

# Do-it-yourself Planning and Housing Delivery in a Localist World



**Lancaster Cohousing** - A community-led project of 40 socially and environmentally sustainable homes will be one of Europe's largest PassivHaus developments. These Code 6 homes will match local market values for 'normal' housing. Start on site June 2011.

## The Brief

**The work of this group is a continuation of the work carried out last year under the title "Plan and Deliver - a response to the Localism agenda". Post the 2010 election, the Coalition Government has moved swiftly into legislation. The Decentralisation and Localism Bill is likely to become law early in 2012.**

Whatever detailed changes might occur along the way, the general direction of planning and housing policy is now clear. These changes within planning and local government, when combined with the revisions to housing finance, the benefits system and the overall economic climate will have far reaching effects on housing delivery.

With the content of the Bill well documented by others<sup>1</sup>, the main focus of the working group has been to:

- 🏠 identify and comment on a number of practical issues arising out of the proposed legislation, and
- 🏠 develop Briefing Notes for different parts of the industry and especially for new MPs and council members as part of a growing **Toolkit for Sustainable Development** ... hence the term "Do-it Yourself Planning".

The Housing Forum has consistently supported a localist approach to housing and planning, which in the longer term, if implemented properly, could begin to turn the tide of public and political opinion towards a more positive and sustainable attitude to providing new homes and better services for local communities.

Such changes were the intended outcome of the planning reforms of 2004, and to bring them about now, still requires the major cultural change

that has not yet been achieved, and the resources to make it all happen. But the message is still quite clear – more homes are needed and the process and time period of reform must be managed to avoid delay and which could lead to the under-delivery of homes.

The absence of planning certainty as the essential building block of investment confidence in new infrastructure and housing supply threatens the investment and growth agenda which is imperative to national economic recovery.

A key part of this work is the development of a **Toolkit for Sustainable Development** to advise the sector as policy develops. More information on the Briefing Notes which form part of the 'Toolkit' can be found at the end of this report and on The Housing Forum website: **www.housingforum.org.uk**

<sup>1</sup> See "Decentralisation and the Localism Bill: an essential guide" and "A plain English guide to the Localism Bill" at [www.communities.gov.uk](http://www.communities.gov.uk)

## Housing supply: a train crash or running out of steam?

In the words of one group member “we are heading for a train crash”. A more relevant metaphor might be that of “running out of steam”. Once the current pipeline of work from Kickstart, Homebuy Direct, and the last of the Homes and Communities Agency’s (HCA’s) 2010/11 programme have worked their way through the system, there may be little left to stoke the engine. In early 2011, industry fundamentals are:

- 🏠 A fall-off in supply and orders for new work from an already low base in 2010
- 🏠 Absence of credit, making new investment difficult for manufacturers, contractors and house builders of all sizes
- 🏠 Closure of firms across the supply chain including some substantial materials suppliers and contractors, and
- 🏠 Loss of capacity and skills leading to future reliance on imports of materials and labour.

Moves towards greater empowerment for individuals and communities must therefore be balanced with the need to create affordable homes for all, and for the employment opportunities that their production can bring.

We have therefore taken a balanced approach to assessing both the risks and the opportunities of planning and housing reform.



**Ashley Vale Self-build project, Bristol** - This 37 home and workspace scheme is the first group self-build project to win a Building for Life Gold Award, and was an alternative response to development proposals that had been unpopular with local residents.

## First impressions of the Bill

The popular perception of the Bill could probably be summarised as ‘less planning: less housing’. The rhetoric is about simplifying, and even bypassing traditional planning processes, freeing communities and developers from past planning restrictions and centrally imposed housing targets.

The reality is rather different; in fact, almost the direct opposite.

**On planning:** whilst Regional Spatial Strategies [RSS] are going, the Local Development Framework [LDF] remains intact. Authorities who have suspended work on their LDFs now have no reason not to resume. The new Local Economic Partnerships [LEPs] will have an as-yet unresolved role in spatial planning and the delivery of infrastructure.

It is likely that each LEP will be different; e.g. where areas which come together to develop a coherent and integrated plan across an economic area, this could provide a stronger framework for strategic decision-making and drive change.

In other areas, LEPs may choose not to have a planning role because it is deemed unnecessary.

New Neighbourhood Plans will be possible, potentially with universal coverage and their own unique inspection regime. There will be a new National Planning Policy Framework, and special procedures for community led housing projects will also be grounded in new planning instruments like Community Right to Build Orders.

**On housing:** whilst ‘central’ housing targets will also go, local councils will still have to set their own targets. If there is no adopted plan in an area, because the LDF is not in place, the presumption in favour of sustainable development will effectively give planning applicants a deemed consent. Deemed consents will be able to rely on the evidence of local demand from Strategic Housing Market Assessments (SHMA), which in most cases will indicate that both higher numbers of new homes and faster rates of completion are needed than those that were adopted in the RSSs. Equally, Neighbourhood Plans will only be able to modify the number of new homes in the area upwards. Neighbourhood Plans will effectively be detailed local housing delivery documents.

