate metrics like the average proportion of household income spent on housing costs.
- **A clear direction for strategic planning,** by which we mean planning over both larger territories, and over a larger range of public policy areas than housing alone. By doing this we can enable housing delivery to be aligned with the infrastructure and environmental improvements needed to make development sustainable and resilient. This reduces the cost of transport and energy for residents, supports access to key services and quality green spaces, and helps to build local support for development. Through alignment towards a shared vision, strategic planning provides a stronger platform for directing the investment that will be required to support the economic recovery, including by identifying strategic sites which support local plan delivery, reducing the risk of unsustainable development.
- **A strong, plan-led system.** If the correct resourcing and structures are in place, we can deliver an efficient, high-performing plan-led system which provides certainty to developers and secures community engagement and buy in. Plans must commit to clearly expressed place-based visions that have design quality and beauty, economic recovery, sustainable transport, infrastructure, health and wellbeing, climate change, resilience, and the environment integrated from the start. They should use robust scenario testing to ensure site allocations are viable and deliverable in terms of meeting these targets. This applies to plans at whichever level they operate – we note the government’s indication that single authority local plans may not be the most suitable approach in some areas.
- **The digital transformation of planning:** this would make the system more efficient and accessible and improve the data guiding

¹⁰ RTP1 (2020) Priorities for Planning in England

decision making. Benefits would be the diversification of housebuilding and improvement of the sustainability of new housing. It would also help free up planners time for engaging in proactive planning to deliver sustainable places.

We also proposed a few additional changes aimed at sustainable housing growth in particular:

- **Empower local authorities to plan proactively for housing.** We welcomed the government's calls for local authorities to take a stronger role in infrastructure delivery and land assembly, and further support for Compulsory Purchase Orders and resourcing to facilitate this. Local authorities should be encouraged to use their local plans as delivery documents for their housing strategies¹¹.
- **Diversify the housebuilding market.** Local authorities could assemble sites and offer them to SME builders including planning permissions. The government's plans to improve transparency of ownership information, including land options, will also help to democratise the market. These steps are especially important given the pressures SMEs will likely experience due to the impacts of COVID-19 on the economy. It's important to remember that housing associations will play a key role in the recovery, as they have in the past. The recovery from the 1990 pause in the market was assisted by a counter-cyclical investment in the work of housing associations, and as a result sites were unlocked and construction work got under way.

Conclusion

Last year, the RTPi and Routledge published *A Future for Planning* by Dr Michael Harris, in which he called for society to take responsibility for 21st century challenges through proactive planning. The current pandemic presents an opportunity to look again at, as Harris puts it, "what we can do together".

Planning was established as a social movement as much as a profession, and can only survive with public support. Yet despite the obvious need for planning, we "*don't find ourselves in the midst of a new planning renaissance*". Instead, we often as a nation seem to step back from a full-bodied commitment to planning for housing. We think it's time for that to change.

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¹¹ As recommended in Morphet, J. & Clifford, B. (2019) Local authority direct delivery of housing: continuation research. RTPi

The role of spatial planning

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The current COVID-19 crisis has made us all think differently about the places where we live and work. Cities may no longer offer the same level of attraction as before, especially the large cities. Businesses are reassessing the need for space as a result of the investment they have made to allow more flexible working arrangements, which is likely to have a major impact on our already beleaguered town centres. Active travel has become essential for many, not just an option. New models for supporting the needs of the ageing population, particularly in terms of housing, will be required. All of this will necessitate a different and more focused approach to public sector investment decisions and will fundamentally change how we plan for places in the future.

It is fortuitous, therefore, that the Government is currently looking to undertake a radical reform of the spatial planning system¹. This offers a real opportunity to refocus the role planning plays to support growth as well as the significant challenges already faced in relation to climate change and health and wellbeing. But it also offers an opportunity to place spatial planning at the heart of the post-COVID-19 recovery, helping to deliver a more integrated and sustainable approach to growth now and in the longer term.

Key to this will be addressing the strategic planning void which the Duty to Cooperate has failed to fill since the abolition of regional planning in 2011². Effective strategic planning can provide a high level framework for integrating spatial, economic and environmental policies, and for infrastructure investment prioritisation. If done properly, strategic planning can affect structural change in response to national policy and priorities, especially to deliver the Government's green growth ambition; can help secure long-term transformation across an area where a different investment model or spatial strategy is needed; can provide collective clarity about the long-term vision/ambition for a place to deliver sustainable growth; and can facilitate stronger leadership around shared priorities, helping to build investor confidence through credibility of the

¹ Proposals for reforming the planning system were announced in the March Budget. These are for England only as the devolved nations have responsibility for their own spatial planning systems. The recommendations in this paper are therefore for the English system only.

² Regional Spatial Strategies provided the strategic planning tier of the statutory system until they were formally abolished and replaced by the Duty to Cooperate in the 2011 Localism Act. Various government led reviews have concluded that a more effective strategic planning mechanism is needed but minor changes to the system have not delivered this.

partnership and the decisions it makes.

