



House of Commons
Communities and Local
Government Committee

Abolition of Regional Spatial Strategies: a planning vacuum

Second Report of Session 2010–11

*Volume I: Report, together with formal
minutes, oral and written evidence*

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The Communities and Local Government Committee

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The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in a printed volume.

Additional written evidence may be published on the internet only.

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Summary

A coherent, efficient planning system has to recognise and relate to issues from the point of view of a range of players operating at different levels: individuals, developers, community and resident groups, businesses, local authorities, and the Government. Regional Spatial Strategies (RSSs) bridged the gap between planning issues determined by local policies and concerns, and those subject to nationally-determined policy aspirations, such as housing or renewable energy. Views are mixed on the merits of Regional Spatial Strategies: opposition to them has highlighted the length and complexity of their preparation; the undemocratic nature of the bodies preparing them; the difficulty of influencing their outcomes; and the 'top-down' housing development targets they contained. Support for them has highlighted their comprehensive, strategic view of planning across each region and their ability to deal with controversial and sometimes emotive developments, such as waste disposal, mineral working and accommodation for Gypsies and Travellers.

The Government is seeking both to revoke current RSSs and abolish the RSS structure through the Localism Bill. The Bill is not expected to gain Royal Assent until towards the end of 2011. Even then, uncertainties will remain about the new planning system until the new plans proposed by the Government have themselves been brought into effect. Significant uncertainties exist over: local authorities' 'duty to co-operate'; the role of the new Local Enterprise Partnerships; the handling of 'larger-than-local' issues in the absence of a regional strategy; contentious planning issues; and the new housebuilding incentive scheme, the New Homes Bonus. It is not clear how the new systems and schemes will be co-ordinated and how they will work in practice. There is no consistent method of collecting data and evidence. There is already delay in bringing forward proposals, and consequent delay in the preparation of local authorities' plans as everyone waits to see what happens. There is in fact a hiatus in planning, which can only have a detrimental effect on the economic recovery.

The drafting of the Localism Bill needs to be improved, so that it provides a framework for local authorities to work within, outlining what actions local authorities should take in their duty to co-operate, how they measure success or failure, how parties insist on the delivery of what has been agreed, and default options if there is inadequate co-operation. The Government must ensure that the beneficial and positive aspects of RSSs, in particular for integrating infrastructure, economic development, housing and environmental protection, are not swept away, but are retained in any new planning framework. There should be a more evidence-based and consultative approach to planning policy making; pragmatism and consensus are essential to ensure active consent to decisions that affect people's everyday lives.

We welcome the Government's recognition of the need for more houses. We especially welcome its intention of ensuring that more homes are built in total than were built immediately before the recession, and of building 150,000 affordable homes over the next four years (although this is not an exceptional number by historic standards). Alongside neighbourhood planning and the 'community right to build', the new housing regime proposed by the Government rests on the success of the New Homes Bonus designed to reward councils financially for new homes built, and providing extra money for the

building of affordable homes. The Government predicts an increase of housing supply of between 8 and 13%. We question the likelihood of achieving this increase, given the lack of evidence of the likely efficacy of the New Homes Bonus. We also question the very principle of offering incentives for house building based solely on numbers: while most people recognise the need for more housing, what matters more is where and how well the housing is built and integrated into the community. We recommend that the New Homes Bonus be linked explicitly to the delivery of homes provided for in the local plan following robust assessments of housing need.

The Government needs to ensure that robust and consistent evidence to support local development plans is produced and regularly updated in an effective and efficient manner. It is not acceptable for Ministers to abdicate their responsibilities in this regard by leaving all the responsibility with under-resourced and under-skilled local planning authorities. Such planning uncertainty that currently exists could have social, economic and environmental consequences lasting for many years. The Government must act quickly to ensure that those involved in the planning system have clearer objectives and an effective framework in which to operate. It needs to bring forward a persuasive solution to the problem of those planning issues that cannot be decided at a purely local level.

1 Introduction

1. We launched an inquiry in the summer of 2010, soon after the Secretary of State announced the immediate revocation and intended abolition of Regional Spatial Strategies (RSSs). Our terms of reference focussed on: the implications of the abolition of regional house building targets for levels of housing development; the likely effectiveness of the Government's plan to encourage local communities to accept new housing development by the use of financial incentives; and the level of the incentives that will be needed to ensure an adequate long-term supply of housing. We also considered the arrangements that should be put in place to ensure appropriate co-operation between local planning authorities on matters formerly covered by RSSs, such as waste, minerals and flooding, as well as housing. We asked how the data and research previously collated by the Regional Local Authority Leaders' Boards should be made available to local authorities and how that research would be updated.

2. As well as receiving written evidence, we held four oral evidence sessions, and invited witnesses from: the planning sector; community and environmental groups concerned with planning; the housing industry and organisations; local authorities; and representatives and Ministers from the Department for Communities and Local Government (DCLG). We thank our specialist advisers, Richard Bate and Kelvin MacDonald.¹

3. One of our witnesses commented:

Having taken 30 years to build up the strategic planning system, and perhaps 3 years to prepare each Regional Plan, it has taken literally 3 months to abandon the whole process and create a situation of complete paralysis in the planning system.²

This Report considers to what extent views like these are justified. It describes the role that Regional Spatial Strategies played, and the views submitted on their effectiveness. We study the new planning system, with the role of strategic planning, local authorities' 'duty to co-operate', the new Local Enterprise Partnerships and how the new system will deal with controversial strategic planning issues. We concentrate on the removal of housing targets and how the housebuilding incentive scheme, the New Homes Bonus, will work, in particular in encouraging local authorities to invest in the building of housing, including affordable housing.

¹ Richard Bate declared the following interests: providing independent professional reports once each by the South East England Regional Assembly (on construction aggregates requirements, 2008) and by the West Midlands Regional Assembly (on housing requirements, 2009); involved in the procedures of regional plan preparation in five regions on behalf of various clients; user of the plans, data, analyses and monitoring reports provided in association with Regional Spatial Strategies.

Kelvin MacDonald declared the following interests: Consultant adviser on Policy and Partnerships for the Royal Town Planning Institute; Senior Visiting Fellow at the Department of Land Economy, Cambridge University; a Registered Commissioner on the Infrastructure Planning Commission (IPC); a member of the Enabling Panel for the Commission for Architecture and the Built Environment (CABE); and a member of the Board of Trustees of Shelter.

² Ev 105

2 What are Regional Spatial Strategies?

Definition of Regional Spatial Strategies (RSSs)

4. Regional Spatial Strategies were introduced in place of county-level structure plans in the Planning and Compulsory Purchase Act 2004. National Planning Policy Guidance (PPG) was replaced by Planning Policy Statements (PPS), and local plans were replaced by Local Development Frameworks (LDFs)—a collection of local development documents, written by each District Council and having regard to the RSS in their particular region. Each RSS became the strategic level plan for a region in England—a statutory, legal document—charged with informing every Local Development Framework (LDF) within that region.

5. Paragraph 1.3 of Planning Policy Statement 11 describes the wide range of planning topics that RSSs should cover:

The following matters should be taken into account: identification of the scale and distribution of provision for new housing; priorities for the environment, such as countryside and biodiversity protection; and transport, infrastructure, economic development, agriculture, minerals extraction and waste treatment and disposal.³

6. Written evidence from the Department of Communities and Local Government (DCLG) summarised the reasoning behind the creation of RSSs in 2004:

The rationale for a regional planning tier was the need to coordinate some planning issues, such as infrastructure and strategic growth, above district and county level and to set targets for growth including housing delivery. Regional Strategy housing targets were seen as the means of delivering the previous administration's national target of 240,000 net additional dwellings per year by 2016 leading to 2 million new homes by 2016 and a further 1 million by 2020.⁴

The purpose of RSSs was succinctly summarised in written evidence by Denton Wilde Sapte:

The RSSs were intended to provide a framework for private investment and public sector planning. RSS policies provided an evidence-driven, strategic focus for spatial planning decisions. The need for a regional tier of policy arose as a result of the difficulties experienced by local planning authorities in both dealing with strategic applications and putting in place a coherent planning framework to deliver major urban extensions. The RSS system was welcomed, initially, by both the development industry and third sector agencies with interests in conservation, sustainability and social justice.⁵

RSSs bridged the gap between local planning issues determined by local planning policies and nationally-determined policy aspirations, such as housing or renewable energy. As

³ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/147399.pdf>

⁴ Ev 149

⁵ ARSS 100, Denton Wilde Sapte, para 1.1

West Coast Energy wrote, “every region had to play its part in reaching targets which were set.”⁶

Views of regional spatial strategies

7. Our written and oral evidence was mixed on the benefits of regional spatial strategies. Although there has been public opposition to regional planning encapsulated in RSSs, there has also been support for its comprehensive, strategic view of planning across the different regions.

Criticisms of RSSs

8. Both the process of creating RSSs and their outcomes have been criticised. Cristina Howick, from planning consultancy Roger Tym & Partners, described them as “impossibly complicated and expensive to do”.⁷ However, the main objections to them have come from those concerned with protecting the green belt and locally cherished land from housing development. Chris Skidmore MP, for example, wrote that “[i]t is only due to the imposition of 32,800 homes in the local area under the south-west RSS that the green belt has come under threat from being bulldozed”.⁸ Ron Morton, from the Shortwood Green Belt Campaign, told us that there was no RSS in the South-West because “35,000 people objected to the South-West RSS, so there must be something wrong with it for that level of people to object”.⁹ He criticised the gap between the proposals in RSSs and the views of local communities:

We are the people to whom things are done by planners. We don’t have an input to the whole process. For example, my hamlet, which is 80 houses, is part of the parish of Pucklechurch. Pucklechurch has produced an excellent parish plan, which said there should be no building on the green belt land between Pucklechurch and the urban sprawl of Bristol, although there should be building within the village itself, because it recognises the need for families there to keep the school going, to keep the shops going—all those things. We need growth, but not this encroachment onto the green belt. So, what does the RSS produce? Building on the green belt. What did the planners in South Gloucestershire Council want to pursue? Building on the green belt.¹⁰

The Theatres Trust wrote that RSSs were “ineffective and inadequate” in providing cultural provision in the regions and that “the Theatres Trust has had far more success in advocating the protection and promotion of cultural facilities at a local level with individual local planning authorities in consultation with their local theatres and theatre groups”.¹¹

⁶ ARSS 121, West Country Energy, para 3.4

⁷ Q 1

⁸ ARSS 84, Chris Skidmore MP, Kingswood, para 3

⁹ Q 112

¹⁰ Q 112

¹¹ ARSS 130, The Theatres Trust, para 6

9. Opposition to RSSs in practice and in principle was summarised in general terms by DCLG's written evidence, which concluded:

It is clear from this level of opposition that Regional Strategies did not reflect local community aspirations. But the opposition generated has also meant that Regional Strategies were badly delayed and expensive to produce. The delay and uncertainty meant that they failed to provide a clear basis for planning and investment decisions.¹²

When he gave evidence, the Secretary of State described his view of RSSs: "I think the Spatial Strategies were mean in spirit and there was an assumption that things would always go wrong".¹³ He also argued that they were ineffective, at least as far as housing was concerned, saying "We want to see more houses built. We do not think that the Regional Spatial Strategies delivered them, because it really was about ticking a box and going for an ambitious target and it did not really matter. There were no consequences for not doing that other than that your target increased".¹⁴

Benefits of RSSs

10. Other evidence points out that the RSS process, though flawed in many respects, did provide a means of involving a wide cross-section of interests in drawing up a planning strategy that dealt with issues covering different local authorities. The Royal Society for the Protection of Birds (RSPB) wrote that there was much to praise in RSSs and they "were the product of close co-operation between local authorities and other interested parties".¹⁵ This point was also made by the Royal Town Planning Institute (RTPI), which described how local authorities themselves wanted policies included in RSSs that would benefit their local areas, policies that involved, for example, renewable energy, sub-regional sport and recreation, biodiversity and regional parks.¹⁶

11. Evidence from researchers Graham Pearce and Sarah Ayres highlighted RSSs' contribution to the consistency of planning across the country given the slow emergence of Local Development Frameworks.¹⁷ John Baker, from Baker Associates, told us about the positive aspects of RSSs, specifically the focus on decisions about unpopular planning issues:

I think people would see a lot of good things in regional planning. Fundamentally, they meant making decisions where there was an unwillingness to make decisions, particularly about unpopular things. The very good thing about them was that they established strategies and dealt with the relationship between settlements and places,

¹² Ev 149

¹³ Q 286

¹⁴ Q 276

¹⁵ ARSS 122, RSPB, para 2

¹⁶ Ev 88

¹⁷ ARSS 60, Aston and Bristol University, para 2.1

but the fundamental opposition has been because they deal with housing numbers [...]”¹⁸

Cristina Howick, from planning consultants Roger Tym & Partners, argued that even the housing targets were not simply imposed at regional level, but “were subject to an enormous amount of back-and-forth negotiation. They were not just a top-down set of numbers.”¹⁹

12. Providing a sound, solid evidence basis for planning decisions was identified as one of the strengths of RSSs. Brenda Pollack, from the South East Forum for Sustainability (SEFS), held out a copy of the South East RSS and spoke impassionedly about the document and the process:

This is the South-East Plan—10 years of work has gone into that. I don’t know about the officers from the Regional Assembly when they heard it was being abolished, but I nearly wept, although I was just on the periphery of influencing some of the sustainable development policies in there, some of the renewable energy, the technical work that went into not just the housing figures but the capacity of the region for renewables, and where waste was going to go. All that evidence was fed into this final document, and I think that some of the stuff that’s gone now—that’s completely a void—needs to be brought back and seriously considered by the Government, rather than wasting resources trying to develop them through Local Enterprise Partnerships or whoever in the different variations of bodies, where there might be gaps in between them. All that good evidence is still there. It may be that it needs updating, but it shouldn’t go to waste.²⁰

Conclusion

13. Our evidence was mixed on the benefits of Regional Spatial Strategies. There has been public opposition to regional planning encapsulated in RSSs, particularly arising from the length and complexity of their preparation, the difficulty of influencing their outcomes and the housing targets they contained. There has also been support for their comprehensive, strategic view of planning across the different regions. Such a strategic view of planning often involved necessary developments that were unpopular at a local level, such as waste disposal, mineral working, accommodation for Gypsies and Travellers, and energy projects. There has also been considerable agreement within regions to secure a positive strategic approach to natural environment issues, such as wildlife protection. **The Government must ensure that the beneficial and positive aspects of RSSs, in particular for integrating infrastructure, economic development, housing, data collection and environment protection, are not swept away, but are retained in any new planning framework.**

¹⁸ Q 2

¹⁹ Q 5

²⁰ Q 144

3 Implications of the abolition of regional spatial strategies

Revocation of RSSs

14. On 27 May 2010, just over two weeks after the Government assumed office, the Secretary of State outlined the Government's intention to abolish RSSs in a letter to local planning authorities:

I am writing to you today to highlight our commitment in the coalition agreements where we very clearly set out our intention to rapidly abolish Regional Strategies and return decision making powers on housing and planning to local councils. Consequently, decisions on housing supply (including the provision of Travellers' sites) will rest with Local Planning Authorities without the framework of regional numbers and plans [...] I expect Local Planning Authorities and the Planning Inspectorate to have regard to this letter as a material planning consideration in any decisions they are currently taking.²¹

Subsequently, on 6 July 2010, the Secretary of State announced the revocation of Regional Strategies with immediate effect in a written Ministerial statement to the House, explaining the mechanism by which this would be achieved:

The abolition of Regional Strategies will require legislation in the Localism Bill which we are introducing this session. However, given the clear coalition commitment, it is important to avoid a period of uncertainty over planning policy, until the legislation is enacted. So I am revoking Regional Strategies today in order to give clarity to builders, developers and planners.

Regional Strategies are being revoked under s79(6) of the Local Democracy Economic Development and Construction Act 2009 and will thus no longer form part of the development plan for the purposes of s38(6) of the Planning and Compulsory Purchase Act 2004.²²

The Chief Planner at DCLG, Steve Quartermain, issued guidance on the issues arising from the announcement, covering the period between revocation and abolition.²³

15. However, on 10 November 2010, the High Court reinstated all RSSs in a judgement arising from a challenge to a planning appeal decision brought by Cala Homes. The court found that the powers under which the Secretary of State had purported to revoke all RSSs were in fact insufficient to achieve that aim. The Court also found that the revocation of an RSS was unlawful without an environmental assessment under Regulation 9 of the Environmental Assessment of Plans and Programmes Regulations 2004. The Secretary of State decided not to appeal to the Court of Appeal, but instead reiterated his earlier

²¹ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1768631.pdf>

²² HC Deb, 6 July, cols 4–5WS.

²³ *Ibid.*

guidance that planning authorities should take the proposed abolition of RSSs into account as a material consideration when reaching planning decisions, and should consider what weight to afford to an RSS in that context.

16. The Secretary of State, giving evidence to us following the ruling, said of the High Court decision:

A sensible, prudent authority will take into consideration the fact that in a matter of days a Bill will be produced—we have produced the draft clauses of that Bill—and in a matter of time these spatial strategies will be removed. Therefore, while it [the continued existence of RSSs] is a factor it is not necessarily a decisive one.²⁴

17. The Secretary of State's restated guidance prompted Cala Homes to issue a second claim, seeking a declaration from the Court that the Government's stated intention to abolish RSSs is not a material consideration when reaching planning decisions. On 29 November 2010 the Court placed a temporary block on the Government's claim that its plans to abolish RSSs should be regarded as a material consideration in planning decisions, but this was lifted on 7 February 2011, and, as it stands, planners can take into account the Government's intention to abolish RSSs.

18. The Localism Bill was published on 21 December 2010. Clause 89 states:

- (1) The following provisions are repealed—
 - (a) Sections 82(1) and 83 of the Local Democracy, Economic, Development and Construction Act 2009 (effect of regional strategies), and
 - (b) the remaining provisions of Part 5 of that Act (regional strategy)
- [...]
- (3) The regional strategies under Part 5 of that Act are revoked.

Subsection 1 of clause 89 would have the effect of putting into statute the abolition of RSSs and subsection 3 effects the revocation of current RSSs, which puts into statute what the Secretary of State attempted to do in his letter of 29 July 2010.

19. The High Court ruling against the attempted revocation of regional spatial strategies means that there is time to think through appropriate transitional arrangements before RSSs are abolished. We recommend that the Government adopt a more evidence-based and consultative approach to policy making in the future, especially in an area such as planning, where pragmatism and consensus are valuable assets in securing active rather than reluctant consent to new approaches to local involvement in decisions affecting people's everyday lives.

A planning vacuum

20. The Secretary of State had wanted "to avoid a period of uncertainty over planning policy" by revoking RSSs with immediate effect. However, the botched revocation has

²⁴ Q 260

resulted in that very thing, a period of uncertainty, leaving a large gap in many areas of planning policy. Whatever the views of the merits of RSSs, those giving evidence to us overwhelmingly stressed the importance of the Government putting in place interim measures to ensure that alternative planning arrangements are discussed and developed. Boyer Planning, an environmental planning and development consultancy, for example, wrote that “uncertainty is now endemic in the system”, which is “serving to undermine the rational framework to spatial planning that exists at the heart of the town and country system”.²⁵ West Coast Energy, echoing the concerns of many in the private sector, noted the uncertainty caused by the vacuum and argued that “it is of the utmost importance that delays are minimised and crucially intermediate plans or guidance relating to specific issues such as renewable energy proposals are formulated and are given full government backing”.²⁶

21. The Town and Country Planning Association’s evidence explains that, under the 2004 Planning Act, RSSs and local development frameworks (LDFs) complemented each other, but the removal of RSSs has meant the removal of the strategic context of planning, and removed the mechanism that produced detailed research and data collection on such issues as housing and energy, which underpinned LDFs. Without such strategic context and detailed research, adopted LDFs “are now subject to potential challenge and those in preparation will require urgent review [...] It is unsurprising, therefore, that both legally and pragmatically the letter of 27 May 2010 created uncertainty for those preparing and implementing LDFs”.²⁷

22. Roy Donson, from Barratt Development, reiterated these consequences of removing RSSs—the top tier of planning arrangement—without securing any transitional arrangements:

Every time the system has been changed in the past there has been a fairly smooth flow in the planning process from the old to the new system. If we go back to the 2004 Act, we had saved policies that were the transitional arrangements, if you like. The difference now is that we have taken away the top tier—whether that is right or wrong, that has happened—and the transitional arrangements are not sufficiently clear and are not sufficient of themselves. All the other pieces of this particular jigsaw are not there yet, but we know they are coming, so we end up with a period of uncertainty.²⁸

23. One particular example of the missing jigsaw pieces is the means by which the planning of water and drainage networks is carried out. Thames Water warns of the consequences of this gap in the planning policy between national and local levels that has been created by the abolition of RSSs, which will not be filled in the short to medium term. It makes the crucial point that such a gap is exacerbated because some local authorities do not even have reference to water and drainage infrastructure in their Local Development Frameworks

²⁵ ARSS 74, Boyer Planning Ltd, summary

²⁶ ARSS 121, West Coast Energy, para 5.7

²⁷ Ev 91

²⁸ Q 198

because they were already covered in the RSS. It notes that “the need for strategic investment in water resources is no longer recognised at either regional or local level”.²⁹

24. Despite DCLG’s current guidance that states that local authorities should continue work on their LDFs, in practice some local authorities are slowing down or stopping work on them altogether. The Joseph Rowntree Foundation writes that this lack of work on LDFs is probably inevitable “with no transitional arrangements and uncertainty about how incentives will work” and recommends that “[DCLG] must seek to ensure a more orderly transition—the guidance so far is insufficient”.³⁰ The RTPI lists examples of where local authorities have slowed down planning activity, including those in South and West Oxfordshire, Surrey Heath, Vale of Whitehorse, Bristol, Castlepoint, Bury St. Edmunds, South Wiltshire, Forest Heath, Cotswold and South Northants.³¹ John Acres, from Catesby Property Group, told us of a feeling of inertia among the public and private planning sectors and complained that “the past three months have been almost a question of treading water to see what happens next”.³²

25. The revocation of RSSs left gaps in other planning policy areas. We received evidence commenting on, among other issues, Gypsy and Traveller site provision, heritage and culture, and energy infrastructure. Brenda Pollack told us about the strategic environmental assessment in RSSs, and that now,

[...] at local level, you don’t get that strategic overview of how things are panning out in impacts on water and waste [...] authorities are required to do some environmental assessments, but not at that strategic level.³³

26. When questioned about what happens between now and the coming into effect of the Localism Bill, the Secretary of State did not accept that there was uncertainty, citing the New Homes Bonus:

We are moving from one system to another; we are moving from the Regional Spatial Strategies with housing numbers to one in which local authorities are encouraged to move towards building houses on the basis of incentives. Our principal concern as we move to the new system, which is now beginning to be well developed in the sense that local authorities are responding in granting planning permissions, is that under the new system local authorities have the prime responsibility for ensuring a decent supply of housing.³⁴

In his answer, the Secretary of State highlights the Government’s view of RSSs: that they were the imposition of top-down targets with those targets primarily focussed on housing. He made no reference to other issues that currently are not being addressed by either the Government or by local planning authorities. As Dr Alister Scott, Reader in Spatial

²⁹ ARSS 143, Thames Water, para 8

³⁰ ARSS 32, Joseph Rowntree Foundation, p3

³¹ Ev 86

³² Q 169

³³ Q 165

³⁴ Q 269

Planning at Birmingham City University, suggests, “the proverbial planning baby has been thrown out with [the] regional bathwater.”³⁵

27. Regional spatial strategies are still a material consideration and remain in law as part of each local authority’s development plan. The legislation to abolish them will take time, and then further time will be needed until there are effective plans and policies in place. As it stands, there is uncertainty among decision makers—developers, landowners, house builders, non-government organisations, local authorities, and everyone interested in land use issues—all of whom are waiting to see what happens. The risk is that there will be a hiatus in development activity until the dust settles and investors have a clearer idea of schemes that are likely to gain approval. Our evidence supports the general view that there is already delay in bringing forward development proposals and delay in the preparation of local authorities’ plans. This uncertainty must not continue. **The peremptory abolition of Regional Spatial Strategies has created a hiatus in the planning framework, which risks producing a damaging inertia. We recommend that the Government issue guidance, as soon as possible, compliant with the existing law, to assist local authorities and others on how to address the important strategic planning issues covered by RSSs and how to continue work on Local Development Frameworks. When the law changes, there will be a need for formal transitional arrangements, and the Localism Bill should clarify those arrangements to explain how the current planning system will be enabled to continue to guide development after the Localism Bill becomes law until the new arrangements are up and running.**

³⁵ ARSS 147, Dr Alister James Scott, para 2

4 The new planning system

28. The new planning system will be very different from that which was in place before the General Election. The Secretary of State summarised the two major policy pledges of the Government:

There are two policy undertakings: one is the Localism Bill, with which everyone will become very familiar very shortly; the second is the commitment in the Coalition Agreement to rationalise and revise the national planning framework. It is clear that some things need to be decided nationally, and local planning needs to be in a national context. I think it has grown to a size that is out of control [...] While the Bill is going through its Committee stage, we will be working with the industry, local government and stakeholders to rationalise this into something that is clear and usable.³⁶

In this chapter, we address the challenges that the new planning system must address, including: effective strategic planning issues and ‘larger than local’ planning issues; Local Enterprise Partnerships and their role in the strategic planning process; local authorities’ ‘duty to co-operate’ and the option of local authorities working together, developing strategic planning frameworks with statutory status; and planning processes for controversial strategic issues, including aggregate mineral supply, sites for Gypsies and Travellers, and waste disposal.