Moreover, all the current planning reforms need to be set against forthcoming changes in EU regulations arising from the Lisbon Treaty; tightening up on environmental impacts, and from 2014, the Territorial Impact Assessment [TIA] to measure the impact of both national and sub-national policies and development decisions on local places.

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**Passivhaus 'Building Group' at the Smiley Barracks Project in North Karlsruhe, Germany** - The city council set up an arms-length development management company to assist 10 'building groups' realise this 195 home scheme, for a range of income groups and special needs; all to high environmental standards.

As the Plain English Guide to the Localism Bill states: "A good planning system is essential for the economy, environment and society."

## What will be the impact of the Bill?

The Bill aims to shift power from central Government to individuals, communities and councils to give greater opportunities to influence the decisions made on the provision of services at a local level.

However, the political narrative, which is essentially about the need for culture change, is not yet sufficiently clear. Despite the realities of the Bill's impact, outlined above, there is emerging evidence that the process reforms will, in many areas, lead to very little happening, with an inherent resistance to change being the default setting.



**Wick Village Tenant Management Housing Co-operative, Hackney, London** - Residents involved in the redevelopment of the notorious Trowbridge Estate in the early 1990s, co-designed this 123 home scheme with Levitt Bernstein Architects. They continue to manage it for their landlord, Hackney Council.

There is also a lack of clarity as to what constitutes 'a community'. The Parish Council may be a natural definition in rural areas, but things become cloudier within urban areas where wards are not something with which people readily identify, and which may contain three, four, or even more communities of place.

With the removal of the regional tier of sub-national planning, the lack of coherent and reliable infrastructure and planning and investment certainty at the 'right' spatial scale is a further critical problem that the Bill fails to address.

The duty to co-operate placed upon adjacent local councils seems too loose to be effective, when significant and potentially risky investment decisions have to be made by both public and private investors.

Overall, the Bill and its associated policies appear weak on effective incentives, and contain few sticks to stretch supply. The New Homes Bonus may be attractive, particularly when local councils are facing cuts. However, local councils need more incentives at the front end of delivery programmes, not time lagged payments after completion, but we are into uncharted territory. For instance, will the incentive be sufficient for non-developing councils to start growing again simply to regain the money that will have been top sliced from their central government settlement?

Neighbourhood Plans will be resource intensive, and communities will need to be able to call on new sources of enabling and professional support. Local planning departments will be

severely stretched over the next few years, needing to cope with staff cuts but also service Neighbourhood Plans and submit suspended or incomplete LDFs for Public Examination.

Although, some LEPs have a strong business presence now, and have potential for more, that will only be sustained if there are clear roles for business and real and quick tangible benefits for their participation. There is a concern that the role of business in this process has not been acknowledged.



#### **Neighbourhood Planning, East Brighton New Deal for Communities -**

*In 2000-1, NDC residents, 150 adults and children, were trained as 'barefoot urban designers' to manage a mass 'Planning for Real' programme across 15 small neighbourhood areas, linking placemaking and community development activities.*

However, in Neighbourhood Plans, where the participation of local and often very small businesses could be essential, and may depend on their resources and support, they will have no say in supporting or opposing a Plan, and therefore no obvious reason for participating.

There is a need for a more inclusive approach which marries the rights of individuals and the obligations of local councils with the vital economic contribution that business can bring to communities.

In the past, too much emphasis in planning reform has been placed on process and not enough on content, culture change and vision. Whilst the detail of the new Bill itself will do little to address this fundamental need, the message to Government must be to explain, convince, and challenge; responsibility for culture change rests with political community leadership.

### **What amendments might be needed?**

The group had a number of questions about the principles of the Bill, especially on Neighbourhood Plans, and the Community Right to Build, as well as on strategic issues:

- 🏠 Are referendums an appropriate mechanism within planning? Good planning balances a range of considerations. The answers are rarely a simple yes or no. Over-use of referendums could create social divisions rather than resolve them.
- 🏠 Who will undertake the 'light touch examination' of the Neighbourhood Plan? There is need for better definition of the skills and role of Independent Assessors to ensure that plans comply with both legal requirements and national policy. Where will they come from?
- 🏠 How will more robust evidence of demand be collected to set the benchmark of supply levels that will be set for Neighbourhood Plans? Housing demand and need often spans across neighbourhood and local council boundaries and changes over time. Better evidence collection, better assessment methods and guidance on their use will be essential tools for ensuring that appropriate housing is planned for.
- 🏠 How will action happen across administrative boundaries when decisions and action are critical for maintaining or improving community wellbeing? We have already highlighted the need to strengthen 'duties to co-operate'...across and within council areas, and between councils, LSP partners and communities.
- 🏠 How do we reinforce the status of the growing number of completed Infrastructure Delivery Plans as the essential element in creating a context for the actual delivery of Neighbourhood Plans and the rest of the LDF? LEPs offer a potential opportunity to create wider area economic and spatial plans which balance community needs with inward investment. As presently conceived these bodies appear to have limited powers and are unlikely to have direct influence on housing delivery.