Re-introducing formal strategic planning back into the system is therefore an essential part of any long term recovery plan but it will take time, especially if it is to be enshrined in legislation. There is an existing model, however, that could be adapted to support recovery in the shorter term and allow spatial planning at the strategic level to play its part.

The statutory plan-making system does not respond quickly to global impacts, as we already know from the post 2008 recession experience and local plans can take years to prepare, despite repeated threats of government intervention³. Even high-level statutory Spatial Development Strategies being prepared by some Mayoral Combined Authorities are taking longer than expected. Furthermore, the current system does not support long-term vision-based plans where transformation is needed to support sustainable growth, as has recently been evidenced by the unsuccessful attempts in the West of England and North Essex⁴.

Whilst some others are bravely battling on with attempts to plan strategically through the statutory plan-making system⁵, many have turned their backs on it and are developing a more flexible and responsive approach through voluntary collaboration and the preparation of non-statutory strategic spatial frameworks. These are all unique to the area they cover⁶ but are built around the same principle of supporting an integrated approach to growth through stronger, more proactive leadership.

This model can be delivered much quicker than through the heavily regulated planning system and could also evolve to provide a more robust approach to strategic planning in the future, helping to sustain long term growth. The frameworks have largely emerged as a result of challenges around housing delivery; the need to have a more effective approach to infrastructure prioritisation and alignment of investment strategies (especially in the context of ever-decreasing public sector funding and complexity of bodies involved); and the inflexibility of the local planning process to deliver a place-based approach to growth which ignores artificial local planning boundaries. Many have been prepared in two-tier areas to ensure that county council responsibilities, particularly around infrastructure and public health, are better integrated with spatial strategies set out in the districts' local plans.

In the absence of any immediate changes on the horizon for the planning system and in advance of any potential longer-term changes to local government, more widespread preparation of non-statutory strategic spatial frameworks could make a significant contribution to the recovery process. They could help to refocus development and infrastructure investment to the areas that offer the greatest opportunity to deliver sustainable growth and to where the greatest help is needed. Critically, the frameworks could help provide clarity for developers around where the

3 The Government has a number of potential mechanisms to intervene in local plans that are taking too long to prepare but has been reluctant to use them. All local plans are now expected to be adopted at the latest, by 2023.

4 Both joint plans/ aligned strategies were found 'unsound' by the Planning Inspectors at Examination – see Colchester Borough Council on this

5 Authorities in Oxfordshire, South West Hertfordshire and South Essex are all preparing joint strategic plans within the statutory planning system (Section 28 of the 2004 Planning and Compulsory Purchase Act).

6 The strategic frameworks cover different geographies but the majority are being prepared in two-tier areas where the county councils have no spatial planning responsibilities e.g. the Surrey 2050 Place Ambition, Leicester and Leicestershire Growth Plan, Suffolk Growth Plan.

public sector interventions (fiscal, policy and political) will be focused and therefore, where they can expect the greatest level of support. This will be particularly important in relation to the future role of town centres.

So what is needed for the successful preparation and delivery of an integrated strategic spatial framework and how can it be done quickly? Current experience suggests that there are four main ingredients:

- 1. Robust governance arrangements:** Strong collective leadership helps to build investor confidence and ensure more effective risk management. Strategic partnerships should involve all the key players around the decision-making table on an equal basis, where possible. Formally constituted 'growth boards' have already emerged or are currently being established in a number of areas (outside combined authority areas), bringing together local authorities and other public sector bodies that have a role in delivering place-based growth. Where these have clear terms of reference and agreements on where they can and cannot have influence over decision-making, they offer a strong model for aligning strategic spatial and investment priorities through a joint framework⁷.
- 2. Government support:** Proactive and visible support from government in terms of both funding and to ensure that the non-statutory frameworks have traction on planning decisions is essential. Preparation of integrated strategic spatial frameworks should therefore be a pre-requisite for any future growth deal or other multi-area contract between local and central government. This model should also be highlighted in government planning policy and guidance as a material factor in plan-making and other planning related decision-making.
- 3. More efficient use of resources, skills and expertise:** The most successful strategic partnerships have used shared, multi-disciplined teams to prepare and deliver strategic spatial frameworks. In two-tier areas, county councils are playing an increasingly important role given the number of different responsibilities they have which impact on growth but they are not currently funded to support spatial planning functions⁸. With increasing constraints on county council resources, especially as a result of the COVID-19 impact, significant, additional government funding should be directed to county councils (and growth boards) to facilitate joint working.
- 4. Stronger partnership arrangements:** Strategic planning often requires decisions to be made in the interests of the greater good and this is likely to be the case even more in the months and years ahead as we deal with the impact of COVID-19 on public expenditure. The strategic spatial frameworks will help provide clarity around what the short, medium and long-term priorities are and, therefore, facilitate a more productive relationship with the development industry, building on the existing successful

⁷ e.g. Oxfordshire, Hertfordshire Growth Board, Suffolk.