Strategic planning

29. Baker Associates’ evidence defines ‘strategic planning’:

Nobody who has any appreciation of planning, or cares for the issues planning deals with, has ever doubted the need for planning to have local and strategic components [...] Strategic matters can be defined as matters that are very important, which concern more than one authority and topic, relate to extended timescales, and on which decisions need to be made in order to give priority and common purpose to the objectives for an area.³⁷

In removing the strategic planning tier of RSSs, the Government wants planning based more emphatically on local choice. How one defines ‘local’ is crucial, according to the Chartered Institute of Housing:

The need to involve communities in robust consultation processes to set new core strategies and planning frameworks is a critical issue. However, more clarity is needed about what ‘local’ means in planning decisions, and how potential disagreements in and between communities will be resolved and reconciled in the process.³⁸

³⁶ Q 270

³⁷ Ev 76

³⁸ ARSS 135, Chartered Institute of Housing, para 3.6

30. The memorandum from planning consultants Baker Associates summed up a widespread view of the problem:

The wholesome model of people working amiably and creatively on the future of a patch of land within an established community to provide a desirable facility cannot be extrapolated to deal with the housing needs of the country or of less favoured groups in society, and it cannot deal with waste management, energy generation, transport infrastructure or major arts, sports or leisure facilities. There are some matters to be dealt with that arise from and affect wider areas and greater timeframes than are of interest to people acting 'locally'.³⁹

31. It is not clear how the planning relationship between the local and the strategic will be achieved. John Acres, Catesby's Planning Director, told us he was worried about the sudden change to the planning system, from top-down policies to bottom-up ones, referring specifically to house building:

[W]e are changing a system completely from what is seen as top down, which is a hierarchical system where there is an overall target, regional targets and local targets, to a bottom-up system that is supposed to be built up from neighbourhoods. I have to say that having worked at every level and with a parish council involved in local planning, it is very difficult for people at a local level to see the bigger picture. At the end of the day, if you are to build up a commitment to house building you must look strategically even though you are local because you have to bear in mind that wider picture.⁴⁰

32. Justin Milward, from the Woodland Trust, used a specific example of the National Forest in the Midlands to illustrate his view that planning should not be devolved entirely to the local level:

I think the local delivery can be enhanced by a degree of strategic environmental planning at a level between the national and the local. For instance, nature conservation is very much informed these days by the idea of landscape-scale environmental planning [...] That landscape-scale is useful to inform local delivery [...] The National Forest in the Midlands [...] covers, I think, about 200 square miles, and they have increased their woodland cover from 6% to 18% over their lifetime. Their area covers three counties and six districts and boroughs, and I think it's generally accepted that, if there wasn't a degree of planning over and above those administrative areas, it might not have been as successful.⁴¹

33. This approach, combining top-down and bottom-up planning, is highlighted by Catesby Property Group:

[...] the new Government's philosophy of community-led planning [...] is a laudable aim, but not an original one. Local participation has been a basic element of the planning process for at least 40 years. In truth, planning must be a combination of

³⁹ Ev 76

⁴⁰ Q 177

⁴¹ Q 144

‘top-down’ advice and ‘bottom-up’ aspiration if the system is to work efficiently and effectively.⁴²

Researchers Graham Pearce from Aston University, and Sarah Ayres from Bristol University, described how planning policies need to be pitched at the right level:

There is no *single* or *right* spatial level at which planning policies should be framed and delivered, and different approaches will be necessary to suit different areas. Nonetheless, there are key economic, environmental and social challenges that cannot be met solely through reliance on national or local decision-making, which underlines the need for a form of intermediate or ‘meso’ level strategic planning.⁴³

‘Larger than local’ planning

34. A grouping of 29 organisations from a range of sectors, including such diverse organisations as the National Housing Federation, the British Property Federation, the Planning Officers Association, WWF-UK and Sustrans, wrote to the Secretary of State at the end of July 2010, advocating the continuation of some kind of strategic planning—what it termed ‘larger than local’ planning—under the new regime:

We wish to ensure that the larger than local planning and investment—which we term strategic planning—is carried out to address the most pressing issues facing the nation such as economic recovery, meeting housing need and demand, sustainable transport, regeneration, sustainable development and growth, investment in our infrastructure, biodiversity loss, climate change, and reducing inequality.⁴⁴

35. Councillor Derek Antrobus, chair of the Greater Manchester Planning and Housing Commission, spoke of the need for such a strategic outlook:

[...] whatever we do we need to recognise the porosity of [local authority] boundaries and to think wider than the individual local authority. That can take a variety of forms. For example, in Greater Manchester, there is a long history of the 10 authorities that constitute the conurbation working together. We also need to be alive to our connections with authorities that border Great Manchester: Warrington, East Cheshire and so forth. There will always be a need to integrate our thinking on spatial planning.⁴⁵

36. The need for strategic—larger than local—planning is no less apparent with respect to house building than in other areas of planning. Miles Butler from the Association of Directors of Environment, Economy, Planning and Transport (ADEPT) told us of his concerns about how local planning decisions on housing will relate to national ones in urban areas:

⁴² Ev 114

⁴³ ARSS 60, Aston and Bristol University, para 2.2

⁴⁴ <http://www.rtpi.org.uk/item/3937>

⁴⁵ Q 241

In a small rural parish the evidence base for providing some affordable housing on a small scale in the community may well be there, and as long as everybody is clear that it is being done for that purpose, I can see it working very effectively without any real challenge to it [...] It is much more difficult to make that work in a densely developed existing urban fabric [...] There is the larger issue of whether the sum of all those kinds of developments will add up to the totality of housing that is required to make the economy work and grow. I suspect that we will still end up with a need for some very large strategic housing sites. Those do not sit in a theoretical space, but in real spaces next to real communities, and that issue will still have to be resolved somewhere.⁴⁶

37. In terms of economic development and the certainty which the private sector needs to be able to invest, the need is not just for strategic planning which covers more than just a local authority area, but for planning which covers a longer timeframe. Andrew Whittaker, from the Home Builders Federation, told us about the house building industry's need for strategic planning:

One of the benefits of regional strategies was that they were long-term documents; they looked forward over a 20-year period, so you could change whether an area was a growth area or a regeneration area; you had a long-term vision for it. I think the threat of localism is that people do not look forward very far. Everybody does it; you do not even know where you are going on holiday next year, let alone how you will plan for your area for the next 20 years. That was what strategic planning was about; it was to take a long-term view. I think that will be quite difficult. [...] All we want is clear sets of rules. Our problem at the moment is that we cannot see this long-term vision and clear rules for an industry that invests millions of pounds in long-term strategies and delivery [...] Development is not like a water tap; you do not turn it on and off; you have to do a lot of work upfront that takes years and years and costs a lot of money, and it is the threat to that investment that we are quite worried about.⁴⁷

38. John Acres recognised the role for strategic planning, however skeletal it might be, and illustrated the point with an example of how it could be done:

One of the things I did before I came today was to go through the files. I found the strategic planning guidance for both Merseyside and West Midlands that was produced in October 1988 during the period of the previous Conservative Government [...] It is very slim—I think it runs to 12 pages. It has general statements of policy and a set of numbers in the appendix. That seems to me to be a helpful intervention because it gives people a clear idea of the general strategy—I know I must not use the word “region”—for a strategic area, i.e. above local level.⁴⁸

39. Miles Butler also told us of the need for a strategic plan in some form:

[...] if the need for planning at a larger than local level is accepted, that will have to be created in some form. We call it a plan. It could be a vision, a statement or

⁴⁶ Q 66

⁴⁷ Q 176

⁴⁸ Q 179

whatever. It does not really matter what we call it. The point is that there would need to be something brought about by agreement. The duty to co-operate would be the vehicle by which you would come to that agreement, and the test of whether your individual local plans were sound would be that they were in accord with that agreement. That would be the way you could deliver it without introducing a separate statutory level, but it would need teeth and be recognised; it could not just be a voluntary exercise that everybody could ignore once they had gone through it. It would need to have some bind but be agreed within the sub-region.⁴⁹

40. John Baker, from planning consultants Baker Associates, suggested a way forward which would enable effective strategic—larger than local—planning without recreating the top-down problems of regional spatial strategies:

If we had one level of plan for all the recognised districts we have already, and a very clear, strong and biting obligation on those who make the plans to have regard to the evidence, including the evidence that reflects the role of those places within functional areas, I think we could crack on very quickly indeed [...] We can almost do what we need to do now provided things like some of the key wording in PPS3 stay in place and there is a clear, binding and—as I say—biting obligation on authorities to have regard to the evidence.⁵⁰

41. There is widespread support for arrangements to deal with planning issues that are of strategic importance wider than the scale of individual local authorities, and the Secretary of State accepted the principle of effective planning on this scale. However, when questioned about the perceived gap around strategic planning, and the need to bring planning together in sub-regional areas or between local authorities, the Secretary of State did not acknowledge the need for strategic planning that covered more than just housing. He said:

The duty to co-operate is an important function of local authorities, but this is really about bringing planning closer to communities and the reality on the ground. I appreciate it is comforting to planners but we do not believe that it is a system that works. The suggestion of a vacuum is completely wrong, because we are now moving to a different system. That different system is now in place, in the sense that its principal ingredient is the new housing bonus and new houses that are granted permission will qualify for it.⁵¹

42. We do not agree that strategic planning is merely “comforting to planners”; it performs an essential role in effective place-shaping and in ensuring economic growth and prosperity. The New Homes Bonus may or may not fill the vacuum in strategic planning as far as housing is concerned (we return to this point later in the Report). What it will not do is in any way fill the vacuum in respect of other strategic planning issues. The New Homes Bonus has nothing to say about renewable energy; about waste management facilities; about minerals extraction; about coastal erosion; about flooding; about water

⁴⁹ Q 70

⁵⁰ Q 15

⁵¹ Q 277

infrastructure; or about any one of a number of other important strategic planning issues previously addressed in regional spatial strategies. Those issues include transport: we note that our colleagues on the Transport Committee have recently expressed concern, in a report on transport and the economy, that the abolition of regional planning organisations and the lack of effective strategies at the regional level will lead to a loss of strategic transport planning capacity in some of the areas where it is most needed.⁵²

Strategic planning: conclusion

43. The evidence that we received showed a widespread concern about the proposed absence of planning at a level between the national and the local. There is a real risk of local authorities, individually or in combination, failing to address important planning issues in an effective and co-ordinated manner. There needs to be a way of ensuring effective planning at a larger-than-local level. This does not need to be over-prescriptive, but a statutory underpinning of strategic planning is essential to ensure that all planning issues are dealt with fairly and consistently. **We recommend that the Government include effective strategic planning arrangements in the Localism Bill, and that it work with all sectors to devise and promulgate an agreed approach to larger-than-local planning across a number of authorities. The Government needs to ensure a biting obligation on local authorities to have regard to the evidence and to meet identified needs. This obligation should be specified in national policy and in particular, the tests of soundness for local development frameworks. In each case, national policy should highlight the objective, the data sources or assessment mechanisms used to identify the need, and the mechanism for ensuring that each local planning authority makes an appropriate contribution to meeting the need identified (reflecting different environmental constraints, policy objectives or other practical considerations). The Planning Inspectorate should implement these requirements to ensure a consistent basis for assessing plans brought forward at the local level.**

Controversial strategic issues

44. The need for strategic planning is particularly acute in certain controversial areas where local people do not want developments that might adversely affect their immediate lives or communities. As Steve Tremlett, a planner from East Sussex, notes, “[t]here are already tensions in reaching consensus on controversial strategic issues, and without statutory regional policy to deliver these objectives local authorities may not have the discipline to carry them out.”⁵³ Councillor Jim Harker, from East Midlands Councils, spoke of the unavoidable element of conflict in deciding on such controversial issues:

In a way, conflict is inevitable, because if you left it to districts to make those individual decisions it would be quite difficult to get things done. You need the element of conflict and debate where everybody has the opportunity to put their

⁵² Transport Committee, Third Report of Session 2010–11, *Transport and the economy*, HC 473, para 105.

⁵³ ARSS 6, Steve Tremlett, p6

point of view, but having somebody a bit more dispassionate who takes the decision is the right way to go about it.⁵⁴

Minerals and waste

45. Our evidence highlighted confusion among senior officials and Ministers about the new planning system as it relates to minerals and waste. When questioned, the Secretary of State confirmed that the new Infrastructure Planning Unit would take responsibility for minerals and waste management, as stated in paragraph 323 of the White Paper *Local Growth*. However, when questioned again at the end of the session, the Minister for Decentralisation and Planning Policy, Greg Clark, responded:

We have not taken a view on whether they will end up there. What we have said is that initially for the transitional arrangements while the Bill goes through, the new unit will operate on the basis of the present arrangements, but we will be looking at that and will review it.⁵⁵

Then, in relation to this question and referring her answer to the Secretary of State, Katrine Sporle, Chief Executive of the Planning Inspectorate, said:

My difficulty in answering this question is that I have not seen the clauses in the Localism Bill. I am aware that the major infrastructure unit is something you want to transfer. I await the clauses in the Localism Bill to see exactly what powers are transferred. It wasn't my understanding that minerals and waste would move from the current jurisdiction because they are covered under development plan work and are already in preparation by first tier authorities.⁵⁶

The Secretary of State then replied:

Can I clarify that there was an error in the White Paper? We are very sorry. We will be seeking to clarify that. It is suggested in the White Paper that this would go to the inspectorate; it's not...To tell you the truth, up to about 30 seconds ago I had no idea.⁵⁷

46. We accept the Secretary of State's comment that "to err is human",⁵⁸ and we are grateful to the Department for sending supplementary evidence clarifying the position that the supply of aggregate minerals and planning for waste will, for the time being, remain within local planning authorities and will not move to the new Major Infrastructure Planning Unit.⁵⁹ It also illustrates the tension that exists between DCLG wanting to give planning powers back to local authorities—in line with the principles of localism—while, at the same time, rightly recognising that some issues cannot be dealt with at the purely local level.

⁵⁴ Q 246

⁵⁵ Q 336

⁵⁶ Q 335

⁵⁷ Qq 337 and 338

⁵⁸ Q 337

⁵⁹ Ev 152

47. We received evidence illustrating the benefits of the current arrangements. In respect of minerals, the Minerals Products Association wrote about the current system: “The Managed Aggregates Supply System (MASS) has been successful in fulfilling that role for a period in excess of 30 years”.⁶⁰ In respect of waste, the Environmental Services Association told us:

Regional Spatial Strategies provide direction and context on the urgent need for new waste management facilities and apportion the tonnages of municipal and commercial and industrial wastes that should be planned for, on an annual basis, by each individual planning authority. Planning authorities are therefore required to produce development plans which identify sites capable of managing the amount and types of waste specified within the Regional Spatial Strategy.

The apportionment figures are a key consideration when testing submitted development plans. Regional apportionment also provides a context for the setting of recycling targets, identifying shortfalls in treatment capacity and driving investment in new facilities for the treatment and recovery of waste diverted from landfill.

The broad locations of sites suitable for (sub-)regionally significant waste management infrastructure (e.g. hazardous waste facilities) are identified in Regional Spatial Strategies: a strategic planning function that local planning authorities would likely lack the resources or the political will to perform.⁶¹

48. The supply of aggregate minerals and planning for waste will, for the time being, remain within local planning authorities. These are matters that reside well with upper tier authorities, although there should also be guidance to them from the strategic level. We are concerned that the confusion that arose in evidence over whether the function might move to the Planning Inspectorate (as successor to the Infrastructure Planning Commission) shows again the unduly hasty approach to reform of RSSs. A body of skill and experience has built up over the years, in partnership forums, to shape planning for both aggregate minerals and waste planning. We urge the Government to retain these arrangements, which have shown themselves to be advantageous, cheap and a means of keeping the anxiety over these difficult planning issues to a minimum.

Gypsy and Traveller sites

49. The issue of Gypsy and Traveller Sites also raised serious issues about how planning decisions are made. The Secretary of State announced that “decisions on housing supply (including the provision of Travellers’ sites) will rest with Local Planning Authorities without the framework of regional numbers”.⁶² The guidance gives more detail:

[...] local councils are in the best place to assess the needs of Gypsies and Travellers in their area. The abolition of RSSs will mean that local authorities will be responsible

⁶⁰ ARSS107, Mineral Products Association, p1

⁶¹ ARSS 88, Environmental Services Association, paras 7–9

⁶² See footnote 21.

for determining the right level of site provision, reflecting local need and historic demand and bringing forward land in development plan documents.⁶³

50. However, there is concern that abolition of RSSs will reduce the provision of sites for Gypsies and Travellers and make it harder for local authorities to share out sites over an area larger than the local authority. Mention of Gypsy and Traveller sites is often met with strong reactions: from Gypsies and Travellers, who believe that they are not being treated equably; and from certain groups that are concerned about the potential adverse effect of the sites on their neighbourhood. We received six written submissions specifically about the impact of the abolition of RSSs on Gypsies and Travellers,⁶⁴ and many others referred to the impact of the abolition on Gypsies and Travellers in general terms. The Gypsy Council highlights the inadequate housing provision given to Gypsies and Travellers, based on January 2010 figures:

A central dimension of the inequality from which we suffer is the huge difficulty we have in getting culturally appropriate accommodation. Based on the January 2010 Caravan Count around 21% of Gypsies and Travellers are legally homeless in that they are living on unauthorised sites (land which they own but for which they do not have planning permission) or are on authorised encampments (land which they do not own, including the road side).⁶⁵

51. The Community Law Partnership thinks that these statistics will worsen without some form of central control:

The history of the attempt to ensure adequate provision of Gypsy and Traveller sites (which can be dated from the introduction of the Caravan Sites and Control of Development Act 1960) has shown that, without some form of central control and central oversight, site provision will not be achieved.⁶⁶

The Irish Traveller Movement in Britain wrote in bleak terms about the future for Gypsies and Travellers:

At the same time as revoking RSSs, the Coalition Government has offered no tangible or credible alternative to resolving the accommodation issues facing Gypsy and Traveller communities. Conversely, it has indicated an intention to give more power to local authorities, despite the fact that local authorities were unwilling to provide sites in the past. It has also chosen to ignore the invaluable evidence base created by the Gypsy Traveller Accommodation Assessments and indicated that it will increase enforcement measures that will only exacerbate, not alleviate, the incidence of unauthorised sites. To add to this the Government's decision to cut the Homes and Communities Agency Gypsy and Traveller Sites grant by 100% has

⁶³ See footnote 23.

⁶⁴ ARSS 27, Community Law Partnership, ARSS 50, Dr Angus Murdoch, ARSS 54, Irish Traveller Movement in Britain, ARSS 55, The Gypsy Council, ARSS 56, Eric Avebury et al and ARSS 71, BSHF.

⁶⁵ ARSS 55, The Gypsy Council, p2

⁶⁶ ARSS 27, Community Law Partnership, p3

presently put the nail in the coffin of financially supporting local authorities to identify and build new sites.⁶⁷

52. Dr Angus Murdoch summarised this double problem posed for Gypsies and Travellers: stronger enforcement against them in establishing unauthorised sites and no enforcement for local authorities to provide sites:

Unfortunately, the emphasis in the proposed reforms seems to be towards yet stronger enforcement against those unauthorised sites which the under-provision of authorised site necessarily ensures, whilst enforcement against the recalcitrant authorities whose avoidance of successive responsibilities has created that very situation, is ignored.⁶⁸

53. Councillor Derek Antrobus, chair of the Planning and Housing Commission at the Association of Greater Manchester Authorities, doubted whether district councils, without a regional body, would make adequate provision for controversial planning proposals such as Gypsy and Traveller sites—or sites for waste disposal:

There are some areas about which I would have concerns. I sat on the regional planning group for the North West. One of the most contentious areas where some authorities were reluctant to allocate was to do with Gypsies and Travellers. That was very controversial. I wonder whether or not local authorities would make adequate provision for that without the sanction of regional spatial strategies. I also chaired Greater Manchester Waste Planning Committee for the production of the DPD. That was also controversial. There were some very sensitive sites. In the end, we recognised it was our duty to provide sufficient sites to meet the requirements of the RSS. I do not know what would have happened if it had not been a statutory requirement.⁶⁹

54. The joint written submission from Eric Avebury, Thomas Action, Alan Townsend, Andrew Ryder and Marc Willers highlighted the need for further action from central government to ensure that Travellers' and Gypsies' concerns are listened to:

An effective planning framework which can deliver the sites needed will continue to require monitoring and direction from Central Government [...] It is imperative that the Coalition Government engages with Gypsies and Travellers and listens to their concerns and aspirations. To that end we would urge the Government to ensure that the highly successful CLG Gypsy and Traveller Forum continues to meet regularly to advise the government on its policies.⁷⁰

55. Evidence from the Building and Social Housing Foundation (BSHF) made suggestions to increase Gypsy and Traveller accommodation annually, by the Government requiring each local authority to publish its Gypsy and Traveller accommodation targets and completions:

⁶⁷ ARSS 54, Irish Traveller Movement in Britain, p2

⁶⁸ ARSS 50, Dr Angus Murdoch, p9

⁶⁹ Q 244

⁷⁰ ARSS 56, Eric Avebury et al, p3

[...] this will help to promote transparency and ensure that the costs of undersupply are minimised [...] This information should be collated centrally and published by CLG, to improve transparency and aid monitoring.⁷¹

56. Under the definition of ‘affordable housing’ in the New Homes Bonus final scheme design document, the Government includes Gypsy and Traveller sites that are owned and managed by local authorities or registered social landlords, meaning that there will be some financial incentive to local authorities to provide for such sites.⁷²

Gypsy and Traveller sites: conclusion

57. Gypsy and Traveller sites are a contentious issue and without a statutory requirement for local authorities to provide sufficient sites, there is great concern that Gypsies and Travellers will not have adequate accommodation and that the new system of planning may discriminate against these communities. This means there is a problem both for those individuals without accommodation, and also for settled communities that have unwanted, unauthorised sites. Urgent action is needed by the Government to ensure that there is adequate permanent and transit site provision to meet the needs of Gypsies and Travellers, by increasing both. We see little evidence that the abolition of RSSs will do anything but hinder the resolution of problems relating to Gypsy and Traveller housing. **We support the continuation of the CLG Gypsy and Traveller Forum, but see the need for urgent guidance to local authorities to support them in their new role following the abolition of planning for Gypsies and Travellers at the regional level.**

Renewable energy and planning for climate change

58. Our evidence repeatedly questioned how renewable energy, planning for climate change and other environmental concerns will be addressed in the new system. The RSPB asked “how local authorities will together make adequate contributions to national renewable energy targets”.⁷³ Thames Water was concerned about negative environmental impacts, following the abolition of RSSs:

Our region requires large-scale investment in infrastructure to address urgent environmental needs, such as river water quality or increasing demand for water. The RSSs contained detailed policies on these issues and were essential guides to local authorities when deciding on planning applications.⁷⁴

59. Hugh Ellis, from the TCPA, raised problems concerned with renewable energy and how the country as a whole will know when renewable energy needs are being achieved:

I’m genuinely struggling to see how we do that without some strategic framework that has that dreaded word in it—a target—but if we don’t do it and we miss our renewable energy targets, we’ll invent strategic planning as a result of the phased

⁷¹ ARSS 71, BSHF, p8

⁷² <http://www.communities.gov.uk/documents/housing/pdf/1846530.pdf>

⁷³ ARSS 122, RSPB, para 4

⁷⁴ ARSS 143, Thames Water, para 6

withdrawal from the East Anglian coast on sea-level rise, which, depending on which science you care to read, is now a likelihood rather than not.⁷⁵

He stressed the need for a statutory duty for joint infrastructure plans to deal with climate change because “[t]here has to be such a clear signal that it is not negotiable that you can think about those issues, because the overwhelming national interest has to be an effective response to climate change”.⁷⁶

60. Renewable energy and investigating and adapting to climate change are key aims of government policy, but they appear to have been largely forgotten in the Government’s rush to abolish RSSs. Environmental issues do not stop at local or county boundaries, yet they are issues that local authorities can all too easily postpone. However, local targets, like national and international targets, are an important building block to support real action. Environmental issues need to be considered in a broader context and we agree with the evidence that recommended a strategic approach, with clear obligations on all local authorities to play their part in tackling these challenges. **We recommend that the Government ensure that a new strategic framework is developed to incorporate the environmental aspects of planning; that framework should be included in the Localism Bill. National targets on environmental issues such as renewable energy will need to be distributed to each local authority preparing a local development framework, following a period of consultation and engagement with interested parties.**

Local authorities’ ‘duty to co-operate’

61. The Government’s answer to the perceived gap between local and national levels has been to urge local authorities and organisations involved with planning to co-operate with each other and have regard to broader considerations, backed by a new statutory ‘duty to cooperate’. The *Local Growth* White Paper stresses the need for proper collaboration between people and groups in order to achieve good planning and notes the Government’s intention, through the Localism Bill, “to place a new statutory duty to cooperate on local authorities, public bodies involved in plan-making and on private bodies that are critical to plan-making, such as infrastructure providers”.⁷⁷

62. The Minister for Planning, Greg Clark, told us of the changes in the new system:

The key difference is that it is bottom up rather than top down. We have said, it is absolutely right, that where strategically adjacent authorities find it convenient [...] to pool their sovereignty, as it were, and have a cross-city approach, particularly to economic development, obviously it makes sense to do so. Another example is my part of the world: Kent and Essex. There you clearly have infrastructural connections, common development needs and challenges around the Thames estuary. Through the local enterprise partnership they have decided to come together to pool their sovereignty, so what you have is a voluntary system that reflects a natural economic geography that is not only permitted but is part of the system

⁷⁵ Q 109

⁷⁶ Q 105

⁷⁷ <http://www.bis.gov.uk/assets/biscore/economic-development/docs/l/cm7961-local-growth-white-paper.pdf>, paragraph 3.2.1.

rather than the imposition of a regional arrangement that, in the case of Kent and Essex, separated the natural interests between those regions.⁷⁸

63. Although generally welcomed, there was considerable doubt amongst our witnesses as to whether the ‘duty to cooperate’ would be an effective means of securing robust strategic planning. Criticisms particularly focussed on the lack of any effective sanctions for a failure to observe the duty. Roy Donson, from Barratt Developments, described the duty to cooperate as “one of the great unknowns at the moment”⁷⁹ and asked what would happen if it was not adhered to:

Where is the sanction if people do not co-operate? It comes right back to the beginning. In the process we are in, these are all pieces of the jigsaw and we do not have those pieces yet. I would very much like to have those pieces rather rapidly, please.⁸⁰

64. Fiona Howie, from CPRE, also pointed out the lack of clarity in the proposal and the need for effective sanctions:

Just on the duty to co-operate, we believe it might be able to play quite a useful role in ensuring that neighbouring authorities are talking across their boundaries, but we believe that some more clarity or clarification is needed to explain what it really will mean. We’re concerned that if it simply means that people, in developing their local plan, just have to say to their neighbour, “Oh, we’re doing it. Do you want to see it? We can choose to ignore everything you say and we don’t have to try and ensure that they vaguely match up in developing them,” obviously it has the potential to be meaningless, so it needs to have some sort of teeth to try and ensure that, in co-operating, people are lining their plans up, rather than just nodding to each other but not responding to feedback on trying to make things line up.⁸¹

The RSPB also stressed this point, describing its experiences of local authorities failing to co-operate in the past: “conflicts over the shared protection of the natural environment have arisen between local authorities where their respective interests are not aligned”.⁸²

65. This problem is accentuated when controversial issues are addressed. Rather than relying on local authorities working together, Grundon Waste Management suggested that unpopular, but necessary, developments such as waste management facilities (which serve populations larger than that covered by any single planning authority) are unlikely to secure the approval of any individual authority:

To date there have been no proposals for how ‘appropriate co-operation between local planning authorities’ can realistically be achieved. For ‘un-neighbourly’ developments such as waste management facilities, local planning authorities, whose members have an eye on their electorate, are going to pay lip service to any

⁷⁸ Q 280

⁷⁹ Q 215

⁸⁰ Q 215

⁸¹ Q 150

⁸² ARSS 122, RSPB, para 5

‘appropriate co-operation’ with adjoining authorities. There needs to be a more formal arrangement to provide the necessary waste management capacity required to implement the national waste strategy and meet our obligations under European legislation.⁸³

66. Even an advocate of the duty to co-operate such as Councillor Ken Thornber, Leader of Hampshire Country Council, told us that: “I am not one to want sanctions but I believe in the construct that there ought to be the reserve power of final intervention by the Secretary of State”.⁸⁴

67. The Secretary of State nonetheless told us of his optimism that local authorities would work together, without the need for sanctions to enforce a duty to co-operate:

I think we have a much more optimistic view with regard to local authorities. I pick out the Greater Manchester authorities [...] There you have a number of authorities that have sensibly come together to work in harmony on strategic matters. I think that the decision of Kent, Essex and East Sussex to come together will be a force in which they can co-operate together. It is in their interest to co-operate. Much of the structure that was put in before the spatial strategies was predicated on co-operation and worked very well. I am confident that local authorities will rise to this challenge.⁸⁵

68. The Localism Bill provides for the insertion of the following new section in the Planning and Compulsory Purchase Act 2004:

33A Duty to co-operate in relation to planning of sustainable development

(1) Each person who is—

(a) a local planning authority, or

(b) a body, or other person, that is prescribed or of a prescribed description,

must co-operate with every other person who is within paragraph (a) or (b) in maximising the effectiveness with which activities within subsection (3) are undertaken.