### **Towards a Toolkit for Sustainable Development**

The working group has developed a series of Briefing Notes that will be accessible on The Housing Forum website [www.housingforum.org.uk](http://www.housingforum.org.uk) These will be amended or added to over time as the Localism Bill progresses,

and as members develop ways of operating within the new environment.

#### **The current topics are as follows: Making the Case for Development**

The UK currently suffers from a huge housing shortage, especially in terms of housing genuinely affordable for people on average and low incomes.

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*Blissland Community Land Trust, Bodmin Moor, Cornwall - This CLT provides PPS3 compliant permanently affordable housing for local people in high value rural areas. The Cornish CLTs have been promoted jointly by local communities and landowners, with the district and parish councils.*

Housing is needed in sufficient quantities to support economic activity, attracting and retaining skilled labour in all parts of the country. Poor quality and high cost housing generates substantial opportunity costs for the public purse in terms of poor health, educational and public safety outcomes, as well as excessive and unnecessary housing benefit expenditure and mortgage debt.

## The Presumption in Favour of Sustainable Development

The National Planning Policy Framework (NPPF) will consolidate existing planning policy statements, circulars and guidance documents into a single document. The NPPF is expected to set out that, where there is no local or Neighbourhood Plan, there will be a

presumption in favour of sustainable development.

The NPPF will also contain the definition of sustainable development that is sufficiently holistic and robust, so that high quality development is achieved, in the right place, ensuring the long term wellbeing of our communities.

## Local Enterprise Partnerships [LEPs], housing, planning and infrastructure

LEPs are developing in a variety of ways. There will be differences across the country. All will need to develop a clear understanding of the relationship between economic prosperity and housing, the quality of the residential environment, and the infrastructure needed for a good quality of life. Key issues include:

- 🏠 The impact of a limited range or poor quality of housing on the attractiveness of a place
- 🏠 The affordability of housing relative to salaries of average and lower paid jobs
- 🏠 The quality of housing to attract people from particular sections of the workforce
- 🏠 The impact of possible interventions, such as improving private rented housing

## Local Visions and wellbeing outcomes

Localism could provide great opportunities for community leadership to create positive and innovative plans for the quality of life in 'their place'. It could equally run the risk of opening up significant inequalities between individuals and places without sensible checks and balances.

A simple 'test', linked to the 2010 Equalities Act, could ensure fair access to community budgets and effective accountability for the use of public money between different levels of government and between different communities and places.

## Improved Evidence and Practice in Strategic Housing Market Assessments (SHMAs)

The proposed changes to the planning system will involve the abolition of regional housing targets, and an emphasis on 'bottom up' plan making. Even so, the new regime for allocating land for housing will have to be based on evidence relating to both housing needs and demand, and the way local markets work. Communities generally identify with smaller areas than the

housing markets in relation to which SHMAs must be made. Good and easily understandable evidence, describing a locality's significance in a housing and economic area, will be essential to gain acceptance of housing needs and demand at a very local level.

### Infrastructure Finance and Delivery

Even following the Comprehensive Spending Review, public resources for civic infrastructure remain largely unchanged: but this continues to be significantly less than what is needed. We need new ways of:

- 🏠 integrating public and private investment
- 🏠 ensuring that planning provides certainty sufficient to give investors confidence, and
- 🏠 attracting global capital to the UK, against competition from other economies.

However, this must be capital looking for long term sustainable investment opportunities that no longer relies on the speculative and inflationary increases in land prices that have so damaged the economy in recent years.

### Land Price and Challenges for Valuation

Our uniquely unaffordable and volatile housing market arises from:

- 🏠 Planning and regulatory constraints on developable land
- 🏠 Over and now under-supply of credit
- 🏠 Sustained under-investment in infrastructure
- 🏠 Landowners expectations of short term capital gain
- 🏠 Anti-development sentiment in many communities.

UK land costs much more than in other European countries, and so can and does damage the economy by diverting capital to service high levels of personal and corporate debt in property. Government should encourage savings and investment in genuinely wealth creating production.

### Community Housing Opportunities

The community housing sector should be a significant contributor to the Government's ambitions for Localism; planning, building and managing housing

of all kinds and affordability levels that meet local needs and demands.

The sector includes co-operatives, mutuals, co-housing, self-build, development trusts, and community land trusts. They have been the inspiration for the proposed Neighbourhood Plans and Community Right to Build. The sector has a strong track record over 40 years of co-producing well designed places, with high levels of resident and neighbour satisfaction.



Photo: Steve McLaren

**Wesley Square Co-ownership Housing, Notting Hill, London** - The Housing Corporation was originally set up to promote co-ownership housing. This 50 home project, built in 1978, remains a very popular and affordable self-managed development for families and single people in one of the most expensive parts of London.

### ... and finally

**The strategic function of planning as a framework for integrated public and private investment and infrastructure delivery did not work under the last two planning systems, as the work of this group and its two predecessors has consistently pointed out. So, it would not be fair to criticise the new system for that shortcoming. The industry must take initiative for creating its own new and better systems of delivery. Good planning always has happened, and perhaps can only happen, when people want to do it... despite the system or system reforms. That's why it's Do-It-Yourself Planning...**