⁸ Apart from the minerals and waste planning functions.

partnerships⁹ that offer a potential model for other areas to follow. Spatial planning could make a significant, positive contribution to the recovery process and does not have to be done through a highly-regulated system which takes years to have any impact. With the right leadership and vision and the right support from central government, non-statutory spatial frameworks could be developed quickly and could play a key role in both the country's immediate recovery and in supporting long term, resilient 'good' growth.

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⁹ Some local authorities already have mature strategic partnerships with developers that offer a model for other areas e.g. the Kent Developers Group and the Essex Developers Group.

Kickstarting the housing industry – a masterdeveloper and housebuilder view

Andrew Taylor

Head of Planning for Countryside

This essay focuses on the various changes needed within the planning sphere to kickstart the housing industry. The current crisis gives us the opportunity to rethink the established approach, simplify processes and reform the planning system and make it suitable for the modern world. Ultimately, the public sector, private sector and local communities have the same aims - when delivering development they want to see the right type of well-designed housing, creation of new amenities, transport links, and retail and leisure space to serve the new development as well as existing communities.

It's essential for developers and local councils to be allies

The planning process is often complex and emotive, partly because developers and local councils tend to treat each other with suspicion. The temptation of both parties to hold each other at arm's length makes a meaningful conversation difficult, and this does little to help speed up the process and create a scheme that meets everyone's needs. Talk, listen, be open to discussion and agreement.

Investment in local planning departments is vital in solving the housing crisis

Research by The Guardian found that, between 2010 and 2015, net local authority budgets for planning and development in London alone were cut by a larger proportion than any other council service, falling by over £100m.

The effects of these cuts are now very clear: not enough planners are being trained; there is a missing layer of middle-ranking officers; and too little is being done to retain senior staff, with many moving into the private sector or retiring. The result is a workforce that often lacks experience, is overstretched and slow to respond.

This is not a criticism of the teams themselves, but rather of the lack of investment in an area that is critical to housing delivery. It is also something most councils would freely admit: in a survey by the GLA in 2016, 96% of London boroughs said they required more delivery skills in their planning departments – nothing significant has changed since then.

Reduced capacity does not just elongate the planning process, it also erodes planning's ability to serve the public interest, according to a

Royal Town Planning Institute and Newcastle University study. Austerity in England has created a “box-ticking culture that has closed off the space many planners traditionally used for reflection, professional discretion and proactive planning,” the report says.

Exacerbating this under-resourcing is an apparent lack of respect for the importance of planning within local government. A separate survey by the RTPI found that 83% of UK councils put planning two or three tiers down from the chief executive, demonstrating once again that, while housing delivery is supposedly top of the agenda for central government, that is not borne out at a local level.

The planning system is not broken, but it is critically under-resourced. If tackling the housing crisis is genuinely important to the Government, and if we want to get housebuilding going, we need to recognise the vital role that planning departments play – and resource them accordingly.

The current planning fee schedule needs refreshing to ensure that *all* application types have a fee set appropriately to cover the costs of determining them. The development industry is prepared to pay for a well-resourced and efficient planning service.

Community engagement is key

Engagement is essential to kickstart the housebuilding industry to deliver housing and support the economy. If councils and communities do not meet with developers before planning applications are submitted, it is difficult to make meaningful changes further down the line. The time to influence the direction of development is while plans are being created.

Councils need to prioritise timely engagement at an early stage which can save time later in the planning process by communicating the council’s desires and aspirations clearly upfront. Some councils will refuse to meet altogether, which is unhelpful for everyone: there is everything to gain by being involved in an early and active dialogue.

Local Plans and examinations

I am a strong believer in Local Plans and broader strategic planning. Ensuring a full covering of spatial plans is essential. These plans need to be amazing all singing, all dancing documents to pass the current examination procedures. They need to be visionary but realistic, deliver sustainable, well-designed new homes, affordable housing, schools, employment space, informal and formal sports provision, ensure provision of infrastructure at the appropriate time - all the while being assessed on a detailed basis for their viability.

The current examination processes and tests are not fit for purpose. The last few weeks and months have seen a succession of plans being found unsound by inspectors. While some of these plans have been limited in their aspirations and shaky on some of the legal tests, others have been forward-looking; proposing new settlements, or large-scale new developments supported by the necessary infrastructure. It is not realistic to assess delivery over a 30+ year period and provide the absolute level of certainty which inspectors seem to be seeking.

There are currently a variety of parallel approval processes alongside Local Plan examinations - Garden Community bidding rounds, City Deals,

Housing Infrastructure Funding (HIF), Homes England (HE) funding. If a draft allocation or infrastructure is supported by City Deal or Garden Community Status, funded by HIF or HE then the allocation and supporting infrastructure must be considered viable and deliverable. This would allow examinations to focus on other elements and allow government-supported proposals to move forward.