(2) In particular, the duty imposed on a person by subsection (1) requires the person to engage constructively, actively and on an ongoing basis in any process by means of which activities within subsection (3) are undertaken.

(3) The activities within this subsection are—

(a) the preparation of development plan documents,

(b) the preparation of other local development documents, and

⁸³ ARSS 96, Grundon Waste Management, para 3.2

⁸⁴ Q 242

⁸⁵ Q 283

- (c) other activities that support the planning of development, so far as relating to sustainable development and use of land including, in particular, sustainable development and use of land for or in connection with strategic infrastructure.
- (4) The engagement required of a person by subsection (2) includes, in particular—
- (a) giving a substantive response if consulted under this Part in connection with the undertaking of activities within subsection (3)(a), and
 - (b) giving a substantive response to any request received from a person within subsection (1)(a) or (b) for information to assist the maker of the request to discharge responsibilities in connection with the undertaking of activities within subsection (3).
- (5) A person subject to the duty under subsection (1) must have regard to any guidance given by the Secretary of State about how the duty is to be complied with.
- (6) A person, or description of persons, may be prescribed for the purposes of subsection (1)(b) only if the person, or persons of that description, exercise functions for the purposes of an enactment.

69. The language of this proposed provision combines the vocabulary of aspiration and encouragement, which would seem to have little place in law, with vague and imprecise references to future central Government guidance. The courts could be asked to decide whether people are engaging “constructively” and whether their responses are “substantive”; meanwhile, people will have to “have regard to” the Secretary of State’s guidance about how the duty is to be complied with. This strikes us as bad law, poorly conceived, shoddily drafted, and opening the door to judges, rather than democratically-elected representatives, deciding on how the planning system operates. “Constructive, active and ongoing engagement” between authorities on planning issues would be welcome, certainly: but there remains doubt as to whether the duty as defined in the Bill will have the effect of encouraging local authorities to work together to help deliver priorities that cannot be delivered within a single authority’s area. The Bill does not define a failure to co-operate, does not refer to the resolving of conflicts when local authorities cannot resolve them by themselves and does not specify any sanctions for failure to co-operate.

70. Furthermore, there is no sign of the statutory framework for strategic planning promised in DCLG’s written evidence, which in any event would cover only “neighbouring authorities” rather than groups of authorities that may need to be covered:

We believe it would be helpful to offer authorities who want to work together more formally the option of developing strategic frameworks with statutory status. Having an agreed planning approach across neighbouring authorities on issues such as

infrastructure, employment, transport or the natural environment will provide certainty for all parties engaged in the planning process and help attract investors.⁸⁶

71. The need for strategic planning at a larger-than-local level has been discussed at some length during debate on the proposed ‘duty to cooperate’ in the Localism Public Bill Committee.⁸⁷ In response to that debate, the Government, in the person of the Minister for Planning, Rt Hon Greg Clark MP, has gone some way towards recognising the concerns about whether the “duty to cooperate” will be effective:

[...] I acknowledge the opportunity that we have to strengthen that duty to cooperate, to make it bite and to make it more encompassing that it is. From the amendments that have been tabled to the amendments that have been shared, there is the opportunity to establish a set of changes to this duty that will provide a good basis on which to replace the regional strategies with something that reflects that approach [...] I am very clear that there should be a strengthening of the duty to cooperate.⁸⁸

The Minister has undertaken “to return during the Bill’s passage with a set of Government amendments with the objective of achieving as much consensus as possible.”⁸⁹

Duty to cooperate: conclusion

72. We welcome the Government’s acknowledgement during the Public Bill Committee stage of the Localism Bill that the ‘duty to cooperate’ needs to be strengthened. Many of those who are involved in the day-to-day business of making plans work fear that a duty to cooperate becomes meaningless without a statutory framework of the sort promised in the Department’s written submission to us, but which has so far failed to emerge. As drafted, the ‘duty to cooperate’ will not be a panacea for the absence of effective strategic planning and will not achieve the co-ordination necessary to address the controversial strategic issues to which our witnesses have drawn attention. There are already examples of where local authorities co-operate successfully; the test of the duty will be where there is reluctance of local authorities to cooperate. **We look forward to the Government bringing forward amendments to the Localism Bill which will provide a framework for local authorities to work within, outlining what actions local authorities should take in their duty to cooperate, how they measure success or failure, how parties may insist on the delivery of what has been agreed, and default options if there is inadequate cooperation.**

Local Enterprise Partnerships

73. Local Enterprise Partnerships (LEPs) are to be partnerships between local authorities and businesses based on economic regions. These partnerships are intended to encourage local authorities and businesses to work together to support their local economies:

⁸⁶ Ev 151

⁸⁷ Localism Public Bill Committee, 13th and 14th sittings (15 February 2011), cols 547ff

⁸⁸ Localism Public Bill Committee, 14th sitting (15 February 2011), cols 599, 601

⁸⁹ *Ibid.*, col 600

We are encouraging a wide range of ideas but we anticipate that local enterprise partnerships will comprise both local authorities and business with a prominent business leader chairing the board. We also expect that partnerships will reflect the natural economic geography of the areas they serve—covering the real functional economic and travel to work areas—rather than existing administrative boundaries. Partnerships will want to provide strategic leadership in setting local economic priorities and creating the right environment for business and growth by tackling issues such as planning, housing, local transport, employment, enterprise and the transition to low carbon economy. This suggests a close relationship with any strategic planning frameworks that are brought forward, particularly in terms of local economies.⁹⁰

74. The reference to planning as one of the issues that local enterprise partnerships would tackle—and the absence of any other frameworks for strategic planning—led many to assume that LEPs would be the vehicle for the larger-than-local planning and cooperation between local authorities, the need for which we discuss above. However, notwithstanding the fact that LEPs appeared to be, as one of our witnesses put it, “the only show in town”,⁹¹ the evidence presented to us expressed considerable scepticism about whether they were the appropriate means of ensuring effective strategic planning.

75. Since submitting its written evidence, the Government has published its White Paper, *Local Growth*, which highlights the Government’s view of LEPs, their non-statutory basis, and their fluid constitutional and legal nature, depending on which area they are covering:

The Government does not intend to define local enterprise partnerships in legislation. Governance structures will need to be sufficiently robust and clear to ensure proper accountability for delivery. Partnerships will differ across the country in both form and functions in order to best meet local circumstances and opportunities. A partnership may need legal personality or a specified accountable body in some circumstances such as if it wished to own assets or contract to deliver certain functions. The constitution and legal status of each partnership will be a matter for the partners, informed by the activities they wished to pursue.⁹²

The Business, Innovation and Skills Committee’s report *The New Local Enterprise Partnerships: an Initial Assessment*, published in December 2010, explores the structures, functions and accountability of LEPs.⁹³

76. Witnesses raised four main objections to LEPs as strategic planning bodies. The first and perhaps most fundamental is that they lack democratic accountability. The West Midlands Regional Sustainability Forum summed up the concerns of many when it argued “LEPs should not be given any planning powers once held by regional and local

⁹⁰ Ev 152

⁹¹ Q 234

⁹² <http://www.bis.gov.uk/assets/biscore/economic-development/docs/l/cm7961-local-growth-white-paper.pdf>, page 14

⁹³ First Report of the Business, Innovation and Skills Committee, Session 2010–11 (HC 434), *The New Local Enterprise Partnerships: an Initial Assessment*.

government as it risks undermining the notion of a planning system that is democratically accountable and able to integrate environmental, social and economic concerns”.⁹⁴

77. The need for planning to integrate environmental, social and economic concerns leads us to the second principle objection, which is that local enterprise partnerships, as illustrated by their very name, are economically based. As Colin Haylock from the RTPI told us:

[...] simply built into the title of LEP is the suggestion that it’s primarily about economic issues. We can’t ignore the fact that economic issues are incredibly important, but planning is trying to deal with economic success alongside dealing with a series of other issues, trying to effect the right sort of balance between economic performance and environmental performance, trying to produce genuinely sustainable, socially sustainable communities. The suggestion then is that, if this is replacing any form of strategic planning, it has to have that breadth of dimension.⁹⁵

78. Thirdly, there is the non-statutory and intentionally voluntary nature of LEPs. John Acres, from Catesby, argued

[...] if we have LEPs making key decisions in what is a quasi-judicial process, i.e. planning, where you make legal decisions that have an impact and people appeal against them, you must rely on policy when you appeal. What status can you give the policy of a LEP that has no powers as such?⁹⁶

79. Finally, linked with the voluntary and non-statutory nature of LEPs, there is the fact that LEPs do not, and presumably will not necessarily, cover the whole country: some areas are not covered by a LEP, whilst others are covered by more than one. Strategic planning, if it is to be both fair (in taking account of the needs and preferences of all affected communities) and effective, needs to be undertaken on a much more consistent basis.

80. The proper role for LEPs in planning emerges slightly more clearly from the Planning Minister’s evidence to us about how LEPs will function:

[...] part of their ambition and their purpose in coming together is to be able to have joint strategies, to favour economic development and say to outside investors that if they come to their areas they will have a planning regime and system for processing planning applications that is certain, dependable and professionally organised. That is one of the ways in which they will present themselves to the world. In some of the more rural areas they have different priorities, but it is open to all of them to pool sovereignty in that way.⁹⁷

81. We support the concept of local partnership arrangements to which local enterprise partnerships are giving effect. Nevertheless, we are pleased that the Government has

⁹⁴ ARSS 17, West Midlands Sustainability Forum, p3

⁹⁵ Q 88

⁹⁶ Q 215

⁹⁷ Q 288

not advocated giving planning powers to LEPs. LEPs are not under any compulsion to consider environmental or social issues or to consider the multitude of interests that concern planning. Their primary purpose is 'enterprise', which as an advocacy function cannot sit comfortably with statutory democratic regulation. Local authorities and others need to work with LEPs, and to have regard to them in preparing their local development frameworks and when deciding planning applications; for their part, LEPs should demonstrate a responsibility for achieving sustainable development. However, LEPs are not a suitable vehicle for strategic planning.

5 Housing

Housing targets

82. A primary driver for the abolition of RSSs is the Government's view of housing targets. The Government believes that much of the resistance to house building around the country has derived from the imposition of targets through regional plans, but that if authorities were left to take responsible decisions for themselves, they would choose to build more houses than have been built in the recent past. DCLG claimed:

Our proposals will stimulate housing development. By abolishing Regional Strategies local planning authorities will be able to work with communities to see their vision for development realised. A key element of this will be decisions about housing and planning policy, including housing numbers and the pattern of development, which should rightly be taken locally.⁹⁸

83. The DCLG also argued that housing targets were “all stick and no carrot. They were an ineffective incentive for housing delivery.”⁹⁹ The Minister for Housing, Rt Hon Grant Shapps MP, told us in an oral evidence session in September last year on the priorities for the work of the Department that one of the measures of its success will be whether more houses will be built annually in future than were built immediately before the recession:

Building more homes is the gold standard upon which we shall be judged. The idea is to get a system which delivers housing in this country.¹⁰⁰

84. The Government's approach to achieving this aim is based on the principles of localism. Its intention is to ensure that local communities are more involved in the planning process, and it has taken steps to introduce “neighbourhood planning” and a “community right to build”, as well as the “New Homes Bonus”, on which we comment further below.¹⁰¹ The Government hopes that local authorities, freed from the imposition of RSSs and the associated regional targets, will (in partnership with their communities) be responsive to local needs and provide more houses in future.

85. However, the tension between local choice and national need cannot merely be wished away. There is a balance to be struck between housing targets set at a national or regional level, which are seen as being imposed against the wishes of local people, and leaving it to local communities to decide, which can lead to house building proposals being repeatedly blocked.

86. That tension was nicely summed up in the evidence of Councillor Jeremy Heron, from Ringwood Town Council. On the one hand, he was convinced that:

⁹⁸ Ev 150

⁹⁹ Ev 150

¹⁰⁰ Uncorrected transcript of oral evidence taken on 13 September 2010, *The Work of the Department for Communities and Local Government*, HC (2010–11) 453-i, Q39.

¹⁰¹ See the *Department for Communities and Local Government Business Plan 2011–2015*, November 2010, and the Localism Bill.

[...] the regional spatial strategy was simply too far removed from the community. It was covering a vast area, trying to be all things to everyone and, as such, representation that was made to the RSS quite often got lost in the noise of everything else that was going on, and if yours wasn't a big regional issue, it failed to be identified and noticed.¹⁰²

However, he went on to list numerous examples where local planning applications met with objections and had no support, highlighting the dilemma which elected representatives face:

So, if you leave it locally, everyone is very aware there is a housing need in the area, but they do not want it if it takes out the field that they've looked over for the past five years. So, if you leave it to a simple local decision and local planning, it will end up in a hiatus, because, as elected representatives, your job is to support them. You know that these people will remove you if you don't support that view.¹⁰³

87. John Acres, of developers Catesby, suggested that this tension could only be addressed by making people more aware of the positive side of new housing development:

I quite understand that people do not want building close to them if they feel it will be detrimental, but I think it is important that people should understand the bigger picture. They should understand the wider planning advantages of housing and that housing is not necessarily detrimental. It is not about putting more pressure on schools or services; it is about making those services work more efficiently so that more children going into a school means that that school gets more resources, or more people shopping at the local supermarket or whatever brings more business to that community, making it a wider and more interactive community, and allowing people to move from one place to another.¹⁰⁴

88. Roy Donson, from Barratt Development, made a similar point, arguing that it is the responsibility of Government to change the negative public perception of house building:

Clearly, what has to happen to make communities more in favour of housing is a cultural change, which starts with these sorts of issues. That cultural change can come only from the Government essentially; it has to come from that top-down process. It has to be established that house building is not only necessary for the benefit of all but is a good thing for the country as a whole and cohesive for society. We have to establish that as a basic principle. Having done that, we can then start to turn round the idea that, for some reason, which completely defeats me, house building is bad.¹⁰⁵

¹⁰² Q 111

¹⁰³ Q 115

¹⁰⁴ Q 194

¹⁰⁵ Q 193

Tetlow King research

89. The question to which the Government has assumed it already has the answer is whether a localised planning system will be any more successful than regional targets in countering the negative public perception of house building and increasing the number of new homes built. So far, the signs are that the number of new homes coming through the planning system is falling, and falling significantly. Cameron Watt of the National Housing Federation (NHF) warned us of “a big fall-off in the delivery of all homes, including affordable ones”, as a result of the abolition of RSSs. He cited research that the NHF commissioned from their consultants Tetlow King. Steve Hinsley, senior director at Tetlow King, told us about the research:

The work we did on behalf of the federation began shortly after the announcement of Eric Pickles of the intention to abolish the RSS [...] Our first assessment found 85,000 homes no longer being planned for, rising to 100,000 on 2 September; early in October, authorities indicated 160,000; and the most recent assessment we have undertaken is 182,000. I think that shows not only the scale of the planned losses but also the speed at which those numbers have fallen away.¹⁰⁶

90. When the Secretary of State gave evidence, he rejected the research, saying:

I am sure the Committee doesn't need me to point out how iffy that evidence was. It was conducted on the basis of a telephone call in which the person at the other end might decide on various numbers. No formal decision has been taken by local authorities. The immensely important thing is that this was about a theoretical number put together; it was not about real houses. It was not about real permissions; it was about people thinking whether they were going to change their numbers. I found the actual numbers very unconvincing.¹⁰⁷

91. We invited Tetlow King to respond and it duly sent in supplementary evidence on 4 January 2011, rebutting the Secretary of State's claims:

The number of homes no longer being planned since the Government announced its intention to abolish regional strategies has now increased to a total of around 201,509. This number has risen dramatically since our first assessment was carried out in July 2010; this concluded that 84,530 dwellings were no longer being planned for.

88% of the estimated 201,509 dwellings derive from official local authority sources, such as Core Strategy consultation documents or press releases. Whilst it is true that the remaining 12% do come from unofficial tip offs or estimates, we have been very cautious in applying such figures. As our research has evolved, however, it has become evident that some unofficial reductions from earlier iterations have subsequently been formally confirmed by local authorities. In every case where this has occurred our earlier estimates have been proved to be either correct or an

¹⁰⁶ Q 219

¹⁰⁷ Q 304

underestimate of the final total reduction. In no instance have we been shown to have exaggerated the reduction.

The local authorities mentioned in our report have, for the most part, set out or decided to set out their reduced housing targets in Core Strategy consultation documents, in preference to the RSS figures. Despite the lack of any independent testing, many of the authorities concerned are according these reduced housing targets full planning policy status and using them as the basis for calculating current five year land supply requirements.¹⁰⁸

National need and local decision-making

92. Each of the local authorities that has decided to plan for lower numbers of houses than required under the RSSs would presumably argue that it is doing so because those lower numbers will still meet local need. Tetlow King suggests that in many places that may not be the case. Additionally, however, decisions made by individual local authorities on housing numbers for their area may not necessarily add up to the sum total of housing need across the wider area. The Town and Country Planning Association explained the consequences as follows:

The removal of [regional spatial strategies] and the associated abolition of the National Housing Planning Advice Unit will have a substantial impact on the way housing needs are forecast and provided for through the planning system. In short, a nationally organised and regionally and locally expressed housing regime based on targets has been replaced by exclusively local consideration of housing needs. ‘The Future of Planning Report’ [published by the TCPA in June 2010] concluded that the consequences of these measures would be a significant ‘under provision’ of housing because local housing needs assessments may not adequately consider international, national and regional housing pressures.¹⁰⁹

93. The Joseph Rowntree Foundation summarised it as follows:

There are concerns that housing targets determined by individual local authorities will not add up to meet the needs of the country and will not provide the ‘right’ type of housing in the ‘right’ place as the spatial distribution of housing is crucial.¹¹⁰

94. Roger Tym & Partners explain that migration over local authority boundaries—both urban extensions, where towns and cities spill over into adjoining districts, and the so-called “Growth Areas”, where demand was being shifted over longer distances, away from the most congested areas in southern England—makes some form of supra-local planning for housing need necessary:

[...] in real life very many people do move house across administrative boundaries or would like to do so. In this case, extreme localism will not produce the right answer, because potential migrants into the local area do not have a voice or a vote in the

¹⁰⁸ Ev 127

¹⁰⁹ Ev 92

¹¹⁰ ARSS 32, Joseph Rowntree Foundation, summary

destination community. Under the old system, regional planning provided a mechanism (whether effective or not) to represent the interests of these potential migrants.¹¹¹

95. Star Planning and Development asked the question that is implicit in the comments of many witnesses on this point:

Without some form of national context or framework for the provision of new dwellings, how can there be a reasonable degree of certainty that the housing needs of the country [will] be met in a co-ordinated manner?¹¹²

96. The Government's answer to this question is the same as it is to the other issues of strategic planning which we considered above: voluntary cooperation between local authorities.¹¹³ Unfortunately, there is no better evidence that such cooperation will be effective on the issue of housing than on any other strategic planning issue: indeed there is, if anything, less. Steve Hinsley from Tetlow King Planning told us about his pessimistic view of local authorities working together:

[...]the difficulty is that in the past local authorities have been expected to work in a loose relationship with each other. If we look at examples of their coming up with an answer at the end of the day, it has not worked very well. If we take the example of Bristol and authorities there, they just do not get on and there is a hiatus and inertia in going forward. There need to be some powers.¹¹⁴

He went on to discuss the problem of local authorities looking at the areas beyond their own areas when looking at housing needs, and taking account of the needs and preferences of adjoining local authorities:

How do you look at the opportunities in the wider planning sense and where the housing should go relative to need and constraints? I think that is the level that needs to be handled very carefully, because I do not think that to go back to the old style of district-wide surveys is the answer.¹¹⁵

97. As with other areas of strategic planning, witnesses suggested that binding powers were necessary to ensure effective cooperation between individual local planning authorities. Cameron Watt of the National Housing Federation told us:

[...] we think that binding powers are one option that should be seriously looked at because, obviously, if local authorities themselves have come together and set out a vision for the future and made commitments to meet identified housing needs themselves clearly those commitments must be meaningful.¹¹⁶

¹¹¹ Ev 73

¹¹² ARSS 15, Star Planning and Development, para 4

¹¹³ Para 61 ff.

¹¹⁴ Q 233

¹¹⁵ Q 233

¹¹⁶ Q 236

He went on to emphasise the case for consistency across local authorities when dealing with housing need, and proposed that new guidance should be issued centrally “to help local authorities ensure that they robustly and accurately identify housing need”:

[...] I think that process should be as consistent as possible across the country so it is right therefore for local authorities, having identified need on their own patches, to come together [...] and have a meaningful conversation, and also for individuals to hold their local authorities to account on whether they are accurately identifying housing need and planning to meet it.¹¹⁷

These comments were made in the context of Local Enterprise Partnerships. We have already concluded that LEPs are not themselves a suitable vehicle for strategic planning, but that does not diminish the need for local authorities to come together to undertake this function.

98. Finally, he raised the issue of planning inspectors having the power to check whether local authorities’ housing figures are accurate:

I think it is vital that when local authorities identify housing need at a local level, by whatever means, inspectors should be able to continue to check the new local plans that they have developed to see whether the needs that those local authorities have themselves identified are credible and the numbers are adequate; otherwise, some authorities may abuse their new freedoms and revise their housing numbers significantly downwards even though there is significant unmet need at local level.¹¹⁸

99. Meanwhile, Kay Boycott from Shelter raised the issue of democratic accountability if houses are not built and where responsibility for any shortfall in housing needs rests:

What we look for is the ability to hold people accountable. What worries us is: is part going to the LEP, is part going to local authorities, is part going to sit with the national plan? What about county councils and parish councils? Where is the point at which we can hold local politicians to account for the delivery of affordable homes? In a way, it does not matter where it sits as long as those people collaborate, it is based on housing need and they come together in a timely way to make the decisions, but being very clear it does not mean that in five years’ time everybody can point to everybody else about why it went wrong.¹¹⁹

100. Debate in the Localism Public Bill Committee has also raised the question of how local authorities can be held to account for the housing numbers contained in their local plans. An amendment to the Bill which would have placed a statutory duty on local authorities to make “an assessment [of] the level of housing need and demand in the district of the local planning authority, together with the authority’s proposals for addressing such need and demand” was rejected by the Government on the grounds that powers already existed, in primary legislation and in planning guidance, to achieve the same end. However, in responding to the arguments for the amendment, the Minister for

¹¹⁷ Q 238

¹¹⁸ Q 239

¹¹⁹ Q 232

Planning gave a welcome commitment to strengthening the requirement for assessments of housing need to be undertaken and to be met in the local plan:

I am at one with the right hon. Gentleman [who proposed the amendment] in requiring an absolutely clear, transparent, robust numerical assessment of housing need. Powers are available in planning law to do that. They will be reinforced, and we will strengthen their importance by making sure that no plan can be assessed and found sound unless it conforms to a rigorous assessment [...]¹²⁰

The Minister also indicated his intention “to invite professional bodies to make recommendations for robust methodologies that can be shared with members of the public, so that they can be held to account”.¹²¹

101. We welcome the Government’s intention to strengthen the obligations on local authorities to ensure that they undertake robust assessments of housing need, and that local plans take adequate account of that need. However, there is no indication that such obligations will operate other than at the level of the individual local planning authority. Not all housing needs can necessarily be met in the local authority area where they arise, and it is one of the purposes of planning to ensure that overall housing provision is sufficient whilst respecting the constraints on and opportunities for new development. As our witnesses have made clear, housing need operates across local authority boundaries and there is no guarantee that, even if every local planning authority meets its own locally defined need, the national need for new housing will be met. **We recommend, in line with our earlier recommendations about the framework for ‘larger-than-local’ planning, that the Government ensure that a robust mechanism is in place to assess, and ensure that each local authority plays its part in meeting, wider housing need.**

Conclusion

102. We welcome the Government’s recognition of the need for more homes. We especially welcome its intention of ensuring that more homes are built in total than were built immediately before the recession, and of building 150,000 affordable homes over the next four years (although this is not an exceptional number by historic standards).¹²² However, we question whether either of these aspirations will be achievable under the Government’s current proposals for the planning system. With the figures for new house building contained in local authorities’ plans already estimated to have reduced by 200,000 following the announcement of the abolition of RSSs, we conclude that the Government may well be faced with a stark choice in deciding whether to compromise either on its intention to build more homes than the previous Government, or on its desire to promote localism in decisions of this kind. No evidence was produced to support the Government’s view that local authorities will achieve comparable rates of house building to those in the past, let alone an increase. If the evidence of success fails to materialise very quickly, the Government is going to have to review its selection of levers of influence. We recommend that the Government

¹²⁰ Localism Public Bill Committee, 16th sitting (17 February 2011), col 637

¹²¹ *Ibid*

¹²² Affordable homes newly built in the four years 2006–07 to 2009–10 were 169,510 (CLG Live Table 1009).

report back to the House in two years' time on the extent to which the measures it is taking are achieving the aim of increasing the rates of building of both affordable and market homes.