Housing numbers

Housing numbers and their delivery is the crux of many contentious planning issues. Whether this is setting the Local Plan housing number, sharing requirements between neighbouring authorities or arguing about housing supply on individual applications – they are the cause of many an argument and much delay.

The Government through the standard methodology (due to be updated) has re-imposed the nationally-set housing numbers. Government needs to go further; concern about top-down targets has gone and everyone in the planning sector (public and private alike) wants certainty. I don't want to have to sit through more Local Plan examinations or appeals where this is argued over. The Government needs to publish formal Strategic Housing Market Areas (SHMA) and publish on an annual basis the housing requirement for those areas. This requirement should be 'Sound' to use for Local Plans for the following two years. All housing allocated to the SHMA area must be planned for and delivered within that area.

No more arguments on housing numbers, no more undersupply of housing – what is not to like?

Housing delivery

Housing delivery though is far more complex than just agreeing the initial requirement. There are many competing issues as to why sites do, and don't come forward and why they come forward at different rates. Countryside's mixed tenure model focusing on affordable housing, private rented and market housing helps to increase certainty and provide a steady flow of new housing.

One of the key issues to kickstarting the housing market and housing supply at the current time will be mortgage availability and loan to value rates. With personal circumstances changing for many people, mortgage companies are applying new checks on affordability and requiring larger deposits. While mortgage affordability is important, and people must be careful not to overreach themselves, the availability of mortgages is something all planners need to be concerned about to ensure housing delivery rates can be maintained. This will be especially important to local authority planners monitoring their five-year land supply.

Digital planning

Over the last months a transformation in the use of technology within planning has occurred. We should capture the good elements and build upon it. Too many planning regulations are based on submissions of paper, paper sites notices, advertising in local papers, paper copies of planning applications or Local Plans or Environmental Statements – not to

mentioned the common practice of supplying paper copies to consultees. None of this should be necessary.

When I was in local government as a head of service the cost of advertising in the local papers was the same as employing a full-time senior planning officer. What a waste of resource and missed opportunity.

It is essential that we should aim to build back digital. The default should be digital – digital consultation, digital records, digital commenting and even keeping on-line committees.

Concluding thoughts

I have explored a range of ideas to help housebuilding and planning but there are many more topics which I could have chosen: extending all current permissions by a year, change the default time limit from three to five years, make all Statutory Consultees reply within their 21 days or lose the ability to comment, remove the need for outline consent on all allocated sites (move from allocation, to masterplan, to detailed application), merge all small councils to create organisations large enough to appropriately deliver a functioning planning service.

My simple conclusion is that the private sector, public sector and local communities need to work together to deliver the stimulus needed to kickstart the housebuilding industry, deliver the housing we need and get the country back building again.

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Learning and planning for growth

Nick Ireland

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We have been struggling for many years now to deliver the homes that the country needs, and the current crisis threatens to set us back significantly. Swift action is needed.

Construction has stalled on a range of sites and workers furloughed. There have been some encouraging signs of sites beginning to reopen from late April. But the issues are deeper: mortgage availability has reduced, particularly at higher loan-to-value ratios; however, what is particularly significant is what is happening with the wider economy with the prospect of job losses and reduced earnings both directly affecting households' ability to buy a home (despite low interest rates), and economic uncertainties influencing wider market confidence.

Treasury consensus forecasts in April 2020 point to a V-shaped recession with UK GDP expected to contract by 5.8% in 2020 but recovering relatively quickly with 5.0% growth in 2021. However, there is clearly significant economic uncertainty regarding how things actually pan out, and the effects of Brexit could provide a drag on recovery later in the year and into 2021.

Government's 2017 Housing White Paper found that there was no one 'silver bullet' to solving the housing crisis. The case for a multi-pronged approach remains - one which recognises the role which spending on housing and wider infrastructure (with a particular emphasis on both data and logistics) can have on driving wider economic recovery; but also that what the Government does in other areas to support that recovery will be important for the housing market.

Are there lessons that can be drawn from the last recession?

The last recession was long and deep. Sales volumes of market housing fell dramatically and remained at 45% or more down on the pre-recession average until mid-2013 – almost five years on from the collapse of Lehman Brothers in September 2008.

Housing associations took on stock which housebuilders couldn't sell on the private market. This had a short-term effect in keeping some sites going; and housing associations were also better able to compete for land. But because the dependence on the private market to deliver homes has been so significant, the effect on overall housing delivery of this was modest: housing associations delivered on average 3,800 homes

a year over the 2008-13 period relative to the previous five years, but this was significantly overshadowed by a drop in housing delivery by market providers by over 50,000 homes a year.

What in particular supported a market recovery from 2013 was the Bank of England's Funding for Lending Scheme and the Help-to-Buy Programme.

What could be brought forward to support the market, construction jobs and housing delivery?

In our view, the Government needs to look at what it can do to de-risk construction, to shore up market demand, and boost affordable housing delivery. Homes England has a potential key role to play in all three.

In what is potentially a falling market in the short-term, mortgage availability, access to finance (particularly for smaller housebuilders), and the continuation of the Help-to-Buy programme will all be important to sustaining housing delivery.

The Government might also consider how it helps to de-risk construction through guaranteeing sales to keep housebuilders building; putting agreements in place whereby if homes don't sell on the open market, then they would be purchased by Homes England for an agreed benchmark price.

Government investment in infrastructure which supports housing growth will also be important – with potential that the Government puts in stronger controls requiring housebuilders to meet certain build rates (potentially in combination with the above) with a potential fall-back that if not sold, the public sector would acquire units.

Consideration should also be given to broadening who we are building homes for. The long-term trend in recent decades across England has been a growth in house prices, and a decline in home ownership. But the mainstay of housebuilding is still building homes for sale. There is a need to look more carefully at what new-build housing options there are for the many younger households who can't afford this – driving forward the delivery of homes for rent.

If housing associations (or the public sector more widely) are going to have a significant role to play in supporting the housing market in the short-term, the Government would need to make a much more substantial financial commitment to it. But consideration also needs to be given to how money could be directed to triggering the quickest impact. In the short-term the capacity, from project management and workforce to supply chains, rests more with the private sector. Should the Government, therefore, also allow private sector housebuilders to both build and operate affordable housing on a not-for-profit basis, albeit with access to grant funding?

We see potential for an enhanced role for Homes England in acquiring and driving the delivery of stalled sites, and it is important that it is funded to do so. Its role in 'directly commissioning' contractors could play an important role in keeping a range of businesses alive. Local authorities who in recent years have been investing significantly in commercial real estate could play a similar role in acquiring housing sites and driving forward delivery; and those with Local Housing Companies in situ would be well placed to do so.

What contribution could the planning system make?

The planning system has a facilitating role in supporting recovery, but changes to the planning framework could create new opportunities for investment, and in particular, accelerate the pace of delivery.

Legislation should be brought forward to extend the lifespan of planning permissions adding resilience to planning consents in the context of a falling market. The Scottish Government has already added an additional year to planning permissions. A similar approach should be enacted through legislation in England; and this should happen automatically as councils do not need the administrative burden of processing changes.

Developers should be given the potential to defer Section 106 contributions or CIL payments on consented schemes, through negotiation with planning authorities, in order to improve cashflow and viability.

Specific measures should also be brought forward to support SME housebuilders. One way of doing this would be to implement a presumption in favour of sustainable development of sites of less than 50 dwellings for a time-limited period in return for a firm commitment to delivery in the short-term. This could help keep small housebuilders, the numbers of which dropped substantially in the last recession, in business.

The Government set out in March 2020, alongside the Budget, a requirement for all local authorities to have an up-to-date Local Plan in place by December 2023 to avoid Government intervention. However, previous governments have set similar targets which have come and gone, and there remains a strategic issue regarding the slow or ineffective progress with plans in some of the higher-value UK markets, particularly in green belt areas. It is questionable whether the local authorities under the spotlight, and equally the development industry demanding intervention, give any credence to this perceived threat. A more focused interventionist approach to get these areas to make rapid progress should be pursued, targeting those authorities without a post 2012 plan and with an affordability ratio of greater than 10 times earnings.

Options to be considered include whether an accelerated mechanism is introduced to securing housing allocations, or to introduce an 'in principle' support for specified residential sites in advance of a full plan review in the context of a national need to support housing delivery in the short-term; or the provision of additional capacity funding for authorities which agree to accelerate plan production ahead of the 2023 timetable within existing legislation.

Changes to national planning policy and guidance may also be justified to support growth in emerging market segments such as Build-to-Rent, self-build development or retirement living. In these areas developers often have to compete (and are outbid) by mainstream developers. Market circumstances in the short-term may shift this dynamic. However, this could also be supported by a strengthening of national policy requirements for councils to specifically identify land for these forms of development, or amendments to national policy to give enhanced weight in decision-making to the need position where land supply for these specific sectors can be shown to be insufficient.

We should, however, remember that changes to planning should

not just be focused on housing; policies and intervention which support economic recovery more widely will support the housing market and help rebuild the nation's economic stability. Social distancing measures are changing the way in which we communicate and shop, and create a strong case for long-term societal change: the delivery of data centres and warehouses as appropriate development as part of the essential infrastructure is an issue that will outlive the short term impact of COVID-19.

In time we will also need to review how COVID-19 affects the nature and geography of housing demand. We may see people prioritise different factors in deciding where to live, placing greater priority on amenity space and gardens or balconies; as well as changing travelling habits. In London where the London Plan is driving numbers and density this could create a significant mismatch between development policies and what people want; and could equally change demand dynamics between cities and larger urban areas and their hinterlands, and better inner-urban locations and suburbs. Do local authorities and developers run the risk of telling home owners and renters what they want instead of what they need? Is a nominal release of green belt land to deliver a more balanced mix of homes and supporting healthy living a price worth paying compared with an increasingly homogenous approach to brownfield redevelopment and the race for ever increasing densities and the equally decreasing provision of living space?