New Homes Bonus

103. The New Homes Bonus (NHB) is a new system designed “directly [to] reward councils for new homes built”.¹²³ The Government published a consultation paper on the NHB on 12 November 2010,¹²⁴ following which the “final scheme design” was published on 17 February 2011.¹²⁵ The final scheme design document describes the purpose of the Bonus:

The New Homes Bonus is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. It will ensure the economic benefits of growth are more visible within the local area, by matching the council tax raised on increases in effective stock. This will redress the imbalance in the local government finance system, whereby resources for growth areas did not keep pace with growth.¹²⁶

104. The document goes on to explain in greater detail the unit of reward of the NHB:

We will link the level of grant for each additional dwelling to the national average of the council tax band for the following six years to incentivise local authorities to build and bring back into use the types of homes people want and need, in the places that people want them. We are doing this by measuring the change in dwellings on council tax valuation lists [...] This approach recognises:

- increases in housing stock
- the relative value of the properties – larger family homes require more land and that homes built in areas of highest need are more expensive and tend to be in a higher council tax band and
- that local council tax levels have a variety of historic and local reasons and we do not want to penalise authorities which have been prudent.

Currently the amount of grant relating to an additional council tax band D property will be about £1,439 per annum or £8,634 over six years, and the grant relating to an additional band E property will be about £1,759 per annum or £10,553 over six years. This will be reviewed if council taxes rise.¹²⁷

105. It also explains how affordable housing will be additionally incentivised through the Bonus:

¹²³ Ev 150

¹²⁴ *New homes bonus: consultation*, Department for Communities and Local Government, November 2010.

¹²⁵ *New Homes Bonus: final scheme design*, Department for Communities and Local Government, February 2011.

¹²⁶ *Ibid*, para 2

¹²⁷ *Ibid*, paras 7–8

To ensure that affordable homes are sufficiently prioritised within supply, there will be a simple and transparent enhancement of a flat rate £350 per annum for each additional affordable home. This is about 25 per cent of the current average Band D council tax or 36 per cent of the average Band A council tax, and will be reviewed if council tax rises. Over six years an affordable home would receive an enhancement of £2,100.¹²⁸

106. The money to fund the bonus scheme will come partly from the former Housing and Planning Delivery Grant (HPDG), which was worth around £146 million/year, topped up to £196m in the first year of the scheme and £250m in each of the following three years. The remainder will come from redistributing revenue support grant to local authorities. The money will go to local authorities and, according to the final scheme design document, and confirmed by the Secretary of State when he gave evidence, local authorities can decide how to spending the funding, in line with local community wishes.¹²⁹

107. The NHB consultation document predicts an increase of housing supply of between 8 and 13 per cent. from 2016–17 as a result of the New Homes Bonus, using a ‘baseline’ of what would have happened in terms of housing supply in the absence of the NHB. The baseline is described in the consultation document:

In making the assessments of potential impact, a baseline for future net additions has been assumed [...] The baseline takes view of future housing supply (as measured by the net additions measure of changes in the housing stock) based on past performance in the market across housing market cycles.¹³⁰

108. The evidence base includes many presumptions about the behaviours of different local authorities, as illustrated by the following extract, which explains the predicted figure:

When considering the financial impact of the New Homes Bonus it is important to focus on the net impact, that is: both monies taken away from formula grant and received through incentive payments upon housing delivery [...] Our retrospective analysis provides us with an estimate of each local authority’s net financial position; this analysis considers the behavioural impact in terms of housing supply resulting from this net financial position.¹³¹

109. The Secretary of State explained to us in oral evidence how he thought the New Homes Bonus would enable local authorities to get houses built where regional targets had failed:

They get nothing if they grant planning permission and do not build the houses. That is the beauty of it. You could meet your targets by granting planning permission but nothing much happened. What we are saying is, “Give permission and build the house and it’s only on completion that it happens.” You will be very well aware how

¹²⁸ *Ibid*, para 11

¹²⁹ *Ibid*, para 23, and Q316

¹³⁰ *Ibid*, p50

¹³¹ *Ibid*, p49

difficult it is sometimes for that completion to go through, so there is a vested interest in ensuring those houses are built.¹³²

110. As our predecessors found in their inquiries into housing and the credit crunch¹³³—and as witnesses pointed out in evidence to us¹³⁴—the ability to build houses has as much to do with the availability of mortgages as it does with planning permissions; and over that local authorities have virtually no influence. However, witnesses raised many more objections to the New Homes Bonus, both of principle and of practice.

Objections to the New Homes Bonus

111. Overwhelmingly, written evidence we received expresses not only considerable scepticism about whether the NHB will be effective in increasing the number of new homes built, but also concerns about whether it may encourage house building of the wrong kind in the wrong place. The most widely-held objection to the New Home Bonus is that it is inimical to a plan-led system on which spatial planning in this country is supposed to be based. Hallam Land Management Ltd. summed up the problem:

What can be the logic of giving more cash to local authorities simply to grant planning permissions when there may not be any actual specific requirement for that cash? Can it be good use of public money to proffer cash to those councils for giving planning permissions when they should in any event be granting the permissions without the need for incentives?¹³⁵

112. Fiona Howie, from CPRE, illustrated the potential effect of the Bonus:

[...] We're concerned that cash-strapped authorities, if they really are seduced by the incentives, may well feel that they can grant permission for housing that comes forward outside the plan-led system, and we're concerned that that then overrides all the good aspirations of localism and bottom-up and really engaging communities in discussing where properties should go.¹³⁶

Worse, the NHB could give rise to allegations that planning permission had been granted not because it was itself desirable, but because of the financial rewards:

[...] we very much would want to see an incentives scheme that ensures the implementation of the local plan, which has come up in consultation with the local communities and neighbourhoods, so that they see that the local authority are giving permission in line with the development plan and reaping the rewards, potentially. I think the big risk will be [...] if a scheme comes forward that's outside the development plan and the local authority potentially looks at it favourably for the

¹³² Q 324

¹³³ Third Report of the Communities and Local Government Committee, Session 2008–09 (HC 101), *Housing and the Credit Crunch*; Eighth Report of the Communities and Local Government Committee, Session 2008–09 (HC 568), *Housing and the credit crunch: follow up*,

¹³⁴ Qq 170 and 184.

¹³⁵ ARSS 57, Hallam Land Management, section 2

¹³⁶ Q 156

financial incentives. That could be where the real problems with their local community start.¹³⁷

113. These fears were echoed by the evidence we heard from three representatives of local groups. Ron Morton, of Shortwood Green Belt Campaign, told us what sort of approach would be preferable:

I think a financial incentive is the worst possible option. I think the biggest incentive would be to involve local communities in the future of their communities, in the growth and the development of their communities—just that; just the involvement—because they are the ones with the expertise. They know what they can cope with, the sites that are available and what the need is.¹³⁸

114. The Bonus also risks incentivising development of the wrong type in the wrong areas. Lawrence Revill, managing director of planning consultancy David Lock Associates, explains:

It is unclear how the incentive scheme will relate to housing need – the mechanism announced so far appears to provide a financial reward for delivering housing, regardless of whether the amount of housing delivered is sufficient to meet identified local housing requirements and needs. Thus the mechanism appears to ignore any national objectives for housing delivery (in relation to demographic need and household formation rates), and will emphasise housing as a commodity rather than a fundamental human right. There is considerable potential for those authorities not in need of further financial support to simply turn away housing proposals and for those in need of financial support to find it difficult to refuse proposals, irrespective of local requirements and needs. This approach appears to fundamentally distort the principle that housing supply should respond to assessed housing needs and be underpinned by rational spatial planning.¹³⁹

115. A plan-led system should ensure that new housing development is coordinated with the necessary provision of supporting services and infrastructure. The lack of such supporting infrastructure is often a significant factor behind local objections, as Catriona Riddell, from the Planning Officers Society, observed:

[...] My experience with South East England Councils is that their main concern, reflecting what their communities told them, was that 100 houses here and 100 houses there had a knock-on impact on their doctors' surgeries, roads, skills and everything else.¹⁴⁰

Although a financial incentive scheme is superficially attractive as a solution to this problem, the fact that the New Homes Bonus will be paid to the local authority, not the local community, and will not be ringfenced, so that it will not have to be used for any service directly connected with the new development, raises significant doubt about

¹³⁷ Q 166

¹³⁸ Q 125

¹³⁹ ARSS 66, David Lock Associates, para 3.02

¹⁴⁰ Q 71

whether it will be effective. That is particularly so given that, beyond the £250 million per year set aside in 2012–13 to 2014–15, further money for the Bonus will be top-sliced from Revenue Support Grant—or to put it another way, local authorities will need to ensure that a certain level of house building takes place if they are to retain even the same level of Government grant they were receiving before. It is scarcely credible that local authorities will divert such money to support the infrastructure that new housing development needs if it is needed to maintain current day-to-day spending.

116. Nor is there any guarantee, even if NHB money was used for supporting infrastructure, that the building incentivised will be what the local community needs, as Miles Butler explains:

Who knows? Left to communities, we may end up with a perfect match between the housing requirements for the local economy and what a community desires, but there are some real risks in that approach without the parallel strand of some strategic thinking about what it is we actually need in this sub-region to deliver the economic growth we need. The housing must be balanced with economic development, which in turn must be balanced with the appropriate infrastructure to make all of that hang together in a sustainable way.¹⁴¹

117. Hugh Ellis of the TCPA summed up the problems arising from the NHB being paid to local authorities:

Which local authority—top tier or local tier in two-tier authorities? How is the money divided up and what's it spent on? Finally, if the weight of this is the idea that you can persuade communities to accept more housing because you pay local authorities, I don't think that politically stands.¹⁴²

118. The level of the Bonus was also criticised. John Acres, from Catesby Property Group, commented:

My view is that they probably will not be enough. They will encourage authorities that want to build anyway; they will not encourage authorities that do not want to build because those incentives will not be sufficiently strong to promote that building.¹⁴³

119. The local authority witnesses who gave evidence to us had a similar view. Councillor Ken Thornber, leader of Hampshire County Council, told us:

While the bonus is welcome—there will be councils with deprived areas that want to take advantage of this— there will be affluent areas that are willing to forgo not a very great amount of money in order not to upset their vociferous populations.¹⁴⁴

Such areas may, additionally, be those with the greatest need for new housing, since the Bonus is not weighted to encourage house building where it is most needed.

¹⁴¹ Q 61

¹⁴² Q 95

¹⁴³ Q 176

¹⁴⁴ Q 249

120. There was also scepticism about whether the enhanced flat rate of £2,100 over six years for affordable housing would be adequate to persuade local authorities to build affordable housing, when not under any obligation to do so. Cameron Watt of the National Housing Federation, representing housing associations, told us:

The additional premium for affordable housing delivery could perhaps be increased [...] Housing development in many parts of the country is unpopular, and affordable housing in some areas even more so. At the moment, there is a proposal for a 125% bonus for affordable housing. I think a bonus of about 150% might well be more effective. We do need more for affordable housing and flexibility so that if the New Homes Bonus generally is not delivering the amount of housing that is needed the pot can be increased as soon as possible by top-slicing more formula grant.¹⁴⁵

121. We discovered therefore, a widespread scepticism about whether the New Homes Bonus will work. Roy Donson, from Barratt Development, echoed the views of many witnesses when he commented:

[...] the Government has set so much store by the effect of the New Homes Bonus as part of the package. That is a completely novel approach, and we cannot put our hands on our hearts and be certain it works. I am absolutely certain in my own mind that Ministers are sincere about their desire for more housing and that they believe the New Homes Bonus-type structure will work, but it is quite a high-risk strategy because nothing like that has ever been tried before. I think there must be a plan B, and probably that plan is that if the New Homes Bonus as currently outlined—we do not have much detail on it at the moment—does not do the trick something must be added to it to make it work and we must keep at it until it does. I suppose that in the medium term there is a wee problem about money and about how that resource is made available.¹⁴⁶

122. When this point of view was put to him, and he was asked what he will do if the bonus does not work and the target number of homes are not built, the Secretary of State replied:

We are very confident that it will work. If you forgive me, I don't want to undermine the policy by suggesting an alternative. I think human nature and our consultation with local authorities suggest that, as part of an overall package, this is a considerable inducement to build [...] There are limits to what government can do in terms of the supply side, but we have always tried to move with the flow of the market. I think these reforms have the advantage of doing that, whereas the old system merely ignored the market.¹⁴⁷

123. Pressed by our Chair on whether the Government had any evidence to show that the New Homes Bonus scheme would deliver more homes, the Secretary of State replied simply, "I hope my charm might have worked its magic on you, Mr Betts." This answer

¹⁴⁵ Q 226. As noted above (para 104), the final scheme design is of a flat rate of £350, on top of the bonus paid according to the council tax band, for each affordable home built. This is around 125% for a Band D home, or 136% for a Band A home, but less than 125% for affordable homes in higher council tax bands.

¹⁴⁶ Q 176

¹⁴⁷ Q 313

does nothing to rebut the widespread view that there is no evidence to show that the NHB will work.

124. In earlier evidence to the Committee, on 13 September 2010, the Housing Minister Grant Shapps MP was asked what the Government would do if fewer houses were built as a result of the change. He responded, “Ultimately, if everything else fails you would increase the incentives until they got built”: a response which raises serious concerns about where the money would come from for such an increase and what effect it would have on the distribution of Government grant funding to local authorities.¹⁴⁸

125. Miles Butler, from the Association of Directors of Environment, Economy, Planning and Transport, summed up the concerns of a scheme that is not based on firm evidence and is subject to change:

The whole notion of the New Homes Bonus is very much untested ground and is what Sir Humphrey might call ‘a bold experiment, Minister’.¹⁴⁹

New Homes Bonus: conclusion

126. Alongside ‘neighbourhood planning’ and the ‘community right to build’, the new housing regime proposed by the Government rests on the success of the New Homes Bonus. Instead of local authorities being obliged to provide a number of houses allocated to them through a regional planning process, they will be incentivised financially to build them. This is a bold experiment; but not one which, on the evidence we have before us, we can have any confidence will be successful.

127. Nevertheless, the Government has, in publishing its “final scheme design” document, indicated its determination to proceed with the New Homes Bonus scheme. The final scheme is not substantially different from that which was being proposed when we took our evidence. Our witnesses’ concerns about the potential effects of the operation of the scheme therefore remain valid. If the number of houses built were allowed or even encouraged to rise substantially above the target in the locally approved plan, given the uncertainties and difficulties of co-ordinating with the necessary provision of other services and infrastructure, this may lead to the creation of unsustainable communities. Further, we doubt that the Government’s objective of reducing conflict in the planning system and encouraging local communities to welcome new housing is likely to be achieved as long as there is suspicion that financial considerations are influencing how much land is being allocated for housing or whether permission is being granted for new housing.

128. The final scheme design document, and the Government’s response to the consultation on the New Homes Bonus, give some important indications that the Government has recognised these concerns. The final scheme design document states:

The Bonus will sit alongside the existing planning system. It is intended to help deliver the vision and objectives of the community and the spatial strategy for the area. In particular, it will be relevant to the preparation of development plans which

¹⁴⁸ HC (2010–11) 453-i, Q40.

¹⁴⁹ Q 61

www.shahrsazionline.com

concern housing where it assists with issues such as service provision and infrastructure delivery. However, it is not intended to encourage housing development which would otherwise be inappropriate in planning terms.¹⁵⁰

129. In response to concern about whether the Bonus could be a “material consideration” in local authority decisions on planning, the Government’s response to the consultation on the Bonus expands on this statement:

[...] Local planning authorities will be well aware that when deciding whether or not to grant planning permission they cannot take into account immaterial considerations. The New Homes Bonus cannot change this and nor is it intended to. Local planning authorities will continue to be bound by their obligations here.

However, this is not to say that the New Homes Bonus will always be irrelevant to decisions on planning applications. In some cases it could lawfully be taken into account as a material consideration where there is a direct connection between the intended use of the Bonus and the proposed development – but this will vary according to the circumstances of the case. An example of this could be paying for the widening of a road to allow for the extra traffic the new development would bring or to provide for substitute open space that is lost as a result of a housing development.¹⁵¹

130. It is potentially a matter of some concern that the Government should suggest that the New Homes Bonus might be used to pay for road-widening or substitute open space. Under current planning rules, such matters are dealt with by ensuring that the developer pays for them, either through section 106 agreements or as a condition of the grant of planning permission. Without such agreements or conditions, planning permission should not be granted, since without the provision of the consequential improvements the development would be unacceptable and would have to be refused. If the NHB is intended to replace such obligations on developers, serious questions arise both about the future of the system of planning obligations (section 106 agreements) and about the amount of money being provided by the NHB, which would rapidly be exhausted were that to be the case.

131. We assume that this cannot be the Government’s intention. That being so, it would appear that the New Homes Bonus is intended to function as an incentive only at the development plan preparation stage, and not at the point of considering individual planning applications. If authorities were to start granting large numbers of permissions in excess of their planned number, the implication would be that they had been incentivised by the NHB to do so, which the Government’s response suggests would usually be unlawful. Local authorities will only receive the Bonus once houses have actually been built, overcoming one of the problems with regional spatial strategies, which provided only for targets, not actual homes. If the Bonus functions as indicated, incentivising local

¹⁵⁰ *New Homes Bonus: final scheme design*, Department for Communities and Local Government, February 2011, para 3

¹⁵¹ *New Homes Bonus Scheme: Summary of responses to consultation*, Department for Communities and Local Government, February 2011, p.28.

authorities to provide in their development plans for the housing which their assessments of housing need indicate are required, that is very much to be welcomed.¹⁵²

132. However, the Government has not made its intentions explicit, and has not built them into its proposals in any meaningful way. **We recommend that the Government ensure that the New Homes Bonus scheme keeps the local development plan at its heart, where planning decisions are based on sound evidence and judged against criteria which include issues of sustainability. It should do so by explicitly linking the Bonus to homes provided for in the local plan following robust assessments of housing need. We agree that it should be paid only when those homes are actually built.**

133. Similar principles should apply to the incentivisation of the building of affordable homes. Just as the Government has no evidence that the Bonus will actually result in more development, so it has no evidence that the additional payment to incentivise an affordable home will encourage the building of one type of house rather than another. While the evidence suggests that there are some local authorities that would need a considerably greater differential incentive to promote affordable housing, there are also others that are more enthusiastic about affordable homes rather than private housing, so the structure of the incentive may even be misjudged. The NHB scheme, being demand-based rather than needs-based, is particularly likely to fail in the affordable housing sector, where need rather than demand is the defining feature. **We recommend that the Government redesign the New Homes Bonus so that it better rewards the meeting of demonstrable need for affordable housing.**

¹⁵² See the Minister's response to Q265. See also the Minister's response to Q324, quoted in paragraph 109 of this Report.

6 Evidence and monitoring

A lack of consistent, current planning evidence

134. Local authorities need current, relevant data—and skilled people—to ensure that their planning decisions are seen in context and are based on sound evidence. Local Development Frameworks must be underpinned by evidence and it is for local authorities to demonstrate that they have produced reasonable plans. Much of the evidence to support LDFs was provided by the regional spatial strategies. Without RSSs, local authorities need to ensure, extremely quickly, that their current and future LDFs are supported by robust evidence. Greg Clark, the Planning Minister, reinforced this point in oral evidence:

It is open to the local authority to collect the evidence that they feel justifies the decisions they want to take. If they feel that the number imposed on them by the RSS does not make sense and they can collect evidence that demonstrates a different number is appropriate, we have been clear from the outset that that is what they should do.¹⁵³

135. Regional Observatories were established to provide analysis of data to support planning and other decisions at a regional and sub-regional level, including local authorities. The Association of Regional Observatories summed up their work:

The Association of Regional Observatories represents England’s Regional Observatories that historically have satisfied the data and intelligence needs of the Regional Development Agencies, amongst others. Our work covers the economy, labour market, employment and skills, as well as sustainability and environmental issues.¹⁵⁴

136. The Association notes that information previously collected as part of the RSS monitoring process will still remain crucial for local authorities, including housing information and waste management data.¹⁵⁵ The same point is also made by other witnesses. The RSPB, arguing that the local economy and the state of the environment should be assessed by ‘robust evidence’, suggested that the location of regional environmental, economic and social data is a key priority.¹⁵⁶ The West Midland Regional Sustainability Forum wrote “there is an urgent need to consider at what level future data will be collected, especially where it is appropriate at a level between the sub-regional and national level (eg journey to work areas)”.¹⁵⁷ The Chartered Institute of Housing agreed, and added concerns about the potential lack of consistency of data when RSSs are abolished:

The research gathered at the regional level enabled a greater methodological consistency across local areas, and the regional structures and process were well

¹⁵³ Q 266. See also paras 43 and 100, above.

¹⁵⁴ ARSS 15, Association of Regional Observatories, para 3.1

¹⁵⁵ ARSS 35, Association of Regional Observatories, para 4.2

¹⁵⁶ ARSS 122, RSPB, para 12

¹⁵⁷ ARSS 17, West Midlands Regional Sustainability Forum, p3

developed; it is likely that, in some areas, there will be a gap in the policy and evidence at the local level, where there was reliance on the shared evidence base.¹⁵⁸

137. The guidance issued by the Chief Planner at DCLG, Steve Quartermain, covering the period between revocation and abolition, states the following about data and research currently held by Regional Local Authority Leaders' Boards:

The regional planning function of Regional LA Leaders' Boards—the previous Regional Assemblies—is being wound up and their central government funding will end after September this year [2010]. The planning data and research they currently hold will still be available to local authorities in the preparation of their local plans whilst they put their own alternative arrangements in place for the collection and analysis of evidence. Notwithstanding, the new Government regards the Regional Leaders' Boards as an unnecessary tier of bureaucracy.¹⁵⁹

138. However, the data held at the time of the dismantlement of the Regional LA Leaders' Boards, while relevant, is fast becoming out of date, a point made by Cameron Watt, from the National Housing Federation:

CLG has said it has made good arrangements for the data that were previously collected by regional leaders' boards to be looked after and updated by other organisations. I believe that for the south-west the data have been deposited with the British Library, which to me does not suggest that these are living, active data sets that will be made freely available to local authorities to help inform their new-style local plans. We have real concerns that the evidence base for local authorities to develop their new housing numbers just won't be there.¹⁶⁰

Who should have responsibility for data collection?

139. The Secretary of State told us that local authorities should have the responsibility of collecting data relevant to planning:

We are very content for local authorities to collect that information that is important to them. We will continue to produce national indices to help them in that process, but leaders' boards existed before and had the ability to bring authorities together to retain that information. We are confident that they will continue to do so.¹⁶¹

He added: “We are trying to get away from prescribing, and over-prescribing, the kind of data that it is necessary to keep”.¹⁶² When asked whether it was important that there should be consistency in the methodology used in collating data from one authority to another, he replied,

¹⁵⁸ ARSS 135, Chartered Institute of Housing, para 3.5

¹⁵⁹ Letter from the Chief Planning Officer, Department for Communities and Local Government, to local planning authorities in England, 6 July 2010, accessed at www.communities.gov.uk.

¹⁶⁰ Q 235

¹⁶¹ Q 331

¹⁶² Q 332

I am very confident that, without the need to legislate or bother them, local authorities between them will be able to put together this package in a sensible way. I do not think this is something that the Mother of Parliaments should prescribe.¹⁶³

140. It is unclear how to reconcile the Secretary of State's initial comment with the Government's view that Leaders' Boards are "an unnecessary tier of bureaucracy". Without Leaders' Boards providing the skills and budget to collate the information, it is hard to see how local authorities will 'continue' to be brought together. More fundamentally, the Minister's answer presumes that local authorities are equipped with the relevant resources to collate such data. However, Christina Howick, from Roger Tym and Partners, told us of the practical problems local authorities face when attempting to collate the relevant data to inform their planning decisions:

Inspectors and common sense require reasoned evidence for things like housing targets. It is not straightforward. Economic and employment targets are even harder. A lot of officers have said to me over the past months that they simply do not have the skills and resources to do what they are now expected to do.¹⁶⁴

141. A report from our predecessors in the last Parliament, *Planning Matters*, published in July 2008, drew attention to this skills shortage in planning and made recommendations for change:

Wider economic well-being and delivery of the Government's environmental priorities could well be hindered simply because the system cannot cope. Two linked and chronic problems need to be urgently addressed to prevent this—a drastic shortage of planning officers, estimated to affect 46 per cent of local authority posts by 2012, and a significant and growing skills gap among those planners who remain within the system.¹⁶⁵

The Report was published before the recent economic decline and before the significant recent cuts in grant to local authorities, so its conclusions are even more pertinent. There is almost universal concern in our evidence that local authorities will not have the capacity—in terms of money or skills—to collect relevant evidence.