Nick Ireland is Planning Director, Icen Projects Limited

Earning trust: the big role for planning in society post-COVID-19

Iain Painting

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The need to address our national housing crisis and its impact on society, affordability and quality was top of the agenda before the COVID-19 crisis. We have continually failed, for the last 30 years, to deliver the number of homes we need and now, given housing delivery generally tracks UK GDP, the need for solutions is greater than ever.

The prime minister's reference to 'society' in recent addresses, reflects a shift in attitudes during this crisis. If society has been galvanised to address the underlying housing crisis, what is the role for planning?

In contrast to the 2008-12 recession, house price and wage inflation have been more static in recent years. This may aid our economic recovery, but we can still foresee a drop in the number of dwellings delivered, worsening our housing crisis. New solutions are critical if we are to provide the homes needed.

Big Planning

The Planning Act¹ effectively nationalised the right to develop land in the public interest. Planning is now seen as part of the problem not the solution. This needs to change. As Grosvenor has rightly advocated², **planning needs to step up and earn the public's trust**. Just as we have come to appreciate the value of the NHS and all those who work in it, so we need to understand what planning contributes to society.

To earn this trust, we recommend that the Government intervenes through the imminent Planning White Paper by:

1. Conducting a national conversation to help educate people in what planning can achieve and to help influence the society they want to create.
2. Re-evaluating the importance of health and wellbeing in the way we plan for development.
3. Reflecting these community priorities in a strategic National Plan, empowering councils to reflect this in their Local Plans, and encourage communities to create their own Neighbourhood Plans.
4. Reforming the CIL regime to deliver transparency in how we pay for it.

¹ Town and Country Planning Act 1947

² Grosvenor (2019) - Restoring Public Trust in Placemaking and Developers

You Can't Clap with One Hand: We all contribute to society.

We need a more transparent planning system – returning the focus to delivering key, established, and agreed national objectives which communities trust, engage with and understand.

This can only be achieved through a national conversation about the society we want to live in, and recognition of the part development must play - something we called for in our 2014 Wolfson Economics Prize submission³, and still believe is crucial. We need to help people to realise that positive engagement in the process can address many of the problems faced by society and the environment today.

We also need to reset the process to be more positive. Council decision-making is currently geared to retaining control and minimising impacts of development: proving no demonstrable harm as opposed to positive benefits. We must instead be capturing and celebrating the positive benefits of development and ensuring we deliver on the promise.

By having an open conversation, multiple times, we can keep the sense of civic collaboration and collective spirit, created by COVID-19, to find a solution. Led by councillors, this engagement can also be done in a way which ensures they are fully representing their communities and asking the right questions. As public health authorities, as well as planning authorities, there is political drive to ensure the funding and skills are in place to maximise the benefits, but councils need to get involved early and proactively.

Recommendation 1

Improve understanding and engagement in planning and what it can deliver for society through a national conversation. Create a more transparent planning system that is better understood by the communities it serves and encourages active, positive engagement.

A Return to Environmental Determinism?

Planning has always been aimed at improving the living conditions of the poor and disadvantaged. COVID-19 is bringing this into sharp focus again today, with evidence that those with the highest mortality rates and lowest access to greenspace are those in disadvantaged and minority aspects of society⁴⁵. Planning was invented to tackle these inequalities and needs a reboot.

The opportunity exists for health objectives to be addressed through the planning of our neighbourhoods. We should move from assessing urban green space via space standards, to understanding its real value - functionality, quality and health role, using tools such as Greenkeeper⁶.

We need to understand the science of health in planning our communities and collaborate with health professionals earlier and effectively to address causes and influencers, rather than treat results.

3 Barton Willmore (2014) - Shortlisted Wolfson Economics Prize 2014 Entry

4 "Local Action on health inequalities: Improving access to green spaces", Public Health England / UCL Institute of Health Equity, 2014

5 ONS (2020) - One in eight British households has no garden

6 Green Keeper UK – Innovate UK funded urban greenspace valuation platform set to be launched imminently.

The extension and development of the Healthy New Towns initiative⁷ is essential. Co-creation through collaborative design will ensure common objectives can be maximised, and benefits driven that have far greater reach, such as:

- Parks and streets become jewels - safe spaces that inspire, create healthier lifestyles and better wellbeing for all generations.
- Air quality is enhanced through reduced travel and greener transport.
- Community cohesion is developed through involvement and governance, to create a greater sense of belonging and happiness.
- Grow your own and local produce focus drives emphasis on healthier living.
- Agile working allows for more time for family, friends, exercise and leisure activities.
- Better-designed homes deliver better living conditions and reduce stress.
- Ecological net gain creates a diverse ecosystem that can offer enjoyment, education, and custodianship.
- Diversity of tenure and home provision drives healthy sustainable communities.

Recommendation 2

- Require the genuine co-creation of places, involving health experts, communities, developers/housebuilders and councils in the design process, focussing upon the quality of place – both the public realm and the form / physical appearance of new development.
- Encourage a reset of the ‘mitigation’ mindset and focus on realising the benefits development brings and funding opportunities it could open up.

Strategic planning on a national level to achieve the society we want

Governments have successively sought to influence the geography of economic activity, i.e. through the relocation of the DVLA and more latterly the BBC. But the housing crisis manifests itself in different ways across the country. Of the 300,000 homes needed, almost half are required in London and the South East. Outside the areas of high demand, we still have a challenging market of supply but also, as a result, a lack of investment in broader benefits, like social and transport infrastructure.

The Government has already committed politically to re-balancing the country following the 2019 General Election. Planning lies at the heart of this, but the Government needs to accept how strategic planning can deliver these benefits. As called for by the UK2070 Commission⁸, we need to broaden the geography of demand for housing and the benefits

⁷ NHS England - Healthy New Towns

⁸ ‘Making Change Happen’; UK2070 Commission, February 2020

that come with it, via a debate and national plan for change. UK2070 sets out the reasons for this approach, but the COVID-19 crisis offers the perfect opportunity for the Government to listen and act quickly, to provide certainty and stimulate confidence.

From a national conversation can emerge a national plan, strong leadership, and a clear role for planning and community buy-in.

Using the results of the re-evaluation of health priorities described above, objectives for how healthy places can be created at the local level, taking account of local socio-economic characteristics and trends, can be identified and included within the succinct Local Plan, with bespoke solutions created.

Neighbourhood plans should be encouraged to help communities define how and where to deliver housing. The process needs reforming as momentum is being lost and many neighbourhood plans abandoned or delayed due to the complexity for their delivery⁹.

Recommendation 3

Improve strategic planning at a national level, reflected in Local and Neighbourhood Plans

- a. Use the results of the national conversation to identify key priorities and objectives in a National Plan
- b. Change the roles of councils to become more directly involved in creating and managing changes in their areas, to:
 - i. deliver agreed National Plan objectives through more focussed Local Plans
 - ii. become actively involved in development process to support supply
 - iii. co-create places that deliver change or new homes
 - iv. play a primary role in seeding and nurturing the new community
- c. Support communities to bring forward simplified Neighbourhood Plans.

It is all about money: transparency on how we pay for it

Since the origins of the modern planning system, we have failed to effectively resolve how to mitigate the impacts of development or fund societal improvements and needs. This has been exasperated by lack of local authority funding to meet aspirations and needs of communities.

Instead, we have moved away from mitigation of impact to indirect taxation, predominantly through CIL where there is a lack of transparency in how the receipts are spent. This breaks the important link between development and the existing community, engenders distrust in the process and is a missed opportunity for development to be recognised as the enabler of positive change.

If we are going to build more, development must continue to pay

⁹ Planning - Map: neighbourhood plan applications

its fair share and be seen to do so, re-establishing the link between development and public benefit.

The CIL/s106 regime must be simplified, to improve transparency and reduce bureaucracy, and maintain the link between impact and mitigation, development and delivery. The introduction of a system to capture the land value uplift arising from development simply represents another tax. The government needs to be clear which route they wish to pursue and not burden planning.

Recommendation 4

Transform the current CIL regime to become less bureaucratic; and a more transparent and collectively owned process aligned to the key national and local planning objectives.

Out of adversity comes opportunity. We have a once in a generation opportunity to reboot how we plan for our communities. COVID-19 has brought into sharp relief many of the issues that we were facing as a society before. Don't hold back on our collective ambition. Let us take that opportunity: big and better planning for a better society.

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Removing planning barriers to recovery

Mark Bewsey

Planning Director, DHA Planning

The housebuilding industry is a major part of the British economy. Its success generates direct and indirect employment opportunities for the trades, supply chains, self-employed and professional and legal services, and financial benefits to local authorities in the form of New Homes Bonus, increased council tax, Section 106 and Community Infrastructure Levy contributions, notwithstanding its critical role in addressing the country's housing crisis and attempts to deliver 300,000 new homes a year.

The coronavirus pandemic is a major threat to the housebuilding industry and could have devastating impacts on the ongoing sustainability of the industry and wider economy.

Housebuilding is a high-risk business requiring significant upfront expenditure on land, finance and planning plus building and material costs in advance of returns being realised through the sale of residential units. The industry is highly affected by periods of economic downturn, and major crises such as the current coronavirus pandemic will inevitably result in a dramatic reduction in the supply of new homes, affecting a very significant number of people and businesses within the supply chain or seeking a new home. Housebuilding is also one of, if not the most, regulated industries in the country given the complex planning, building regulations and other consents and license regimes in place. This, therefore, places an opportunity on the Government to revise, relax or temporarily remove barriers to recovery, and I set out recommendations below:

Time Limits for Implementation of Planning Permissions

As a matter of urgency, the Government should introduce a measure to automatically extend all planning permission time limits for implementation by a year. This has already been introduced in Scotland, and relates to all planning permissions which are due to expire within an 'emergency period' of six months from 1st April. This will protect many thousands of dwellings which have planning permission but on which work has not yet commenced on site.