142. Even if that were not the case, there remain the questions of, first, whether it is an efficient use of public resources to leave it to individual local authorities to undertake work which all our witnesses who commented on the matter considered had been carried out very effectively under regional structures; and second, who will take the strategic view of the type and comparability of the data collected. The Association of Regional Observatories made the following point:

There is a role here for CLG to provide information and guidance on definitions of datasets to be collated by local authorities for planning purposes; to ensure that datasets remain comparable with previous years' data; to provide appropriate

¹⁶³ Q 334

¹⁶⁴ Q 11

¹⁶⁵ Eleventh Report of the Communities and Local Government Committee, Session 2007–08 (HC 517), *Planning Matters—labour shortages and skills gaps*, para 6.

mechanisms to enable this information to be shared across local authorities (allowing comparisons between areas to be made); and to facilitate cross-region comparisons as appropriate.¹⁶⁶

The Joseph Rowntree Foundation suggested that “a central website could be developed collating all relevant data, research and guidance” and proposed that an innovative use of online technology would enable local authorities to share resources and work together effectively”.¹⁶⁷

143. It is crucial that evidence is assembled on a consistent basis across local authorities, to ensure that planning decisions are soundly based. Local Development Frameworks must be underpinned by evidence and it is for local authorities to demonstrate that they have produced sound plans. There must then be clear opportunities for individuals and groups to challenge decisions that apparently pay insufficient attention to the evidence. This will be extremely difficult when there is no consistency of data collection. The Government is optimistic in its view that local authorities will collate such data. We are not so optimistic, particularly given the shortage of planning skills—which our predecessors highlighted—and the shortage of financial resources in local authorities. **We recommend that the Government bring forward proposals which will ensure that robust and consistent evidence to support local development plans is produced and regularly updated in the most effective and efficient manner. It is not acceptable for Ministers to abdicate their responsibilities in this regard by leaving all the responsibility with under-resourced and under-skilled local planning authorities.**

¹⁶⁶ ARSS 35, Association of Regional Observatories, para 4.5

¹⁶⁷ ARSS 32, Joseph Rowntree Foundation, p 2

7 Conclusion

144. Regional Spatial Strategies have provoked strong reactions in people. Some see them as hierarchical, bureaucratic and time-consuming, the imposition of unnecessary and unwanted targets from central Government. Others see them as a necessary level of planning, dealing with larger than local issues such as waste disposal, mineral working, energy projects and controversial accommodation.

145. We are concerned not only at the speed at which the Government has sought to abolish RSSs, but also at the apparent lack of understanding by the Government of what RSSs provide and what should replace them. The DCLG has not explained how infrastructure, economic development, housing and environment protection be retained at a strategic level nor has it explained how the current planning system will move to the new system, after the Localism Bill comes into effect, without any transitional arrangements in place. Nor has it explained how local authorities will collect data and evidence, data and evidence that necessarily underpin local planning decisions. Nor has it described convincingly how local authorities will be persuaded to work with other local authorities and the newly-formed Local Enterprise Partnerships, when planning issues affect larger than the local area. There are concerns that it may be left to the courts to intervene when local authorities are reluctant, or indeed hostile, to working with other local authorities. The Government has offered no explanation of how the duty to co-operate will be measured or enforced. It has given no guidance as to how accommodation for Gypsies and Travellers will be provided, nor how renewable energy and planning for climate change will be considered. Ministers have said that the gold standard upon which they are to be judged will be the building of more homes, but much of the evidence suggests that the New Homes Bonus may well be ineffective in increasing house building at all, let alone the building of the right homes in the right places.

146. All these gaps in the DCLG's evidence base and arguments illustrate the lack of clarity in how the new planning system will be co-ordinated and how it will work in practice. Evidence shows that there is already delay in the preparation of local authorities' development plans, and delay in bringing forward development proposals, as everyone waits to see what happens. As a consequence, there is a hiatus in planning, delaying much-needed economic recovery. The Government needs to act quickly to fill the vacuum, and create a planning system which has a chance of producing the necessary growth and development that this country needs.

Conclusions and recommendations

Views of regional spatial strategies

1. The Government must ensure that the beneficial and positive aspects of RSSs, in particular for integrating infrastructure, economic development, housing, data collection and environment protection, are not swept away, but are retained in any new planning framework. (Paragraph 13)

Implications of the abolition of regional spatial strategies

2. The High Court ruling against the attempted revocation of regional spatial strategies means that there is time to think through appropriate transitional arrangements before RSSs are abolished. We recommend that the Government adopt a more evidence-based and consultative approach to policy making in the future, especially in an area such as planning, where pragmatism and consensus are valuable assets in securing active rather than reluctant consent to new approaches to local involvement in decisions affecting people's everyday lives. (Paragraph 19)
3. The peremptory abolition of Regional Spatial Strategies has created a hiatus in the planning framework, which risks producing a damaging inertia. We recommend that the Government issue guidance, as soon as possible, compliant with the existing law, to assist local authorities and others on how to address the important strategic planning issues covered by RSSs and how to continue work on Local Development Frameworks. When the law changes, there will be a need for formal transitional arrangements, and the Localism Bill should clarify those arrangements to explain how the current planning system will be enabled to continue to guide development after the Localism Bill becomes law until the new arrangements are up and running. (Paragraph 27)

Strategic planning

4. We recommend that the Government include effective strategic planning arrangements in the Localism Bill, and that it work with all sectors to devise and promulgate an agreed approach to larger-than-local planning across a number of authorities. The Government needs to ensure a biting obligation on local authorities to have regard to the evidence and to meet identified needs. This obligation should be specified in national policy and in particular, the tests of soundness for local development frameworks. In each case, national policy should highlight the objective, the data sources or assessment mechanisms used to identify the need, and the mechanism for ensuring that each local planning authority makes an appropriate contribution to meeting the need identified (reflecting different environmental constraints, policy objectives or other practical considerations). The Planning Inspectorate should implement these requirements to ensure a consistent basis for assessing plans brought forward at the local level. (Paragraph 43)

Controversial strategic issues

5. The supply of aggregate minerals and planning for waste will, for the time being, remain within local planning authorities. These are matters that reside well with upper tier authorities, although there should also be guidance to them from the strategic level. We are concerned that the confusion that arose in evidence over whether the function might move to the Planning Inspectorate (as successor to the Infrastructure Planning Commission) shows again the unduly hasty approach to reform of RSSs. A body of skill and experience has built up over the years, in partnership forums, to shape planning for both aggregate minerals and waste planning. We urge the Government to retain these arrangements, which have shown themselves to be advantageous, cheap and a means of keeping the anxiety over these difficult planning issues to a minimum. (Paragraph 48)
6. We support the continuation of the CLG Gypsy and Traveller Forum, but see the need for urgent guidance to local authorities to support them in their new role following the abolition of planning for Gypsies and Travellers at the regional level. (Paragraph 57)
7. We recommend that the Government ensure that a new strategic framework is developed to incorporate the environmental aspects of planning; that framework should be included in the Localism Bill. National targets on environmental issues such as renewable energy will need to be distributed to each local authority preparing a local development framework, following a period of consultation and engagement with interested parties. (Paragraph 60)

Local authorities' 'duty to co-operate'

8. We look forward to the Government bringing forward amendments to the Localism Bill which will provide a framework for local authorities to work within, outlining what actions local authorities should take in their duty to cooperate, how they measure success or failure, how parties may insist on the delivery of what has been agreed, and default options if there is inadequate cooperation. (Paragraph 72)

Local Enterprise Partnerships

9. We support the concept of local partnership arrangements to which local enterprise partnerships are giving effect. Nevertheless, we are pleased that the Government has not advocated giving planning powers to LEPs. LEPs are not under any compulsion to consider environmental or social issues or to consider the multitude of interests that concern planning. Their primary purpose is 'enterprise', which as an advocacy function cannot sit comfortably with statutory democratic regulation. Local authorities and others need to work with LEPs, and to have regard to them in preparing their local development frameworks and when deciding planning applications; for their part, LEPs should demonstrate a responsibility for achieving sustainable development. However, LEPs are not a suitable vehicle for strategic planning. (Paragraph 81)

10. We recommend, in line with our earlier recommendations about the framework for 'larger-than-local' planning, that the Government ensure that a robust mechanism is in place to assess, and ensure that each local authority plays its part in meeting, wider housing need. (Paragraph 101)

Housing targets

11. We welcome the Government's recognition of the need for more homes. We especially welcome its intention of ensuring that more homes are built in total than were built immediately before the recession, and of building 150,000 affordable homes over the next four years (although this is not an exceptional number by historic standards). However, we question whether either of these aspirations will be achievable under the Government's current proposals for the planning system. With the figures for new house building contained in local authorities' plans already estimated to have reduced by 200,000 following the announcement of the abolition of RSSs, we conclude that the Government may well be faced with a stark choice in deciding whether to compromise either on its intention to build more homes than the previous Government, or on its desire to promote localism in decisions of this kind. No evidence was produced to support the Government's view that local authorities will achieve comparable rates of house building to those in the past, let alone an increase. If the evidence of success fails to materialise very quickly, the Government is going to have to review its selection of levers of influence. We recommend that the Government report back to the House in two years' time on the extent to which the measures it is taking are achieving the aim of increasing the rates of building of both affordable and market homes. (Paragraph 102)

New Homes Bonus

12. We recommend that the Government ensure that the New Homes Bonus scheme keeps the local development plan at its heart, where planning decisions are based on sound evidence and judged against criteria which include issues of sustainability. It should do so by explicitly linking the Bonus to homes provided for in the local plan following robust assessments of housing need. We agree that it should be paid only when those homes are actually built. (Paragraph 132)
13. We recommend that the Government redesign the New Homes Bonus so that it better rewards the meeting of demonstrable need for affordable housing. (Paragraph 133)

Evidence and monitoring

14. We recommend that the Government bring forward proposals which will ensure that robust and consistent evidence to support local development plans is produced and regularly updated in the most effective and efficient manner. It is not acceptable for Ministers to abdicate their responsibilities in this regard by leaving all the responsibility with under-resourced and under-skilled local planning authorities. (Paragraph 143)

Formal Minutes

Monday 28 February 2011

Members present:

Mr Clive Betts, in the Chair

Ms Heidi Alexander
Mr Bob Blackman
Mr Simon Danczuk
Mr Mike Freer
Mr Stephen Gilbert

Mr David Heyes
Mr George Hollingbery
Mr James Morris
Mr Steve Rotheram

Draft Report (*The Abolition of Regional Spatial Strategies*), proposed by the Chair, brought up and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 146 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Monday 7 March at 4.00 pm

Witnesses

Monday 18 October 2010

Page

Cristina Howick, **Roger Tym & Partners**, and John Baker, **Baker Associates** Ev 1

Catriona Riddell and Malcolm Sharp, **Planning Officers Society**, and Miles Butler, Planning and Regeneration Committee, **Association of Directors of Environment, Economy, Planning and Transport** Ev 10

Monday 25 October 2010

Colin Haylock, Junior Vice-President, **Royal Town Planning Institute**, and Hugh Ellis, Chief Planner, **Town and Country Planning Association** Ev 18

Ron Morton, **Shortwood Green Belt Campaign**, Jeremy Heron, Councillor, **Ringwood Town Council**, and Alice Ross, **Save the Countryside, Cheltenham** Ev 26

Justin Milward, **Woodland Trust**, Fiona Howie, **Campaign to Protect Rural England**, and Brenda Pollack, **South East Forum for Sustainability** Ev 33

Monday 8 November 2010

John Acres, Planning Director (Sustainable Development), **Catesby Property Group**, Roy Donson, Regional Planning & Strategic Land Director, **Barratt Developments Plc**, and Andrew Whitaker, Planning Director, **Home Builders Federation Ltd** Ev 39

Cameron Watt, Head of Neighbourhoods, **National Housing Federation**, Steve Hinsley, Senior Director, **Tetlow King**, and Kay Boycott, Director of Communications, Policy and Campaigns, **Shelter** Ev 49

Monday 22 November 2010

Cllr Jim Harker, **East Midlands Council**, Cllr Ken Thornber, Leader, **Hampshire County Council**, and Cllr Derek Antrobus, Chair of the Planning and Housing Commission, **Association of Greater Manchester Authorities** Ev 57

Rt Hon Eric Pickles MP, Secretary of State for Communities and Local Government, **Greg Clark MP**, Minister for Decentralisation and Planning Policy, and **Katrine Sporle**, Chief Executive, The Planning Inspectorate, Communities and Local Government Ev 61

List of printed written evidence

1	Ringwood Town Council	Evs 101, 153
2	Shortwood Green Belt Campaign	Ev 98
3	Save the Countryside, Cheltenham	Evs 102, 153
4	Barratt Development Plc	Ev 117
5	Hampshire County Council	Ev 154
6	The Association of Directors of Environment, Planning and Transport	Ev 82
7	East Riding of Yorkshire Council	Ev 145
8	The Planning Officers Society	Ev 79
9	Town and Country Planning Association	Ev 90
10	Campaign to Protect Rural England	Ev 107
11	SE Forum for Sustainability	Ev 111
12	Woodland Trust	Ev104
13	The Royal Town Planning Institute	Ev 85
14	Catesby Property Group	Ev 114
15	Homebuilders Federation	Ev 121
16	Shelter	Ev 137
17	Baker Associates	Ev 75
18	Roger Tym and partners	Ev 72
19	National Housing Federation	Evs 123, 127
20	Department for Communities and Local Government	Evs 149, 152
21	East Midlands Council	Ev 142
22	Association of Greater Manchester Authorities (AGMA)	Ev 158

List of additional written evidence

(published in Volume II on the Committee's website www.parliament.uk/clgcom)

23	Dr Tim Leunig, LSE (ARSS 01)	Ev w
24	John Halstead (ARSS 02)	Ev w
25	National Plot Owners Association (ARSS 03)	Ev w
26	Lower Broadheath Parish Council (ARSS 04)	Ev w
27	Jim Parke (ARSS 05)	Ev w
28	Jim Parke (supplementary) (ARSS 05A)	Ev w
29	Steve Tremlett (ARSS 06)	Ev w
30	Paul Cheshire, LSE (ARSS 07)	Ev w
31	Blaby District Council (ARSS 08)	Ev w
32	Bedfordshire Councils Planning Consortium (ARSS 10)	Ev w
33	Mr & Mrs D Thorpe (ARSS 11)	Ev w
34	Tring Town Council (ARSS 12)	Ev w
35	Pentland Homes Ltd (ARSS 13)	Ev w
36	McCarthy & Stone (ARSS 14)	Ev w

37	Star Planning and Development (ARSS 15)	Ev w
38	West Midlands Regional Sustainability Forum (ARSS 17)	Ev w
39	Dr Helen Chadwick (ARSS 18)	Ev w
40	Gazeley UK Ltd (ARSS 19)	Ev w
41	RIBA (ARSS 20)	Ev w
42	English Rural Action Ltd (ARSS 22)	Ev w
43	CBI Minerals Group (ARSS 23)	Ev w
44	Save Our Green Spaces (ARSS 24)	Ev w
45	SSE (ARSS 25)	Ev w
46	Robert Hitchins Limited (ARSS 26)	Ev w
47	The Community Law Partnership (ARSS 27)	Ev w
48	Community and Regional Planning Services (ARSS 28)	Ev w
49	Rail Freight Group (ARSS 29)	Ev w
50	ENPAA (ARSS 30)	Ev w
51	Janet Mackinnon MA (ARSS 31)	Ev w
52	Joseph Rowntree Foundation (ARSS 32)	Ev w
53	Whitechurch Village Action Group (ARSS 34)	Ev w
54	Association of Regional Observatories (ARSS 35)	Ev w
55	Mills & Reeve LLP (ARSS 37)	Ev w
56	Pegasus Planning Group Ltd (ARSS 38)	Ev w
57	Galliford Try (ARSS 39)	Ev w
58	Councillor Professor Alan Townsend (ARSS 40)	Ev w
59	Npower Renewables Ltd (ARSS 41)	Ev w
60	CPRE South East (ARSS 42)	Ev w
61	Crest Nicholson Plc (ARSS 43)	Ev w
62	Traveller Law Reform Project and Friends, Families and Travellers (ARSS 44)	Ev w
63	Hogan Lovells International Llp (ARSS 45)	Ev w
64	Finham Residents Association (ARSS 46)	Ev w
65	Keymer Cavendish (ARSS 47)	Ev w
66	E'ON (ARSS 49)	Ev w
67	Dr Angus Murdoch (ARSS 50)	Ev w
68	Oldham Common Save our Green Spaces (ARSS 51)	Ev w
69	South Wiltshire Agenda 21 (ARSS 52)	Ev w
70	North West Transport Roundtable (ARSS 53)	Ev w
71	Irish Traveller Movement in Britain (ARSS 54)	Ev w
72	The Gypsy Council (ARSS 55)	Ev w
73	Eric Avebury, Professor Thomas Acton OBE, Professor Alan Townsend, Andrew Ryder, Marc Willers (ARSS 56)	Ev w
74	Hallam Land Management Ltd (ARSS 57)	Ev w
75	Harborough District Council (ARSS 59)	Ev w
76	Graham Pearce, Aston University, and Sarah Ayres, Bristol University (ARSS 60)	Ev w
77	County Councils Network (ARSS 61)	Ev w
78	The Law Society (ARSS 63)	Ev w
79	Residential Landlords Association (ARSS 64)	Ev w
80	David Lock Associates (ARSS 66)	Ev w

81	Ashfield District Council (ARSS 67)	Ev w
82	House Builders Association (ARSS 69)	Ev w
83	Retirement Housing Group (ARSS 70)	Ev w
84	Building and Social Housing Foundation (ARSS 71)	Ev w
85	Freight on Rail (ARSS 72)	Ev w
86	Young Planners Thought Leadership Group (ARSS 73)	Ev w
87	Boyer Planning Ltd (ARSS 74)	Ev w
88	South Worcestershire local planning authorities (ARSS 75)	Ev w
89	Ropemaker Properties Ltd (ARSS 76)	Ev w
90	Ecotricity (ARSS 77)	Ev w
91	Anglian Water Services Ltd (ARSS 78)	Ev w
92	Devon County Council (ARSS 79)	Ev w
93	SJ Berwin LLP (ARSS 80)	Ev w
94	Covanta Energy (ARSS 82)	Ev w
95	Bristol Friends of the Earth (ARSS 83)	Ev w
96	Chris Skidmore MP (ARSS 84)	Ev w
97	DRAG (ARSS 85)	Ev w
98	Land Use Consultants (ARSS 86)	Ev w
99	Leicestershire County Council Liberal Democrat Group (ARSS 87)	Ev w
100	Environmental Services Association (ARSS 88)	Ev w
101	British Property Federation (ARSS 90)	Ev w
102	Norfolk County Council and Norfolk County Strategic Services (ARSS 91)	Ev w
103	Staffordshire County Council (ARSS 92)	Ev w
104	Turley Associates (ARSS 93)	Ev w
105	North East Chamber of Commerce (NECC) (ARSS 94)	Ev w
106	Leicestershire County Council (ARSS 95)	Ev w
107	Grundon Waste Management Ltd (ARSS 96)	Ev w
108	Construction Industry Council (ARSS 97)	Ev w
109	Fenland District Council, Huntingdonshire District Council, and Cambridgeshire County Council (ARSS 98)	Ev w
110	Denton Wilde Sapte (ARSS 100)	Ev w
111	Network Rail (ARSS 101)	Ev w
112	The Wildlife Trusts (ARSS 102)	Ev w
113	Alan Wenban-Smith (ARSS 103)	Ev w
114	Leckhampton Green Land Action Group (LEGLAG) (ARSS 104)	Ev w
115	Cumbria County Council (ARSS 106)	Ev w
116	Mineral Products Association (ARSS 107)	Ev w
117	Southern Water Services (ARSS 108)	Ev w
118	National Federation of Gypsy Liaison Groups (ARSS 109)	Ev w
119	ARUP (ARSS 110)	Ev w
120	Persimmon Homes (ARSS 112)	Ev w
121	Rushcliffe Borough Council (ARSS 113)	Ev w
122	English Heritage (ARSS 114)	Ev w
123	Legal and General Property (ARSS 115)	Ev w
124	Bloor Homes (ARSS 116)	Ev w

125	Essex County Council (ARSS 117)	Ev w
126	Level Ltd (ARSS 118)	Ev w
127	Cheshire Wildlife Trust, Cumbria Wildlife Trust, and The Wildlife Trust for Lancashire, Manchester & North Merseyside (ARSS 119)	Ev w
128	Housing Forum (ARSS 120)	Ev w
129	West Coast Energy (ARSS 121)	Ev w
130	Royal Society for the Protection of Birds (ARSS 122)	Ev w
131	Merseytravel (ARSS 123)	Ev w
132	Barton Willmore (ARSS 124)	Ev w
133	London Gipsy and Traveller Unit (ARSS 125)	Ev w
134	College Development Company and Kennet Properties Limited (ARSS 126)	Ev w
135	Landscape Institute (ARSS 127)	Ev w
136	Heriot-Watt University (ARSS 128)	Ev w
137	The Theatre Trust (ARSS 130)	Ev w
138	Savills (ARSS 131)	Ev w
139	Fairview New Homes (ARSS 134)	Ev w
140	Chartered Institute of Housing (ARSS 135)	Ev w
141	Showmen's Guild of Great Britain (ARSS 136)	Ev w
142	Planning and Development Association (ARSS 137)	Ev w
143	Baker Associates (ARSS 138)	Ev w
144	Federation of Master Builders (ARSS 140)	Ev w
145	Worcestershire County Council (ARSS 141)	Ev w
146	Local Government Association (ARSS142)	Ev w
147	Thames Water (ARSS 143)	Ev w
148	Localise West Midlands (ARSS 144)	Ev w
149	CABE (ARSS 145)	Ev w
150	Dr Alastair Scott (ARSS 147)	Ev 2
151	Kent County Council (ARSS 149)	Ev w
152	UK Green Building Council (ARSS 150)	Ev w
153	Kilbride Four Ashes (ARSS 155)	Ev w
154	North West Regional Leaders Board and North West Regional Development Agency (ARSS 152)	Ev w
155	Beryl Metcalfe (ARSS 153)	Ev w
156	Bryan Jezeph Consultancy (ARSS 154)	Ev w
157	Kilbride Four Ashes (ARSS 155)	
158	Redcliffe Homes (ARSS 156)	Ev w
159	Prof ADH Crook, the University of Sheffield (ARSS 158)	Ev w

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–11

First Special Report	Beyond Decent Homes: government response to the Committee's Fourth Report of Session 2009–10	HC 746
First Report	Local Authority Publications	HC 666 (HC 834)
Second Report	Abolition of Regional Spatial Strategies: a planning vacuum?	HC 517

Oral evidence

Taken before the Communities and Local Government Committee

on Monday 18 October 2010

Members present

Mr Clive Betts (Chair)

Heidi Alexander
Bob Blackman
Clive Efford
George Freeman

Stephen Gilbert
George Hollingbery
James Morris

Examination of Witnesses

Witnesses: **Cristina Howick**, Roger Tym & Partners, and **John Baker**, Baker Associates, gave evidence.

Q1 Chair: Good afternoon to both of you, and thank you very much indeed for coming along to our first session on the abolition of Regional Spatial Strategies. Obviously, we are holding an inquiry into all the issues surrounding that. Thank you for the evidence you have submitted so far and for coming to speak to us. May I begin with a fairly general question? What was wrong with the RSSs? Was it just the problem of housing targets that upset lots of local communities, or were there other things that we ought to be glad to see the back of as well?

Cristina Howick: I think that politically there was a democratic accountability gap. There was a democratic void, and it was very difficult to support it, because they were not brought forward by directly elected assemblies, or whatever they may be. There are some things wrong with them technically; for example, they were impossibly complicated and expensive to do. I think there are things that perhaps could have been fixed in time.

John Baker: I think the reason people are concerned about them is that they represent an imposition; they impose something that in many cases is unpopular: the housing numbers. It now begs the question of whether the regions were ever a particularly useful thing to plan for. I am based in the South West, which is a strange region indeed. Other regions are more cohesive, I think. So as a functional area to plan for—they are not really functional areas—we need strategic planning but not necessarily for those types of areas.

Q2 Chair: So, is housebuilding the key? Was this the thing that really drove the abolition in your view?

John Baker: I think people would see a lot of good things in regional planning. Fundamentally, they meant making decisions where there was an unwillingness to make decisions, particularly about unpopular things. The very good thing about them was that they established strategies and dealt with the relationship between settlements and places, but the fundamental opposition has been because they deal with housing numbers, and many communities do not have the positive attitude towards provision for other people's needs that perhaps we need looking over the long term.

Cristina Howick: It is also true that housing numbers were imposed but there was not the infrastructure to

go with it. Congestion and other demands on infrastructure are caused by housing, but there was no mechanism for tying infrastructure to the housing targets.

Q3 Chair: You were hinting in your first answer that it might be possible to reform the RSSs rather than abolish them. Do you think abolition was the right course, or could something have been done to save them and make use of them?

Cristina Howick: I would not have abolished them without putting another strategic planning mechanism in their place. In my opinion, if one was starting from scratch one might go for sub-regions, including city regions, rather than the very large regions we have, but I think it is a bad thing to abolish them without alternative strategic, and transitional, arrangements.

John Baker: Some quite interesting things happened during the preparation of RSSs. Quite a few authorities worked together to make submissions. Four authorities were working together, typically the city regions, so there was some good sub-regional planning going on at the time. There was always a question with regional planning as to whether every part of the region needed sub-regional planning—it probably did not—but we now need an approach to produce strategic plans or to make strategic planning decisions for the areas that really do need such planning. Whether that is done with a new form of sub-regional planning with different areas or through working upwards, I am sure we will have some ideas on that, as you will be exploring.

Q4 James Morris: On an evidential point, did the RSSs, as implemented by the previous Government, lead to a greater number of houses being built, as distinct from being good at defining what the targets for the number of houses should be?

John Baker: Historically, probably they have not, but that is as much to do with the state of the housing market as anything else, so it has hardly been tested. In many places they established targets that were then taken on board through local development frameworks within their areas, so in due course, subject to issues to do with viability and infrastructure, they almost certainly would have led at least to land being allocated or identified through

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criteria policies for development to come forward. Therefore, it probably would have led to the housing numbers being delivered, or it would have been more likely that the housing numbers would be delivered than the hiatus we now have.

Cristina Howick: We have to bear in mind that RSSs, or any planning strategies, do not cause houses to be built but land to be provided on which houses can be built, which means it takes time for the actual houses to be built. We had not had RSSs for a long time; several regions had not adopted them by the time they had finished, so I think it would have taken some time and the economy would have had to recover for the positive effects to be felt, but looking ahead, I think yes.

John Baker: It is also fair to say that they had given a degree a certainty to the housebuilding industry, which may need to re-invent itself in any case, that there was a mechanism in place to plan for development. That was very important, and housebuilders and also landowners took that very seriously.

Q5 James Morris: Is there not an argument that the mechanism of the RSS itself created a disincentive in communities to build houses because of the remote lack of democratic accountability that was one of its central flaws?

John Baker: As I said at the outset, the sense of imposition was certainly played upon greatly by those who did not wish to see change in their areas, but RSS was looking long term, which is always a very difficult thing for communities to do, let alone to development for other people. Certainly, the opposition to development tended to focus on the RSS and its housing numbers. Whether or not it is a disincentive in that sense, those decisions still have to be made somehow.

Cristina Howick: The simple answer to your question is no, because I do not think the RSSs caused local people to oppose housing in their areas. One thing about RSSs that is often ignored is that housing targets were subject to an enormous amount of back-and-forth negotiation. They were not just a top-down set of numbers; we went back and forth endlessly in EiPs, submissions and so on, so it was not just one-way. What was just one-way was when the Secretary of State imposed something, which in my experience happened suddenly in the south west and east of England, but between the regional and local authorities there was a lot of two-way referral.

Q6 George Hollingbery: I am interested to hear that you characterise the EiP process of consultation as being two-way. My experience was that it was entirely one-way, and only ever upwards from the Secretary of State. To come back to the core of what we are asking about—the infantilisation of local democracy, which is the flipside of what we are talking about—it seemed to me that the lack of responsibility taken by local councils was used constantly as an excuse and took away any incentive for local councils to make the case for housing. I know plenty of councillors who were pro-housing, but democratically there was simply no margin in it because it was all coming from

the centre anyway. Is it possible that the abolition of RSSs and this framework will allow local people and local politicians to make the case for housing?

John Baker: I am sure that will be the case. In a way, it became the bogeyman; it gave people something to present as the problem and as a decision that was being forced upon them. As a practice we are already working with several local authorities on what the housing numbers should be within their areas. We are working with members in workshops and making the connection between the issues and their place, what they want to achieve through their corporate and community strategies, and what their priorities are, and then working on what development is needed to achieve that and what it means in economic terms and housing numbers. We are already establishing that, and I think we will see quite a lot of it. As you say, some authorities will certainly take ownership. Some authorities have taken ownership in quite the opposite direction by slashing the numbers and hoping to get away with it, but there is an incentive process going on in that way, yes.

Cristina Howick: There are two points. First, it seems to me that some authorities are going for higher housing targets and are encouraged to provide more housing by the abolition of central targets; in my experience, which is only anecdotal, that is considerably outweighed by authorities that are going for less housing. I also think there is a problem in principle with local communities having entire control of the number of houses. People and families are not fixed in any one place. There are very good reasons why housing need and demand is exported from certain areas to others. For example, I work a lot in Northamptonshire, and the town of Northampton is very constrained physically. For very good reasons, the previous arrangements planned for overflow from Northampton into neighbouring areas. There are also good physical and other reasons for that. It seems to me that under the present arrangements there is no mechanism, other than voluntarily, for people to move out of Northampton and into South or East Northants. I do not think it is right for communities to have sole control over the housing in their areas because people move house across local government boundaries. I think that is the main problem with it.

Q7 James Morris: I just want to go back to the point about rates of housebuilding. Can you remind us in which of the past three decades we have seen the highest rate of new build, and why? I am reminded that we had a recession in 1980; one more or less in 1990; a blip in 2000; and a big recession now. It has been an almost decadal recession.

Cristina Howick: I am sure that the most recent decade has been the lowest because we spent a lot of time looking at a graph with a big drop. I imagine the middle one was middling and the earliest one was the highest, although I do not have the numbers with me. I think a good part of the reason is that from the 1980s onwards public sector housebuilding—you must have seen the graph that shows the private and public sectors separately—fell considerably. It started about 30 years ago, or something like that. I think there were two reasons: one was the change of political control,

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and the other, which is not political, is that the very high rates of slum clearance stopped for many quite good reasons. We pulled down a lot of houses and built a lot of houses, and then we stopped pulling them down. There are also economic cycles on top. In summary, I do not think it is so much to do with planning regimes as these other factors.

Q8 Heidi Alexander: I should like to move on. I expect we will come back to some of the housing issues. Specifically in terms of planning policy, I would be quite interested to have your views on the consequences of the revocation of the RSSs in planning policy terms.

John Baker: It is polarised. There are perhaps three sides to it: there are those who were never really going to do a great deal in their areas, and still are not doing a great deal and now have a different excuse; there are those who want to get on with it and very much take the locally determined view that it represents lower provision; and there is another group—at the moment various people are doing surveys of these things—that is trying to crack on and do something different in a well-informed way and take this as a positive opportunity. I think those who see it as a positive opportunity will begin to emerge quite strongly. I will not dwell on it, but to me the fundamental thing in all this is whether authorities or decision makers working with their partners take heed of the evidence in terms of housing need and the way their areas work. The fundamental issue is that the consequences of what happens will be whether they are obliged to have regard to that evidence through whatever processes we have in place. That will be the biggest single test of the consequences of the changes.

Cristina Howick: I think less land will be allocated for housing and, other things being equal, less housing built. That will be particularly the case in areas of high demand and constrained supply, so there will be a geographical effect. A lot of places in the north will aim for more housing land. Often there are areas of low demand where the actual houses will not be built—in some of the more affluent areas I think less housing will be built—and there will probably be a poorer match between housing, employment and infrastructure. I say that because I think that that match happens at a sub-regional scale. People and firms are not interested in local authority boundaries very much, so all these processes of bringing it together, which is the main function of planning, must happen at a higher level than just the individual local authority.

John Baker: I think a high proportion of development will take place in smaller settlements and more rural areas. That is the way it has always tended to happen without decent strategic policies in place, and I think the combination of market enthusiasm reflecting people's choice and preferences and the willingness of authorities to promote development, or at least accept it, in smaller settlements will lead to that. It is the kind of thing the RSSs were trying to shift away from, in effect, with the compact city model. We will get more development in smaller settlements in more rural areas, which may be good for the communities of those rural areas but probably will not be

enormously good for travel demand and how trips are made, and hence the knock-on effect on climate change and all those things.

Q9 Stephen Gilbert: Cristina, you said that there is likely to be a poor match between housing, employment and infrastructure. Would you go as far as to say that it might undermine or damage the country's ability to generate economic growth and drive its way out of the difficult times we are having?

Cristina Howick: I think so, yes. I do not think this is the main factor. One can overstate the power of planning. Planning does not create demand and economic activity but it can do a lot to stop it, so it can be very damaging. There is a danger that this will be a real barrier to economic growth. I see it in my day-to-day work in areas where there is a lot of potential but lack of infrastructure obstructs it.

Q10 Chair: Immediately, on this very narrow point, some authorities are indicating that they are now confused about where they stand with regard to their LDFs because they are predicated on the fact that there is an RSS that gives them certain things they must achieve. Are you already identifying some authorities who say they have an LDF but they have to go back and revisit it?

Cristina Howick: Yes.

Q11 Chair: Or are they saying that they are trying to consult about an LDF and that they will have to change what they are consulting on because the basis of it is now flawed and the RSS is not there to underpin it?

John Baker: Yes. We do a lot of work with the Planning Advisory Service, which is one of the Government bodies that supports local authorities in producing plans. We get this all the time. Again, it is both things. This is a positive opportunity and some authorities are cracking on with it; others are delaying and some are reviewing. But those that are reviewing are going back a step and thinking it through, developing the evidence to justify the strategic decisions, and in particular emphasising economic-led development, looking at economic potential, thinking how it works through in terms of labour force and all those things, and using that as a basis to drive forward plans. Some good examples are beginning to emerge, as well as authorities embracing real neighbourhood planning—real bottom-up stuff as well as the top-down stuff. There are definitely some who are delaying for good reasons and some who are delaying for bad reasons.

Cristina Howick: I agree with all that, but I think some are also delaying because of lack of skills and because of confusion. Inspectors and common sense require reasoned evidence for things like housing targets. It is not straightforward. Economic and employment targets are even harder. A lot of officers have said to me over the past few months that they simply do not have the skills and resources to do what they are now expected to do.

Q12 Chair: But that is not a consequence of the change, is it? Was it not the case before?

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Cristina Howick: I think it is harder when you have to make your own housing and employment targets and try to co-ordinate with your neighbours. It is quite complex. There is quite a big skills gap.

Q13 Heidi Alexander: Among those authorities that are perhaps delaying or stalling certain plans within their LDFs, how have you picked up any uncertainty among developers about not moving forward with particular planning applications? What are the knock-on effects in terms of that stalling taking place in the LDF process?

John Baker: There is no question about that. Going back to the answer to the previous question about the effect on the economy, there is uncertainty among decision takers. We can all say that planning is not terribly important, but in the world in which many of us operate, decisions about development that have implications for the economy are definitely not being made. There is just uncertainty. We often hear people say that they hear the arguments but will wait for the Bill, so at the very least I think there is a hiatus in almost every sector. The combination of the forthcoming cuts and uncertainty about planning is definitely creating that. I say that some authorities are stalling, but some are doing so for a good reason; they are simply going back a bit, sorting it out and then carrying on. They are reviewing it and working forward with a better evidence base. However, there is no question but that developers, landowners, housebuilders and people in the commercial sector are simply waiting to see.

Cristina Howick: I think that a lot of developers have quite a stark choice between waiting and appealing. My experience is that quite a lot are going for appeals; they apply for planning permission rather than wait for allocations. Although it is a cliché, I think there will be quite a bit of planning by appeal, which is expensive, and does not do a great deal for consistent and rational planning, because it just adds to the uncertainty and general instability of things. A lot of them are working on appeals.

John Baker: We used to be planning consultants; now we provide a counselling service. People just come and ask us what we think will happen. They go off and wait and see for a bit. A lot of things are “hovering”.

Q14 Bob Blackman: On a narrow point, what evidence do you have of developers now going for appeals on the basis of non-determination, as opposed to the determination of planning applications? Has that increased as a result of this?

Cristina Howick: Anecdotally, yes. I have not had much personal experience of appealing on non-determination, but at the moment a few of my clients are looking at it.

John Baker: I think “looking at it” is the point. Again, anecdotally from the people we work with and what we pick up—I do not know what the statistics are from PINS—a lot of people are talking about that and tending to wait and see what the Bill says. Whether that will add any clarity I do not know, so I think they are waiting to see.

Q15 George Freeman: I want to ask about the possible gap that may emerge between local planning and the national infrastructure—the big stuff. For instance, in my own area, East Anglia, I am excited by the prospect of the Norfolk plan getting back to some local planning in Norfolk, but there are issues around Norfolk, Cambridge and Suffolk, the regional road and rail links, growth around Cambridge and how you spread it out. I invite you to comment on how under this model, for better or worse, you see those regional aspects being dealt with going forward.

Cristina Howick: I think there will have to be sub-regional agreements, co-operation and joint working between local authorities in places like that. One hopes they will be under the umbrella of LEPs. In my experience this kind of sub-regional co-operation can be very fruitful, but the problem is that it is very unstable because these are voluntary arrangements that depend on local by-elections, the preference of individuals or who happens to be a cabinet member in a particular year. These things will happen because they must happen, but the obstacle is that they are quite unstable. I would like to see an arrangement in the new legislation that makes these kinds of arrangements long term or permanent, or creates some commitment to them.

John Baker: For all the reasons you have already talked about, it is absolutely fundamental that we have strategic planning and the means to make strategic decisions as well as reflect local interests and concerns; and we also need, as we always have, some kind of top-down and bottom-up arrangement. Given the hiatus we are already in, I am exceedingly nervous of anything that waits for a new system. Authorities can work jointly. There have been some very good examples, including Northamptonshire, where there was a joint committee and so there was joint decision making. Where authorities do not have joint committees, but individual decision making, it tends to break down when things get difficult. That has been our experience and, heaven knows, we know some of those areas.

To me, fundamentally we need sub-regional planning of some sort; I guess we need city regional planning. I do not think we should wait and create new areas, not least because we are not really into local government reorganisation. There is no area that is best for everything, and everything you look at has different sorts of areas. My strong preference would be to carry on making plans for the areas that we are already dealing with because people know them and are familiar with them, and we have the benefit of only one level of planning, which we have not had for a very long time. We have had a great deal of waiting to see what the others would do and for the other level to get sorted out. When we had three levels of planning it was hopeless and local plans were never produced at all.

If we had one level of plan for all the recognised districts we have already, and a very clear, strong and biting obligation on those who make the plans to have regard to the evidence, including the evidence that reflects the role of those places within functional areas, I think we could crack on very quickly indeed. It took a very long time to get going in 2004, mainly

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because of the lack of capacity and imagination on the part of those charged with the task, as well as a lack of political commitment. We can almost do what we need to do now provided things like some of the key wording in PPS3 stay in place and there is a clear, binding and—as I say—biting obligation on authorities to have regard to the evidence.

Cristina Howick: There is a very big danger, which has affected RSSs very much, of endlessly thinking about what the exact boundaries and composition of sub-regions should be. One can see it a little bit in the bids for LEPs. There are different versions. Kent is in two LEPs and some other places are probably in three or four. John's own region, the South West, is an example of that. The provisional South West RSS has about six different types of sub-region, with fuzzy edges. It does not matter hugely where the sub-regions are. Some are obvious, like Greater Nottingham or Greater Manchester; some are less obvious. Everything has edges, so none of them will be perfect. I think one should take reasonable sub-regions and city regions and just get on with it, so I agree with you.

Q16 James Morris: Cristina, you said at the start that one of the weaknesses of RSS was its lack of democratic accountability. If you take the area of the world I represent, the Black Country in the West Midlands, is there any particular reason why the four local authorities in the Black Country as a grouping should not be responsible for making planning decisions related to the entire Black Country?

Cristina Howick: Are you asking why they should or should not?

Q17 James Morris: Why they should or should not.

Cristina Howick: I think they should work together. I have worked with these authorities a lot and I am aware that co-operation has not been without difficulties. I think there are very good reasons why they should work together, simply because it is a very large urban area which hangs together a great deal economically and physically in terms of journeys to work, house moves and so on, and things which are decided in West Bromwich affect Walsall, and vice versa. One principle of democracy is that the constituency of an authority should be formed roughly of the people who are mainly affected by its decisions.

Q18 James Morris: But I am struck that you seem to be quite relaxed about the fact there are fuzzy boundaries around this. Is there any particular reason why, for example, the LEP vehicle, which may be quite diverse, should not be used as a mechanism to make supra-local planning possible, to use an interesting phrase?

Cristina Howick: I think it could be, and I hope it will be. I am worried that it may not have sufficient planning powers and may not be sufficiently stable, but I hope it will be, and it certainly should be.

Q19 James Morris: In some of the evidence we have received there seems to be tension or worry about the fact that the Government does not want to issue

guidance, set the parameters, and determine and dictate. Is that a concern you share?

Cristina Howick: It is a concern that I share because I think it is right for the Black Country, North Northamptonshire or wherever it may be to take decisions jointly, but the decision on what these areas are—in order to be consistent across the country—should be taken at a higher level, albeit with consultation. I think the decision on how you parcel up the territory is one that affects all parts of the territory and therefore it should be a higher-level decision, in the same way that decisions about the Black Country economy should be taken by the Black Country, but decisions about Walsall's local swimming pool should be taken in Walsall.

Q20 George Hollingbery: Is that by approval or diktat? You make a proposal and you are the one in the end—

Cristina Howick: I think by consultation. I do not think anything happens by diktat because without consultation you do not know enough and the decision will be badly informed; it will be a bad decision.

John Baker: The fundamental thing is that decisions get made at the right level. To me, that is the “localism” thing; it is almost subsidiarity and it is locally determined, but the elephant in the room is what happens if the decisions that need to be made, which arguably are sometimes quite difficult, do not get made? In my time in planning that has been the sort of cycle we keep going through. How do the difficult decisions get made for the wider interest, the public good and all that—which is what planning is all about—if people are not prepared to make decisions that need to be made or address them? Is there some kind of safety net, backstop or whatever?

Cristina Howick: Perhaps another reason for central decision making in some areas is that people simply do not agree. In the example I mentioned, Kent would like to be in an LEP with Medway but Essex would like to be in an LEP with Kent. I think you need a referee, and the decision, like all decisions by referees, should respect certain principles of consistency.

Q21 George Hollingbery: You are saying that Mr Pickles has to get out his whistle?

Cristina Howick: Yes.

Chair: We shall suspend for about 15 minutes to allow us to go and vote.

Sitting suspended for a Division in the House.

On resuming—

Chair: I am sorry for these necessary interruptions in parliamentary life. We would now like to move on to the impact on housebuilding specifically of the abolition of the RSSs.

Q22 Clive Efford: If we build only to meet local need is there any possibility that we will ever meet the national need in terms of housebuilding?

John Baker: I think it depends on how you define local need. We have a situation where planning authorities looking only at their administrative areas may not be able to take certain decisions. How do you see local need? There is local need in terms of changing population structure with births, deaths,

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different household size and all that stuff, and there is development arising from the changing economy, the nature of a place and migration. Therefore, local need in terms of just the changing structure of the population would not address the kind of mobility that we are used to in this country, for good or bad; that is, the expectation that kids can go off and live somewhere else if that is where the economy takes them, so we would not be addressing that issue at all. Fundamentally, the thing that worries me most looking at the city regions approach is that if authorities try to define what arises as need only within their administrative areas it means we just cannot tackle the issues that arise for a city, for instance, because we will not be able to address that need right in the heart of that urban area. We may have to accept some of that growth and spread elsewhere. That will be the fundamental issue and, as I say in my evidence, that is certainly happening in the city where I am based.

Cristina Howick: If we took a simple view, and said that local need was represented by people who are from that particular locality, and that everyone from South Bucks, say, stays in South Bucks for ever. Even in that narrow meaning you would not meet the local need because some places do not have the physical or environmental capacity to meet their local needs. For example, Watford's local authority is very tightly bounded; the area is all built up. It does not have the capacity to meet its own local need, so you hope that you can meet it in Hatfield, Hemel Hempstead and neighbouring places. In that simple sense it is not possible for all local needs to be met; it will not add up because people have to go from Watford to somewhere else, especially as the population is aging and households become smaller, so even for a stable population you need more dwellings. The other thing is that it would not be efficient for all places to meet just their local need because if the economy is to function properly people need to be able to move about. It is not really efficient for everyone who comes from Watford to stay in Watford forever, because some places are growing and others declining.

Q23 Clive Efford: Can I summarise your answer as, "No, it is not possible to meet national need"?

Cristina Howick: I was trying to explain why, but maybe in a confusing way. I think it will be very difficult.

Q24 Clive Efford: But your answer is "not sure"?

John Baker: I am absolutely certain we cannot meet national need. I was merely wondering what you had in mind by "local need". The fundamental issue here is where administrative areas are drawn and they do not relate to the way places work.

Q25 Clive Efford: Should we be worried about revising down the provision of housebuilding in local plans if that is what reflects local need?

Cristina Howick: You should worry about it a lot.

John Baker: I am certainly worried about it.

Q26 George Hollingbery: I think that to talk just about local need and define it absolutely as how many houses we require for one little local planning authority is a very narrow argument, and plainly I would have thought that what the LEPs are there to try to generate is some sort of democratic replacement, or subscription replacement, for the development agencies which we had previously. If those work properly, presumably they inform the planning process locally, and they have some planning input into the local authorities and there is some joint working in the area. My own experience is very optimistic. PUSH—the partnership for urban south Hampshire—is in my local area. We got 11 authorities together; we planned local development and the local economies, and we got the number of houses agreed. It seems to me there is a rosy future out there for localism pushing upwards and joining things together.

John Baker: But there is a culture of that in that area, is there not? That is the way the authorities have worked for a long time. Authorities will realise that their future is best provided for by working together, but certainly not all the LEPs coming forward at the moment see it like that. Authorities have put LEPs in on the basis that they do not want to miss out on any infrastructure money that might be knocking around after the RDAs go, but certainly not all of them address that genuinely joined-up, strategic approach to their areas.

Q27 George Hollingbery: How much of this is to do with the fact they are so used to being told what to do they cannot imagine that they are now in charge? That is what I am really curious about.

John Baker: I doubt that's it. There are local political forces in many areas that simply see their future as not going with unpopular decisions.

Cristina Howick: PUSH is a very good example of an exceptionally successful sub-regional arrangement. I think it happened partly because the RSS identified that area as one that should plan jointly. I do not know whether it would have happened quite like that otherwise. I come back to the lack of a referee to enforce a decision that is collectively rational but is not best for each constituent authority. To take John's patch, if Bristol is to export some housing need into South Gloucestershire or Bath and North-East Somerset, this is good for Bristol but maybe not so good for the people who are already in BANES, but what the referee will say is that collectively for the wider area it is a good idea for some people who would like to live in BANES, but who at the moment do not live there, to have rights. I think the problem is that without a referee where everything is entirely voluntary there is no particular reason why it should necessarily persist because it goes against some people's interests.

Q28 Chair: You mentioned LEPs. Are LEPs the vehicle you see as acting as a sort of supra-local planning organisation? If LEPs, or whatever else might be created on a collaborative basis, do not work and there is not agreement, does there have to be the ability somewhere for somebody—the Secretary of State—to intervene?

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John Baker: They may evolve into that. At the moment I do not think it has been made clear by the coalition Government what it intends LEPs should do, and there are different stories about that. Groups of authorities that have got together to create LEPs have definitely gone for a different basis. There is no national coverage, and there will certainly not be if the number of LEPs that we hear are to be created is right. We know that in the north west there is a LEP proposal from the biggest landowner in that area, not the local authorities at all, and some of the infrastructure providers are talking about creating LEPs. All sorts of things are going on. It is not yet clear.

At best, LEPs are an example of authorities recognising there are some things they should tackle strategically, and should be seen to be willing to tackle strategically. Infrastructure and possibly the economy are the key things. I am not aware that LEPs have been put forward particularly on the basis that that is the mechanism to determine the housing provision or in terms of scale or distribution, and it is not yet clear that authorities will be told that that is what LEPs are for. We wait to see. But I am certainly aware of examples where there is a complete polarisation between what is said in the LEP and what those same authorities are getting on with, such as through their core strategies, which is a different statutory decision process. They are at odds with each other. Therefore, something like the LEP could be the right thing but it is some way short of it as we stand.

Cristina Howick: I think it would help a lot if there was a reserve power to intervene, but the intervention cannot be just capricious; it has to refer to certain rules and principles, and we need to write down what the powers of LEPs are in the area of land use planning or special planning.

John Baker: You talk about the power to intervene, and in a sense that is almost exactly what we are trying to get away from, namely that of course there is local determination and as long as you decide the right thing you can be left to do it. Why I said we have most of the mechanisms in place already is that I have great faith in a system—it has taken us a while to get there—where we have to justify the planning choices we make through development plans by reference to evidence and particularly through engagement. If we take forward those kinds of principles, ensure that plans demonstrably reflect and address the evidence about how their place works and fits with other places around them, and inspectors, as at the moment, are obliged to consider that in making a decision on whether the plan is sound in technical terms and whether it should proceed as the basis for statutory planning in their area, that would take us a very long way towards what we need without inventing anything else, creating new areas or creating draconian measures by any party.

Cristina Howick: You would have to ensure that cross-boundary needs count as needs as part of the evidence, which I think takes you some way towards having a referee, because who is to say across what boundary the need counts?

John Baker: The basis on which the RSS was put in place was that it told all authorities what other

authorities around them would have to do so they knew how to proceed. Now authorities will have to work on the basis that they acknowledge what the needs are within the place where they happen to fit by some quirk of history with their administrative boundaries and how they responsibly create a plan for that place and its fit within the wider place.

Cristina Howick: But there is nothing in the evidence directly to tell you whether surplus population growth in Bristol should go towards to Bath or Gloucester. The evidence does not tell you that.

John Baker: No; I think it does, Cristina.

Q29 Stephen Gilbert: You referred to engagement and advocacy. Is it not arguably the case that many local authorities use the targets in the RSS that are very evidence-based? Is it the case that perhaps they saw them as drivers of their future economic growth but did not go out there and convince their communities that they were right, and did not act as advocates for the numbers that were there and the change that was necessary?

John Baker: That is entirely true. We know of members who have done quite the opposite; they have used the RSS as the threat from which they are protecting their communities. More particularly, if you engage with people and have real deliberative sessions around information about what housing is for, since we are talking of housing, the changes that are coming in the population and the needs of their families and the community round them, not just talk at huge public meetings with a mob that is already in an entrenched position—and resourcing it will be an issue—you get a completely different response. Certainly, you can do that with people in the area; you can do it with the members. We have run loads of sessions where there are incredible aspirations for the economy and totally different views on what housing should be. You work it through and come out with a completely different view at the end of it, which is that you can see how an integrated plan for your area should work and how housing within that has its role. That is a very demanding process, which authorities have tended not to do, I am bound to say, but may learn to do in future.