At the current point in time it is unclear how long the implications of the coronavirus pandemic will last, and therefore following the six month emergency period, the Government should also consider

introducing temporary secondary legislation to allow applications to be made to extend time limits, as previously done in 2009. This should not be conditional on units being delivered but should be a simple process to vary the relevant condition.

Viability

The impact of the pandemic on the economics of development is not yet truly known but it is likely to be significant, threatening the viability of many schemes granted consent and subject to Section 106 agreements entered into in good faith. Nevertheless, such obligations are likely to render many developments unviable, and the Government should therefore allow renegotiations of affordable housing obligations where there is a viability issue, through the temporary reintroduction of the former Section 106 BA which worked successfully after the previous economic downturn.

Community Infrastructure Levy

The CIL regulations are known to be inflexible. Instalment policies require payments within certain time periods following implementation irrespective of progress on site or sale of units. We welcome the Government's recent announcements which allows the deferral of payments where necessary. In addition, given the uncertainty with regard to onward delivery we suggest that Local Planning Authorities are encouraged to set instalment policies by unit completion rather than on a time period basis.

Building Regulations – New Part L

The Government is urged to rethink the draft new Part L of the Building Regulations, as consulted on in late 2019 and early 2020. The industry submitted strong representations to this consultation, and the concerns highlighted are now even more relevant where they relate to viability. Specifically the new Part L would mean that developers will no longer be able to build out entire schemes based on the Building Regulations applicable at the time of registration, instead each individual dwelling must be built in accordance with the regulations applicable at the commencement of that dwelling. In practical terms this will be unworkable and is impossible to account for with potential future changes to Part L unknown. Many developments already face becoming unviable when the new Part L is introduced, so a rethink was required anyway, but given the current crisis this is even more important.

Local Authority Build Quota of New Homes

Local authorities should be encouraged, or forced to build out a quota of new homes, and funding should be made available to them in order to provide this housing. Given the current crisis, not many local authorities will meet the new housing delivery targets unless there is direct intervention in the housing market. Local authorities should also be encouraged to enter the private rental (or sales) sector, assisting

competent authorities to be more self-sufficient in longer term, and able to re-invest their returns into further developments. The idea of risk share (joint venture) could work well and would also assist housing developers with cashflow.

Central Government Scheme of Delegation

At present there are vast inconsistencies between LPAs with regard to officer-delegated powers and requirements for applications to be heard at planning committee. Central government should advise on what applications should be taken to planning committee to secure a level of consistency across the UK. A significant amount of time and money is wasted with applications called in to planning committees where the proposals are wholly consistent with adopted development plans. At a time when the Government is pushing for all authorities to have up-to-date plans, it seems somewhat perverse that local authorities can then, themselves choose which applications should be considered at a local level once adopted. We suggest that only 'significant major' applications, or those which depart from the Development Plan need to be heard by planning committee. Where proposals are policy compliant, Parish Council or Ward Member call-ins should be prevented.

Investment in Infrastructure Projects

Infrastructure projects, led by either the public or private sector, can be great catalysts for further growth, investment and development including through Development Consent Orders. Public bodies will no doubt be under pressure to review spending commitments. However, we urge the Government to ensure that investment in infrastructure projects is at the very least maintained. To do otherwise would have devastating direct and indirect economic and environmental consequences, and an ongoing commitment to infrastructure projects will help accelerate development where it is most needed.

Conclusion

To conclude, the housebuilding industry is a vital part of the UK economy. As well supplying much needed new homes, it provides direct and indirect employment and investment opportunities for the trades, supply chains, self-employed and professional and legal services, and a range of financial benefits to local authorities. It is a high-risk industry and is highly susceptible to periods of economic downturns, meaning that the current coronavirus pandemic threatens its ongoing sustainability risking devastating knock-on impacts to those directly or indirectly involved in the industry. Nevertheless, as a highly-regulated industry, I have set out above a range of opportunities open to the Government to help kickstart a post-COVID-19 lockdown recovery for the industry. These recommendations include:

- Extending time limits for the implementation of planning permissions;
- Allowing developers to revisit s106/affordable housing obligations where schemes are no longer viable;

- Allowing restructured or deferred CIL payments;
- Local authorities to build quotas of new homes;
- Central government to advise on which applications should be heard by planning committees; and,
- Ensuring continued investment in infrastructure projects.

By acting now, the Government can help stimulate a rapid recovery for the housebuilding industry post-COVID-19 lockdown.

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