Q30 Clive Efford: I am still not clear how we resolve the dilemma of what is national need against what is desirable locally. Is there nowhere in the future planning system as you see it that would say to an area that it has the land available and therefore it must have more housing in its area than it is planning for?

John Baker: To me, that is the RSS approach. We can work out a figure for the country in 20 years' time and then distribute it. In the old days it was done by way of least resistance, and under RSSs there were slightly more planned and sustainable patterns. To me, it is about places and how they work in the future, what the expectation of development within those places will be and how many people will want to live in that area in the future, recognising that people move around, the way the economy works and trying to plan for that place or groups of settlements without administrative boundaries getting in the way. If a city needs development then the best place for that

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development that can be satisfactorily achieved within the settlement is the most accessible locations on the edge, but if those edges happen to be somebody else's patch that is where the problems arise.

Cristina Howick: In order to meet national need you need a mechanism that sometimes forces cross-boundary need, as it were, on authorities. I think you have to do that; I do not see how else it can add up.

Q31 Clive Efford: I just wonder whether there is something in your evidence I do not understand. Perhaps you would explain it to me because I might be missing something. When you warn about local authorities' own interpretations of localism you go on to say: "If left unchecked, the consequences will be felt in increased housing need, the inability to deliver infrastructure, and the constraint of economic development." You summarise it at the end by saying that, "Unwanted paternalism cannot be replaced by undesirable parochialism." That is quite a strong statement; it suggests that a national framework is the final arbiter. Is that not your position?

John Baker: A national framework would help us get there, but it would have to be quite a detailed one and we would be back to regions and sub-regions, and how would we put that in place? I continue to think that the fear of trying to create such a structure is that we have another great hiatus while we put that in place with the legislation required, possibly drifting towards local government reorganisation, whereas if local authorities now have to address their role in relation to their neighbouring authorities we come back to the cities, which are to a large extent the economic drivers for the country. The housing needs as well as community needs in a city—I keep coming back to Bristol because I live there—will simply not be met by the sum of the authorities that try to claim that all the housing required in their patch is some trick of births and deaths within their area, or that they can accommodate it within their area. It simply does not add up. If I spend time on it I can give you the figures for what is emerging now in all the Bristol core strategies, and it is very many tens of thousands less than all the evidence suggests that city will require in the future.

Chair: We move on now to the new homes bonus.

Q32 Stephen Gilbert: The Housing Minister has talked about the acute crisis we face in housing in the country. The coalition has come forward with the new homes bonus. How effective do you think that will be as a mechanism to drive housebuilding in the country? If not the new homes bonus, what other mechanism do you think may be successful in driving that process?

Cristina Howick: There is a lot of detail about it that we do not know, including the total amounts involved, so it is hard to answer the question. In the end it is about numbers and we do not know them. With that reservation, it is bound to help and be a positive thing, because there is opposition to new housing in many areas. It is bound to work in the right direction. My feeling from what I know about the numbers is that it may not be nearly enough, because to make a big difference it will require a lot of what in effect is public expenditure. As I say in my evidence, it is a

very blunt instrument. The subsidy per house is not at all related to the severity of need or the extent of cross-boundary need, or to the infrastructure requirements in a particular place and so on, so I think a regional or sub-regional planning process tries to be a smarter instrument than just this kind of very simple mechanism. In summary, I cannot see it being enough and it is very rough justice, but it is much better than nothing.

John Baker: We really do not know a great deal about whether it is new money and who in the community gets the money. Is it the local authority or the communities? I find it unconvincing to imagine that local authorities that have opposed a development for a long time will go back to their constituents and say, "You remember that development we opposed? Well, we are now going to have it because it's our development and you can get a swimming pool." If there is money that can be spent in that way, I would go back to the point made by Cristina at the outset, which is that there is real concern about the gap between growth and infrastructure. If there is money that can be directed towards areas taking development it ought to be very clear to local authorities working with their business partners that those are areas—if the development is planned for and takes place—that will be prioritised in terms of the infrastructure required. The RSSs were going there; they were the first serious attempt to connect through spatial strategies infrastructure provision with other forms of development on a serious scale. If that was where we went in future and it was clear that growth meant priority for the necessary infrastructure, albeit from limited funds, I think it would make sense, but I am very nervous of the kinds of ideas around at the moment.

Cristina Howick: Another thing about the new homes bonus is that those places that are under great pressure from housing demand and a lot of opposition to development are, on the whole, places that tend to be pretty affluent, so a small reduction in the rates in Guildford or Winchester probably will not make a huge difference, whereas if you live in Bolton you might welcome your rates going down a bit but then your local authority is keen on housing anyway, and there is not the demand. I think it is regressive in terms of where the effect falls.

Q33 Stephen Gilbert: On that very last point, Cristina, I represent a part of Cornwall that has huge amounts of housing pressure but as a community is still very poor. I do not understand why infrastructure needs have not been dealt with traditionally under section 106 agreements, as I understand it. If we are talking, as we did earlier, about the failure of community leaders to advocate housing, what the new homes bonus may give them—I should like your comments on this—is an opportunity to say, "You will get the infrastructure, the road, the school—whatever—but also this facility which is your buy-in to this scheme." You do not think that will work?

Cristina Howick: I think it has to be a lot of money, and it is a bit approximate.

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John Baker: I think local authorities would buy that to some degree—I know Cornwall quite well—if there was a clear connection between the development and the infrastructure and it was understood that the infrastructure would come, which I think is different from what is proposed at the moment. As the money has rather haemorrhaged from development I think we are also getting better at extracting money through a refined and revised version of section 106; I should also refer to the past proposals for the community infrastructural levy and the current ideas for local unified charges. All of that stuff is a sophisticated move from what we had and could be very useful indeed. I might add that it all goes back to evidence in development plans.

Cristina Howick: Also, the reason why it is difficult to collect enough section 106 agreements in the poorer parts of Cornwall is that development is at the margin of viability anyway, so you get another sort of regressive effect. There is no point collecting so much in respect of section 106 if the development is not viable. It would not be legal to ask for that much, and in any case you could not do it.

Q34 Bob Blackman: Are you saying that the new homes bonus as currently envisaged should not be universal but concentrated on particular areas where there is a clear need for housing and local authorities are being resistant?

Cristina Howick: Yes. The system I would like to see is one of targets at some level that is strategic rather than local and is backed by the bonus, so an authority could say, “We would like you to build some houses near Keynsham, or wherever it may be, and you will be compensated for the resulting infrastructure costs.” That can happen through tax equalisation mechanisms and all kinds of things.

Q35 Bob Blackman: But would that not lead to the Government being accused of putting more money into affluent areas that were resistant to housing where there was a need, compared with areas of deprivation?

Cristina Howick: That is why I think it would need to be combined with another element. I come back to my “referee” metaphor, because I do not like compulsion. That is why I think you must have an element of collective targets as well as compensation. I do not know whether Guildford is a good example, but you would say, “You need to provide this amount of housing and we don’t think you need a lot of subsidy for it, if any,” but in Cornwall you would say, “Well, you are required to provide this and you can have a subsidy for it.”

Q36 Bob Blackman: But would not another effect be that people would say that the way to get this money is to become resistant to housing, which is how they would then get a reward?

Cristina Howick: No. That is why you do not get it just for being resistant; you get it for being poor. How resistant you are should not make any difference.

Q37 Bob Blackman: So another solution is to make everyone poor? If we take away all their money so they become poor, will they then accept help?

Cristina Howick: I do not think you can take away all their money.

Q38 Bob Blackman: I can tell you there is a very easy way.

Cristina Howick: No; that would be unacceptably centralist. It would be a burden on central Government that would be entirely unacceptable. We cannot do that.

John Baker: We have to be clear what it is we are doing? The fact that some areas need regeneration do not have the development values that attract development is a different issue from properly funding infrastructure where new development is taking place and the infrastructure needs grow, which is different again from basically buying off resistant authorities or communities. We have to be very clear what we are doing, but among that somewhere there are perfectly reasonable mechanisms for achieving developer contributions—

Q39 Bob Blackman: Is it your view that the Government should look at funding particular regeneration schemes on the back of new housing development so they put money into regeneration that would otherwise not take place?

Cristina Howick: Yes, but it should in no way be dependent on how awkward or resistant the authority is; it should be dependent on other normal criteria.

John Baker: It will definitely continue to need some kind of intervention and support, which might have the interesting effect of reducing the flow out of those areas and into areas that do not want the housing, so we come back to the whole “mobility” thing. Greater economic stability and reward in parts of the country will certainly change the geography of the country again.

Chair: Thank you very much for the very detailed nature of your answers. I am sorry we have kept you longer than we had intended.

 18 October 2010 Catriona Riddell, Malcolm Sharp and Miles Butler

Examination of Witnesses

Witnesses: **Catriona Riddell** and **Malcolm Sharp**, Planning Officers Society, and **Miles Butler**, Planning and Regeneration Committee, Association of Directors of Environment, Economy, Planning and Transport, gave evidence.

Q40 Chair: Thank you very much. I am sorry to have kept you waiting longer than was initially intended. Welcome to the Committee. For the sake of our records, to begin with could you please identify yourselves and say whom you represent?

Miles Butler: I am Miles Butler and I represent the Association of Directors of Environment, Economy, Planning and Transport, which is an organisation of those directors in principal authorities with responsibility for that broad range of activities.

Malcolm Sharp: I am Malcolm Sharp, junior vice-president of the Planning Officers Society, which represents planning officers largely in local government.

Catriona Riddell: I am Catriona Riddell and I am the strategic planning convenor for the Planning Officers Society.

Q41 Chair: Thank you very much indeed. To begin with, can you tell the Committee of the immediate consequences in planning terms of the abolition of the RSSs? Can you give us one or two examples of the impact on the ground that people are experiencing?

Malcolm Sharp: Shall I kick off with that one, Chair? There is no doubt that there has been some delay and a vacuum. It is clear that fairly quickly about 70 councils halted their development plans, reduced their housing numbers or postponed local planning inquiries, so there is no doubt that it created a hiatus. I assume you will hear from some of the housing organisations later, in particular from housebuilders and the National Housing Federation, who will give you more precise figures that have come out of their research, but in the interim period since the announcement I understand that a considerable number of houses, maybe as many as 120,000 or 130,000, allocated in local plans have been deleted. Clearly, the impact of the abolition of the RSSs has been a significant diminution in the potential housing stock coming forward or having land allocated for it. From the point of view of those of us who have responsibilities for providing infrastructure, one of our clear concerns is that the very solid framework that was there to enable bids for resources, to develop potential cases for developers to contribute towards infrastructure and so on, has been weakened. There is no question about that in my mind. The important point is to move on quickly from where we are now to something where there is greater certainty and ensure that, at a strategic level, strategic spatial planning has a proper place in the new planning system.

Miles Butler: The word I would use is “uncertainty”; it has created some uncertainty at the moment, but I would not want to dwell just on housing targets. Clearly, within the RSS there was a raft of policies that were useful pegs for the provision of infrastructure—water support and all the rest of it—and I would certainly agree that the thing to do now

is to move on quickly. I think that rather than planning being the problem, as you heard a little while ago, it can be part of the solution here. The RSSs were not necessarily the correct areas to do strategic planning, but the most important thing is that we have some strategic planning as we move forward.

Catriona Riddell: I have a couple of final points to make. To build on the investment side of things, the one thing that RSSs and the evolved version—the new regional strategy that was to come in in their place—did was to bring spatial planning and the investment and economic development side of things much closer together. That also provided a proper statutory framework for long-term investment in infrastructure at a strategic level. Investor confidence is one of the issues. Having said that, I do not think that is necessarily because it was at regional level; that could have been done at another geographical level. It is about good, proper strategic planning bringing back investor confidence. The other area where a quicker transition would help is that there is a large number of other policies in RSSs. Because it was a two-part system you had RSSs in the LDFs. A lot of LDF local authorities did not duplicate policies that were in the regional strategy because they did not need to, and in stripping away the whole of the RSS, there is now a policy gap in LDFs because they relied on policies that were in the other part of the development plan.

Q42 George Hollingbery: I note that in point 1.6 of ADEPT’s submission it talks about strongly supporting strategic planning, which is the conversation we are now having. Do you think that to have effective strategic planning we need to impose it, or is it possible for it to accrete by volunteering and by federation?

Miles Butler: It is possible for it to accrete, but it relies upon those involved in developing it from the bottom up really owning the key strategic issues. If we are to pursue that line it is vital that the duty to co-operate that has been mooted for the Decentralisation and Localism Bill has real teeth and enables those authorities that are required to work together to create a strategic vision for a sub-region to work with a genuine will to tackle the real strategic problems of that area.

Q43 George Hollingbery: By definition can such a duty to co-operate have teeth without the structures being there to impose it? If a region decides not to federate, who has the teeth?

Catriona Riddell: You mentioned the PUSH example. In a previous existence I was director of planning for the South East Leaders’ Board as part of the regional regime. PUSH emerged before the RSS. It was a collaboration of local authorities identifying an issue; it was about economic regeneration. There are some other very good examples throughout the country where things like that happened before the RSS

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emerged. The RSS gave it teeth not because it was regional but because it was a statutory strategic planning framework, which meant it was binding on the Environment Agency. A whole load of other organisations and investors needed certainty that something would happen in south Hampshire and that statutory framework provided it.

Q44 George Hollingbery: To nail it down, what I understand from all of you is that basically we need a smaller regional version of the RSS sitting there with an authority of some sort at regional or sub-regional level.

Catriona Riddell: If it is 100% accountable to local authorities.

Q45 George Hollingbery: Is that just a matter of having local authorities vote people on to it?

Malcolm Sharp: Perhaps I can give you an example from my day job. In my day job I work for Huntingdonshire District Council as a strategic director, but that is part of the Cambridgeshire area. There is a whole history of co-operation among Cambridgeshire authorities with the county council, for example. Post-RSS we recognised that in that immediate vacuum we would be under threat unless we put something back together very fast. Therefore, the authorities have put together a joint statement. At the moment it is not statutory because there is no way to do that, but it will go around all the authorities and be adopted by each local planning authority in turn, which at least for the moment gives us a measure of certainty to the development industry and others.

I am sure that in future that could be considered to be a material consideration even though it is not statutory. In good time you could put those bits of the document that are relevant into statutory local planning through core strategies, but that will take time. There are alternatives to things being statutory, but clearly having statutory weight would in the end be the surest way.

Q46 George Hollingbery: To be absolutely clear, for waste, travellers, infrastructure, minerals, logistics, flooding and so on and so forth, your view as professionals is that there has to be a formal, rigidly imposed structure from the centre?

Malcolm Sharp: No, no.

Miles Butler: Not in those terms. We must not forget that the RSSs, or the proposed policies within sub-regions, were created largely by the voluntary groupings of local authorities coming together. Under the old arrangements the principal authorities, the upper tier authorities in two-tier areas, and the unitary authorities, had a duty to prepare the first draft proposals for the RSS for those sub-regions. By and large, they did that in voluntary co-operative groups. To take an example from my area, Dorset County Council is my home patch. Working with the two unitary authorities, Bournemouth and Poole, and the six district and borough councils, we were able to put together a set of proposals that ultimately formed the first sub-regional plan, effectively, that went into the RSS. There is precedent for this working all across

the country, so it is not an impossible thing to achieve with a bottom-up approach.

If the Government's proposal is to have a strong duty to co-operate, and it involves not just local planning authorities working with their neighbours but two-tier areas working particularly with their county councils—who by and large are the providers of the key bits of infrastructure—and that arrangement can be made to work and has teeth, then building on that good history of the voluntary arrangements, you can come up with a set of sub-regional strategic planning arrangements that would be robust and deliver sustainable planning across the country.

Q47 George Freeman: To put a philosophical question at this stage, do you accept that there is an inevitable price paid in strategic planning, which means, if you like, “the enlightened with a perspective” deciding where growth goes? There are arguments for it, obviously. I am just wondering whether you accept that there is a price to be paid in taking that approach, which is that the organic, local perspective on a different vision of how society could develop jobs, housing and demography gets lost. For example, in my own area of Norfolk there is huge frustration. There is a sense of what a Norfolk economy would look like, but what we have through the RSS has tended to be a London housing overflow allocation parked in East Anglia and each council is told more or less that that is its allocation. It feels like a continuation of the very same London-centric unbalanced economic model with far too great an emphasis on commuting to London and not enough talk about what the local economic regeneration could look like. Do you accept that that is inevitable and that if you go the other way to the “local”, you may get more of that but you will lose something? Or is it possible to have both?

Catriona Riddell: We had both in structure plans before. Life has moved on and I do not advocate a return to structure plans, but the combination of local plans and structure plans brought together responsible and directly accountable politicians making strategic decisions and working with local district politicians in two-tier areas.

Q48 George Freeman: It sounds pretty good from where we sit.

Catriona Riddell: That worked. I think the difference between where we were with structure plans and where we got to with regional strategies was that we were bringing in much more clearly the investment and economic side of things. The structure plans were very much land use documents and I think we went beyond that. Therefore, having some sort of strategic planning framework nationally across the country that brings together some of these key strategic planning issues but is owned by local communities, whether they are district, unitary or county council, is something that we have seen before and can do better with now.

Malcolm Sharp: We both come from the east of England. Clearly, where perhaps the regime as it emerges could add value is that the RSS covered quite different areas. Your Norfolk issue is quite different

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from the growth issues in the M11 corridor, so there could be a sense in which we can add value by that local element being added to the philosophy—because that was what you wanted to talk about—as we go forward.

Q49 Heidi Alexander: I wanted to return to the examples given by Malcolm and Miles about co-operation among local authorities. It sounds great that you have a solution in the absence of the RSS at the moment, but what happens in a scenario where one local authority does not agree and wants to do something very different? How do you resolve the sorts of conflicts in an area that we heard about from one of our previous witnesses? To move away from housing for a bit and take the example of renewable energy, and wind farms, what happens in that scenario? How do you see that working in a bottom-up way?

Malcolm Sharp: The key is that, as local plans come forward, people like me will have to advise planning authorities that they need to make their plans sound, so we cannot avoid putting some of the issues forward for democratic decision making. The issues that you are talking about will be brought up. In creating a robust basis, as you heard in the previous session, and a local plan—a core strategy or whatever it will be in future—there will have to be evidence and those issues will need to be confronted.

Miles Butler: It is all about the evidence; it is about having certainty around the points that underpin a plan so that a plan can be demonstrated to be sound. I come back to the key issue of not seeing strategic planning as something that can be done at a very local level; it cannot, because for the kinds of issues you need to tackle in strategic planning, the areas do not contain the whole problem. It is a combination of evidence, duty to co-operate and taking the bigger picture into account that will ensure you end up with a set of strategic principles that guides your development and makes the whole thing defensible and logical, but it comes down to the evidence that underpins all that.

Catriona Riddell: If you are interested, another example is Gypsies and Travellers. I think that that is one of the most difficult ones. In the south east, local authorities came together and made some very difficult decisions around making provision for Gypsies and Travellers. The incentive was that it cost them a lot of money through appeals and everything else. They took a very mature, sensible approach to grapple with it. They needed help to get along the process but they were all focused on what they wanted to achieve.

Another example is the Blackwater Valley area in Hampshire and Surrey, where local authorities came together to deliver a new road. They had a common purpose. A lot of it is now about getting money. A lot of local authorities get together because there is a financial incentive to do it. If we can make financial incentives part and parcel of what we are doing we may get along the road a little further.

Q50 James Morris: Are LEPs, which we talked about in the previous session, potentially an appropriate mechanism to resolve some of these issues

about strategic planning and linking that planning to economic development? Why can we not use them as the basis for it, given that on the whole those LEPs will be focused on real economic geographies and you will have local authorities with a history of co-operation?

Miles Butler: I think that potentially LEPs have a very good and important role here. The views of the LEPs need to be given some weighty consideration in the development of spatial plans. There are a number of issues: the coverage of LEPs and whether they truly represent local economic geographies. All of them will, hopefully, but everybody needs to be convinced that that will be the eventual outcome of the proposals as they are at the moment. If they are, they have to form a view about the conditions that need to be created in order for the local economy to operate effectively. In my own mind I find it hard to see how that will not mean them having a view about the distribution of housing and the type of housing in different locations needed in order to support the labour market and so on, as well as about infrastructure.

Q51 James Morris: Do they not offer the opportunity to resolve George's philosophical conundrum, which is that they are bottom up but are focused on these particular geographies?

Malcolm Sharp: They are, but even the smaller ones, like the one in which I am involved, cover quite a broad area in a number of local authorities. We could fall into the trap of the democratic deficit again because clearly these will be business led, but the way we are looking at it, certainly in Cambridgeshire and Peterborough, is that there could possibly be a technical capacity. Obviously, local authorities are very short of resources and expertise, but there is a chance here perhaps to create some technical capacity. Clearly, if they are to be successful they must get over the barriers. It seems to me that the key thing about LEPs is to remove the barriers to growth. If that is not about transportation, housing and planning matters, what is it about? But if they have the technical capacity and can advise the local authorities, you still have to take the decisions somehow through the democratic process through the planning authority. Does that make sense?

Q52 James Morris: You talk about “technical capacity”, but does that not need to reside at the local authority level, in that we need to build the technical capacity at the point where democratic accountability is most important?

Miles Butler: It is to be seen, isn't it? I suspect that a lot of local enterprise partnerships will be looking to their local authorities to provide some of the evidence base—the local economic assessment, if you like. Some of that technical capacity will undoubtedly come from local authorities. I am not quite sure whether Malcolm had in mind some of the interpretation of that information to form policies with, I suppose, the background of a business mind, but certainly that would be an additional strand that wouldn't be available through a local authority necessarily.

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Malcolm Sharp: It is a continuum, and in some places it will be horses for courses. Certainly, in our case—I can speak only from that particular experience—we are looking at a joint technical unit for Cambridgeshire and Peterborough that all the local authorities could then use. Clearly, there would be an important relationship in respect of what continued to reside with the county but what actually resided in the LEP. Maybe, in joining together in terms of infrastructure delivery, economic development and perhaps strategic planning, it is more cost-effective to proceed in that way. That is what I had in mind.

Q53 Clive Efford: I am having difficulty with how the final decision about planning in a local area is resolved. Say a local authority that is part of an LEP is the planning authority for where the actual development is to take place, and it is not in its interests, politically or otherwise, to support that planning application. How do you resolve that at LEP level?

Miles Butler: I come back to the point I was making about the views of the local enterprise partnership needing to be effectively a material consideration in planning decisions, so if a plan is to be sound or a decision supportable and defensible at appeal, or whatever, the views of the LEP are a proper consideration in that. That depends upon legislation giving it that status, but that would be the only way in which you could ensure that local planning authorities did not make decisions counter to economic growth and the intentions of the LEP.

Catriona Riddell: There are examples where in the past strategic authorities, and particularly county councils—not so much unitaries—had a say over strategic planning applications, so they have been part of the process. If there is a major application for development in a local area, the county council has had a say in it, not just in terms of its own resources. Obviously, the decision would also have an impact on transport, education and all the various services for which county councils are responsible, but it also has a wider-than-local impact. The development may be physically in one district, but have a much bigger impact. There have been examples in the past where strategic planning has taken place and there has been buy-in from all local authorities affected by decisions.

Q54 Clive Efford: But if there is a proposal that is of benefit to the wider community—one example may be a waste-to-energy plant, which is not exactly the most desirable development to be on someone's doorstep—at the end of the day who will decide and say, "This is a necessary development and this is the best location for it"? Who has the final say that it will go there?

Malcolm Sharp: Unless it is one of the national infrastructure projects it is no different from now. The existing position is that the planning authority decides at district or unitary level.

Q55 Clive Efford: So you still envisage some sort of overarching decision-making authority making strategic decisions?

Malcolm Sharp: No. As we stand at the moment—we all know that there are proposals about that—in terms of the really big stuff you are talking about, which is the vast bulk of planning applications where there might be a difference of opinion, it is still decided by the local planning authority and in extremis by the appeal system, which I presume will still be in place.

Q56 Clive Efford: Moving on, how important is it that arrangements be put in place to ensure that data collation and research is undertaken to underpin strategic planning?

Malcolm Sharp: In my view it is very important we do not lose the fantastic work that went into providing the evidence base for RSSs. Whatever you think of the outcome in terms of the plans produced, the work that went into producing the evidence for them was vital. To take an example I know well, in the south west we had a long debate about what we should do to make sure that that was properly captured. The solution we have come up with is to put it on the British Museum National Archive website, so it is held in a place where it is held safely for all those who may want to access it in future. There are rows and rows of paper files that I suspect will be lost unless any of the authorities in the south west want to take them on, but the vitally important information is now housed in a safe place, and I suspect that that is a model that a number of others will want to follow.

Q57 Clive Efford: But is there a role for national or local government in ensuring not only that existing data is kept and available for research but that there is a responsibility to continue to collect and store it?

Catriona Riddell: That is the issue. A lot of the evidence we have generated in the south east—I know it is the same for just about every other region—is protected in some way. Ours was transferred to South East England Councils because there are now groupings of local authorities across the country that operate as voluntary chambers, for want of a better description. They have taken all the evidence and information we generated as part of the regional process and now own that, and it is accessible. It is a good idea to back it up through things like the National Archive, but if these are to be used, they need to be accessible and updated. One concern I have is that it will not be updated for local authorities' use. A lot of the evidence that we prepared was done in partnership with local authorities, so most of them have access to that already.

Q58 Stephen Gilbert: I just wonder whether all of you can comment briefly on what you think will be the effect of the revocation of the RSSs on building new homes?

Catriona Riddell: Looking at it from a south east perspective, in the last year of its existence we provided more homes than the targets in the RSS because the housing targets in the RSS were developed from the bottom up mainly by local authorities, as Miles has already said. The issue on housing numbers arose when the National Housing

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and Planning Advice Unit was established because a lot of local authorities saw this as being imposed—
Sitting suspended for a Division in the House.

On resuming—

Chair: Stephen, you just asked a question about the effect of the abolition of RSSs on housebuilding.

Q59 Stephen Gilbert: That was my question, Chair.

Catriona Riddell: I think I was in the middle of saying that in my experience there was a lot of ownership by local authorities in terms of coming up with their own housing numbers, and they managed to deliver more than the targets set under the RSS.

The problem arose when it seemed to be imposed on them. Local authorities in the south east are often seen as anti-development. My experience is that it was not anti-development; they were fighting hard for development to be delivered alongside proper infrastructure support, making sure that funding and other mechanisms to deliver infrastructure were considered alongside that. They did not appreciate another body, the National Housing and Planning Advice Unit, coming in to say that they should be delivering x number of houses, because there was no understanding in that figure how to deliver that number in a sustainable way. It was very much a numbers game rather than talking about long-term sustainable growth.

Malcolm Sharp: To take a different tack on this, in the short term the evidence we have submitted refers to the fact that there is no evidence of a massive shortage of land given the downturn in housebuilding in any event. It seems to me the trick here is that some local planning authorities have taken breath, or even changed their numbers backwards, but it now comes back to the key point of evidence. In this period, I think we have a supply of potential housing land, and the immediate problems are other than planning: financing and all that sort of stuff. We have a bit of a window here to bring forward the evidence we need to show what housing we need and then ultimately to bring forward new allocations.

Miles Butler: It is not a short-term problem, because the market just is not there to provide the housing anyway at the moment, but it will pretty quickly become a problem, particularly if there is an upturn in the economy. In order to provide developer certainty, so that in the medium term housing is being planned, land being acquired and so on, we need to get back to some form of strategic planning in the system as quickly as possible, because without it we will lose the opportunity to deliver those figures.

Q60 Stephen Gilbert: Obviously, one of the tensions throughout the afternoon and evening is between the localism agenda and the need for some central planning that delivers general goods. I ask Miles in particular to talk about how the coalition's new homes bonus proposal may help address this problem. In section 2.2 of your evidence you refer to the point you have just made: "The low levels of housebuilding over the last two years reflect the economic situation. The rate of housebuilding is strongly linked to the state of the economy and less in the hands of local communities or councils." Is that an argument to

incentivise developers and house builders as opposed to incentivising councils?

Miles Butler: Again, as opposed to local communities?

Q61 Stephen Gilbert: Yes.

Miles Butler: The whole notion of the new homes bonus is very much untested ground and is what Sir Humphrey might call "a bold experiment, Minister." We will see where it leads us, but there is no doubt that there are some risks in the strategy, and there needs to be a coming together of the kinds of incentives that the new homes bonus will give and some rational thinking around what the evidence says about housing need in an area. Who knows? Left to communities, we may end up with a perfect match between the housing requirements for the local economy and what a community desires, but there are some real risks in that approach without the parallel strand of some strategic thinking about what it is we actually need in this sub-region to deliver the economic growth we need. The housing must be balanced with economic development, which in turn must be balanced with the appropriate infrastructure to make all of that hang together in a sustainable way.

Malcolm Sharp: We are almost in the worst possible world at the moment. I know the new homes bonus is not necessarily hypothecated towards infrastructure, but if we can look at it just from the perspective of the local planning authority, at the moment we have section 106, which is cut back; we do not know where the community infrastructure levy is going; and we are not quite clear what the bonus is. I understand why all of that is happening, but I would appeal for some urgent and quick clarity on those matters so we can start to plan properly with resources. It is very unclear to me exactly what that bonus means. For example, if we were to keep the district council's part of the precept for six years, it would not amount to a hill of beans relative to what we are losing in terms of RSG. If it were to keep the whole amount, I question whether that is the whole amount that currently goes off to all various places: the county, fire and everything. If it were to keep that amount, I question its affordability, so the jury is out on this until we see a lot more detail.

Catriona Riddell: I think we also have to help the community understand the connection in some cases between housebuilding and getting something out of it for them. There are, however, two dangers. One is that you raise expectations too much, and in this day and age we have to be very careful in managing expectations about what can be delivered, but there is also the potential disincentive that if you are linking the two there is the issue of communities' concerns about local authorities permitting development that they probably would not otherwise have permitted because they need the money. There are some tough issues that need to be finely balanced in how they manage the new homes bonus.

Q62 George Freeman: Where do you think the bonus might have most impact? It is striking that all of you take the point of view that the problem with giving power locally is that you are likely to put it

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into the hands of nimbys and nimbyism. It seems to me that if some of that bonus went back to very local level—the parishes and rural areas—it might have quite a strong impact. I know of a lot of villages in my constituency where if something came back into the community in return for some housing being built nearby, whether it was a village hall or some other local amenity, it might be rather powerful in getting people to think about the benefits of local growth. My worry is that the money might end up never really being seen and will just go into backfilling some other empty pot in the district and county council RSG.

George Hollingbery: I was going to ask the same question. Is there anything wrong with putting it in people's pockets directly?

Catriona Riddell: The problem is that there are so many different packages we need to manage in this. There are new models for investing in infrastructure, and I think that is where LEPs will help in looking at private sector investment in infrastructure. Local authorities are not in a position now to fund what they used to fund and need to look at new models. The new homes bonus will help in the way they manage their finances, but it needs to be seen in terms of a wider review of local government finance.

I used to work for Surrey County Council. One of its successes was its local committees, because it left some of the decision making about funding to the local community. It was not very much, but there was an incentive for local communities to get involved in that because they could see the direct result of having control over how they spent that money. It must be a good thing to have ownership in anything to do with planning. Planning is about bringing things together and making sure they are integrated, but planners have a key role here in making this work and helping the community understand the benefits of taking control.

Q63 George Hollingbery: Is the answer “Yes, if the money was perhaps distributed more locally it might have more impact”?

Catriona Riddell: In part. It needs to be seen in terms of the wider finance available within the public sector and local government; you cannot just give it all away.

Miles Butler: I think we are guessing a little bit. Instinctively, it seems to me that the smaller and better defined the community, the greater the chance of that policy working. A small rural parish might be the kind of place where that incentive would enable some development. The real difficulty comes when you get less well-defined communities on the fringe of an urban area, deep in an inner city or whatever it might be. First, how do you determine the community, which by nature is likely to be more transient, mobile, diverse and difficult to form a consensus in? The needs are likely to be so diverse that you end up with lack of agreement about what that additional resource might be used on. In those small well-defined communities potentially it could act as an incentive, but in other places I have some doubts about just how well taken up it would be.

Q64 Bob Blackman: What do you believe are the risks of completely inappropriate types of development taking place? For example, what if,

because of the new homes bonus, we get high-density, multi-storey housing crammed into the smallest possible space—which then leads to all the social problems we have seen in the past—as a result of the local authority saying, “We’re short of money, so tough. You’re going to have this whether you like it or not.”

Catriona Riddell: Local authorities will still have to work within some guiding principles around sustainability. The coalition Government have made it very clear that sustainability must still be at the heart of what they are trying to achieve through the planning system. While they are taking away a lot of the regulation and process behind the planning system as was, that will give local authorities and practising planners a little more space to be creative to try to address issues around sustainability. There will still need to be some sort of regulatory framework to ensure that that happens. I cannot imagine that local authorities will be given the freedom to do absolutely anything they want. I do not think that that will be the case. My concern is that there will be the odd occasion where, because of the financial situation of a local authority, there may be more incentive to permit something that it might not normally have permitted.

Q65 Bob Blackman: That leads me to another question. Is it your view, and does your evidence suggest, that there may be quite wide variations from one authority to another in the planning permissions granted depending on their financial circumstances rather than on the actual housing need?

Catriona Riddell: If they get the new local planning framework correct we move back to a situation where there is flexibility, but the planning system—as we know it will be—still has to be based on a plan, and development must still satisfy certain requirements within a plan-led system. I hope that what will help. The problem will be in the interim when we might not have that planning system and framework in place, and I think that also goes with the national policy side of things. The sooner we can get any kind of national framework in place, the less opportunity there will be to make bad planning decisions.

Q66 Heidi Alexander: I want to pick up something to which Miles referred in response to the example given by George about how direct reference back to the local community in terms of some benefit could work in more densely populated urban areas. My concerns are quite similar to those about which Miles spoke. My broader question, having talked around the issues of probity and whether planning permissions could be seen to be bought, is this: what safeguards do you think could work in the system to give new homes bonuses? Can you see anything specific that would overcome some of those difficult issues? Is there anything you have thought about that might work?

Miles Butler: There are two things. First, there must be absolute transparency. That is clearly vital to avoid the accusation of planning consents being bought. Secondly, there must be a sound evidence base for it being a desirable development in that location. I think that those two things must still apply. In a small rural

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parish the evidence base for providing some affordable housing on a small scale in the community may well be there, and as long as everybody is clear that it is being done for that purpose, I can see it working very effectively without any real challenge to it. You have reflected the comment I made, however: it is much more difficult to make that work in a densely developed existing urban fabric. In any case, I suppose there is the larger issue of whether the sum of all those kinds of developments will add up to the totality of housing that is required to make the economy work and grow. I suspect that we will still end up with a need for some very large strategic housing sites. Those do not sit in a theoretical space, but in real spaces next to real communities, and that issue will still have to be resolved somewhere.

Q67 Bob Blackman: How?

Miles Butler: I think that comes back to the need for strategic planning. I am not talking about a statutory layer of strategic planning, but a commitment within the system to have some form of strategic planning.

Q68 Chair: Can I get to the bottom of this? We have general support for strategic planning. I understand the evidence-based approach for LDFs and the duty on authorities to co-operate and collaborate, but if in the end it does not produce a strategy—because people just do not get on, agree or whatever—how do we get one? Where in the system does someone say, “We must have a strategy here. It’s not happening organically”?

Catriona Riddell: One of my concerns about strategic planning is that there needs to be not a rigid approach laid down for everybody to follow but almost a common template from which local authorities can work. The national planning framework also has a role here. We do not know much about what it will look like or what it will do, but if it is to do anything meaningful it needs to set some long-term priorities about where the Government are to invest in infrastructure nationally, but also potentially about some of the areas where it would like to see more or less growth, or more regeneration. If it is to be meaningful—I do not know the answer to that—some long-term priorities need to be set out so that strategic planning, whatever governance structures or whatever geography it works on, acts as an interface between what is happening at national level and what is delivered locally.

Malcolm Sharp: To answer your question, another aspect is that you do not get your core strategy approved and sound unless you can demonstrate you have dealt with some of the issues beyond your boundaries, because that is part of the evidence base and why your strategy is the correct one. The incentive for local planning authorities not to have ultimately a statutory plan in place is that it will be left to planning by appeal, which, as we heard earlier, can be extremely expensive and frustrating. We could have stuff all over the place, which is not efficient in terms of infrastructure. I would hope that there would be some large incentive to get the core strategy in place.

Q69 George Hollingbery: You are saying that the core strategy has to be strategic?

Malcolm Sharp: No; the core strategy refers to your area.

Q70 George Hollingbery: With a strategic view and the same duty to co-operate, so where are we?

Miles Butler: Let me have a go at this. I think that what a strategic plan might look like in the new system is an issue for genuine debate at this point. The planning system as mooted—we do not know what it is in the Decentralisation and Localism Bill, but this is the guesswork so far—is that there will not be a strategic-level plan imbedded in the statutory planning system. However, if the need for planning at a larger than local level is accepted, that will have to be created in some form. We call it a plan. It could be a vision, a statement or whatever. It does not really matter what we call it. The point is that there would need to be something brought about by agreement. The duty to co-operate would be the vehicle by which you would come to that agreement, and the test of whether your individual local plans were sound would be that they were in accord with that agreement. That would be the way you could deliver it without introducing a separate statutory level, but it would need teeth and be recognised; it could not just be a voluntary exercise that everybody could ignore once they had gone through it. It would need to have some bind but be agreed within the sub-region.

Q71 Heidi Alexander: To go back to my previous question, if giving planning permission is the right thing to do when an application comes in, why should the Government pay local authorities for it?

Catriona Riddell: I think you are coming back to the new homes bonus. Most development that takes place is new housing. My experience with South East England Councils is that their main concern, reflecting what their communities told them, was that 100 houses here and 100 houses there had a knock-on impact on their doctors’ surgeries, roads, skills and everything else. They are saying that they need to be in a position to be able to solve that problem, to get housing that is more acceptable to their communities, and they do not have the money to do it. What I am saying is that the new homes bonus is part of a wider financial package that is about looking at new models for investment, bringing in the private sector, and being much more innovative about how we solve that problem. It is absolutely right that local authorities who are being asked to deliver all this get paid to do it.

Malcolm Sharp: As I said earlier, nor are the other mechanisms for gaining money for infrastructure that clear, especially in the case of section 106s, which in terms of viability make it very difficult to secure the total amount of infrastructure you need, and yet you need the houses even more. There is always a balance to be struck.

Q72 Heidi Alexander: My concern is about attaching the money to the concept of giving planning permission. What the Homes and Communities Agency has been trying to do is look at

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comprehensive development and giving capital grant to a local authority for a comprehensive regeneration scheme. Admittedly, we are in very difficult financial straits at the moment which will curtail significantly the amount of money that is available, but in my experience, if proper social infrastructure planning has been done by a local authority when it is drawing up its development plans, and sufficiently robust section 106 agreements have been agreed, I have a problem about the attachment of money to the planning permission.

Malcolm Sharp: My first point is that there will not be sufficient money coming through that route to deal with the infrastructure. Secondly, as I understand it, it is not attached to an actual planning permission, which I accept would be a dangerous, slippery slope; it is attached to the amount of growth that an area wants and needs.

Catriona Riddell: In addition, referring to the Homes and Communities Agency, in many cases we are talking about fairly large developments. An awful lot of development that takes place is small-scale and incremental, and it is much more difficult to capture its long-term impact.

Malcolm Sharp: It does not pay a penny.

Catriona Riddell: It means a lot of new development does not provide much; it is small-scale, incremental development, especially when you focus on urban areas where a lot of the sites come through renewal—brownfield sites.

Malcolm Sharp: In my patch, 50% of the applications do not attract any 106 agreement because we cannot make the case.

Q73 Bob Blackman: Do you think it would be an incentive to allow local authorities to retain the business rates on business developments at the same time as allowing them an incentive to build houses?

Malcolm Sharp: Clearly, any extra funding for local authorities at the moment would be extremely welcome.

Q74 Chair: Is that a politician's answer?

Catriona Riddell: But all of that must be seen through some form of comprehensive review of local government finance and how it gets its money.

Chair: Thank you very much for spending so long with us. I am sorry we have kept you so late.

Monday 25 October 2010

Members present:

Mr Clive Betts (Chair)

Heidi Alexander
Bob Blackman
Clive Efford
George Freeman
Mike Freer

Stephen Gilbert
George Hollingbery
James Morris
Toby Perkins
Chris Williamson

Examination of Witnesses

Witnesses: **Colin Haylock**, Junior Vice-President, Royal Town Planning Institute, and **Hugh Ellis**, Chief Planner, Town and Country Planning Association, gave evidence.

Q75 Chair: Good afternoon everyone and welcome to our second evidence session on Regional Spatial Strategies. Welcome to our first two witnesses. Just for the sake of our records, could you identify yourselves and the organisation you represent?

Colin Haylock: I'm Colin Haylock. I'm Junior Vice-President of the Royal Town Planning Institute.

Hugh Ellis: I'm Hugh Ellis and I'm Chief Planner at the Town and Country Planning Association.

Q76 Chair: Right. Thank you for coming. I'll just begin by asking you this. It's true of your evidence, and quite a lot of other evidence we receive, that there probably isn't a great deal of momentum going on for the abolition of the Regional Spatial Strategies, but still a feeling that there has to be something there between national level and local level—some level, some structure to ensure that there is a strategic planning available between those two levels. Do you agree with that, and if so, how are we going to organise that? Does it have to be done on a statutory basis? Can it be a voluntary group of authorities? Would you have the same approach and same structures throughout the country?

Colin Haylock: You probably have picked up the fact that the RTPI orchestrated a collection of 29 disparate organisations that, for various reasons, felt the same about the loss of the larger-than-local dimension in the localism agenda—the fact that there were a range of issues that one needed to consider on a broader geographical basis. So, we and lots of other people are absolutely convinced that there is a need for something that deals with things beyond the local—a framework that will allow those issues to be positively considered—that deals with them in a way that has democratic accountability that addresses that problem that the RSSs didn't have and helps us deal with the continuing need to interrelate housing, economic and social issues.

Hugh Ellis: If I can add to that, in our evidence, I think we've tried to make it clear there's got to be a powerful strategic narrative. Every other successful North-West European economy has a strong strategic narrative. Many of the issues confronting this nation cannot be delivered solely on a local basis. There is really no debate about that. Climate change and housing are certainly two of those issues that confront us, but there is flexibility. Certainly, you need a strong National Spatial Strategy, and the case for that is even

more effective if you knock out regional planning, but I think what we're struck with is that, although regional planning needed to evolve and change, it could have been evolved and reformed and changed effectively without outright abolition on the basis that we have seen it. So, if we're going to go forward, whether we like it or not, we will have to reinvent the strategic tier to deal with the critical issues around energy, climate change and housing. The only question is what shape that tier should be.

Q77 George Freeman: I wanted to invite you to comment on the appropriateness of possible voluntary arrangements between local authorities to provide some kind of strategic planning framework. We've heard, in a number of our submissions, many organisations welcoming the abolition of the RSS—we suspect largely because they have come to be seen as tools of a very top-down housing-number imposition—but reminding us that there needs to be some forum for some sort of regional planning to go on. So, we are left asking the question, can that be done voluntarily between local authorities in a regional area, and whether such structures exist anywhere else, and whether you've any thoughts on how that could be made to work?

Hugh Ellis: History doesn't help us very much here in suggesting that a totally voluntary approach will do the job. It's certainly true that some places—some strong city regions, and Manchester and Leeds are examples of that—will do well out of this agenda, but there are places in between, and many difficult planning issues, particularly on waste and energy, which means that inter-voluntary co-operation is going to be difficult, unless, I think, that voluntary co-operation is enshrined in an obligation to plan strategically, so that, once having voluntarily gone into an association, there are obligations placed on authorities to make this co-operation meaningful. A simple duty to co-operate without that being played out in a meaningful way in policy terms is not effective.

Q78 George Freeman: Thank you. I suppose this was at the heart of my question: to plan strategically, do you have to be a strategic body, or can local bodies get together and plan strategically, if so required?

Colin Haylock: There's plenty of evidence of local authorities doing it voluntarily, working effectively

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between them. The problem that we have is, when we actually start approaching this on a national basis, how you deal with the default situation, where the co-operation is not happening, and it's the business of, who actually identifies that the required co-operation is not happening, who's policing the process and how do they enforce co-operation when there is a view that it is necessary?

I found myself wondering where this sort of challenge might come from, and it might, presumably, come from a local authority that feels that it needs co-operation from its neighbours to deliver something and it's not getting it. For example, the local authority that has housing need that it cannot satisfy within its own boundaries or the Environment Agency saying, "There are serious environmental issues here that need to be addressed collectively and are not being addressed collectively." It's quite difficult, in the situation that we're in at the moment, to say, "This is how we deal with it." We're all asking ourselves the question, how do we deal with it?

Q79 George Freeman: This is what worries me. I was looking at the TCPA's memo, and you talk in there about the narrative: "A planning system which is truly fit for purpose must offer a strong narrative of strategic spatial policy, from national through sub-national and city-regional to local and neighbourhood levels." I think what worries me, and obviously worries a number of people giving evidence, is that that inevitably means a top-down imposition, which I know is what you then go on to say won't work. So, I'm just trying to work out whether, perhaps, your answer is that we should give them the duty to plan strategically and invite them and demand that they have a go.

Hugh Ellis: I think what we are trying to tackle here is an issue that's been central to planning in the whole post-war period, and it's meant to be, and I think it should be, a creative tension between the need to deal with some issues at the right spatial scale. Speaking as someone who came into planning from a community level, that's sometimes difficult to swallow, but the reality of it is this: just imagine the four Lincolnshire authorities trying to deal with sea-level rise by mid-century, local authority by local authority. I think that, unless we find a way of ensuring that there is that safeguard—when the chips are down, people will plan together—we can't deliver it. Now, that does not necessarily mean that that relationship is all one way, because if you can get the mechanisms right—we failed to do that with current regional planning—and get them right for communities, you can get better outcomes, but it doesn't take away the fact that these issues, whether we like it or not, do have a national and regional component to them.

Q80 George Hollingbery: Sorry, Chairman, I'll put these gentlemen back on the hook fairly and squarely: you don't like RSSs and you don't like top-down planning. You are just going to put on a few stone for a moment and be Eric Pickles: what are you going to do? You're here in front of us as experts; I want to

know what the experts think about how we solve this conundrum.

Hugh Ellis: Okay. Well, I can tell you what I would have done with regional planning. I was saying, before I came in, that I have a history of no one listening to me at all on planning reform, so I'll keep to that perfect record. First, step one, you do not go for outright abolition; you go for evolution and you avoid the uncertainty. The way that you evolve it is to tackle the real two important problems with regional planning: one was accountability and legitimacy; the other one was about the boundaries of regional planning. Now, in 1930, we had, would you believe, a Regional Planning Framework in England that was much more like the one we're moving towards now. It was much more sub-regional and much more in the hands of local authorities, and there's a lot of merit in that.

On governance, there were two things: first, there was never a right to be heard for communities in the preparation of Regional Spatial Strategies—you could easily have put that in place—and, secondly, I'm asking myself this question to which I don't know the answer, which is, what is the difference between leaders' boards of local authorities in regional planning and the potential governance of the Local Enterprise Partnerships, who may take a role in strategic planning? Could we go through the whole of this process of argument only to find that our strategic planning functions, if they go to LEPs, have only the same level of accountability that our existing regional plans have? So, I think those things could have been done on an evolutionary basis, and you would have been left with a market that was more certain and communities with more certainty, but ultimately more accountability.

Q81 George Hollingbery: So, you would reinstate the RSSs?

Hugh Ellis: Well, we can't go back there.

Q82 George Hollingbery: Yes, we can. Yes, we can.

Hugh Ellis: I would certainly ensure that there was comprehensive sub-regional planning in England, and that means an evolution of the current system. I would certainly ensure that regional planning had a statutory basis.

George Hollingbery: Thank you, that was clear.

Colin Haylock: I think we got into some interesting territory when we started working with city regions and started looking at this in terms of, what is the economic geography that we're working in and what is the social geography that we're working in, stepping aside from some of the artificial boundaries that we had before, as a base for understanding, and then working with the ways in which places relate to each other? I come back again, though, to the business that you might build on quite substantial evidence of organisations being willing to work together within those frameworks, but constantly needing this default mechanism of, what happens when reasonable agreement is not reached? That is the stage at which you begin to feel that you need some much broader strategic overview. How much there is of that

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depends, to some extent, on how much detail there is in the National Planning Framework.

Q83 James Morris: Just building on what you say about Local Enterprise Partnerships, wasn't one of the weaknesses of the RSSs, as I think you've recognised, that, essentially, we're talking about artificial constructs in terms of the regions? Now, one of the potential advantages of planning powers residing at the level of Local Enterprise Partnerships is that those Local Enterprise Partnerships may well reflect the porous nature of the economic geographies that we're talking about. So, is there any particular reason why the LEPs shouldn't take on responsibility for planning?

Colin Haylock: Can I look at two components of that, and this is in a situation where, obviously, we're not entirely sure how the LEPs are going to be constructed? The first one is democratic accountability: the balance between the business interest and the elected interest in the LEPs. If we construct our LEPs such that they are strongly subject to local democratic control, we will probably be more comfortable about them being a repository for democratic planning control. If we give the LEPs a broad enough agenda, so that they are not driving simply on the basis of economic performance, or primarily on the basis of economic performance, but are trying, as planning does, to balance economic interests with environment and with social performance—if we manage to put all that into the LEPs—they will be, potentially, a grand way forward.

Q84 James Morris: I want to follow on from that. The concept of the LEPs is based on the fact that local authorities in groupings, in a bottom-up way, are coming together with business and with other stakeholders to come up with plans for local economic development and others. Isn't that a real opportunity to build a capacity within local authorities themselves to take on some of these strategic planning functions that you're talking about—to enhance the democratic accountability issue, which is central to this?

Hugh Ellis: There is an opportunity there. It depends to some degree on whether local authorities financially have the capability to take on that skill set, and a lot of the very best regional planners, of course, are lost to the system already. But there are difficulties, I think: LEPs would need certainly to have a remit focused on sustainable development if they were going to take a broader remit of planning powers.

I guess another thing worries me about them, just watching them and the maps of them emerging. We've got a Nottinghamshire/Derbyshire LEP, for example, where you've got High Peak, 20 miles from Manchester, that is associated with a local economic partnership that doesn't recognise Manchester functionally at all. So, what worries me is that, if we're going to look at comprehensive regional planning, we've got this tension—and it's real—between local community and political aspirations and, for example, how we plan for climate change and economic functionality. How we deal with that requires there to be much more in-depth consideration of what the picture of regional planning looks like;

otherwise, places will be left out, essentially. You'll have very powerful city regions compared to others.

Q85 James Morris: Just going back to probe that, what do you mean by “comprehensive regional planning”? Isn't that just a return? Are you just arguing for a return to the existing status quo? Is that what you would prefer?

Hugh Ellis: I'm saying that if LEPs take planning powers—I can see the merit of that—then solely a position where boundaries are set this summer in quite a short time, without any regard for looking at those bodies for their wider function on climate and sustainable development, is not sensible. Those boundaries need to be examined so that they're also sensible for strategic planning, and they are not the same always as simply political boundaries. That has been the problem that we've struggled with, with regional planning, throughout the post-war period.

Q86 Chair: Interestingly, Chesterfield and North East Derbyshire decided to go in with the Sheffield city region, which is exactly the opposite of the point you made about High Peak, so there is some indication of change in that regard.

Hugh Ellis: Yes, absolutely.

Colin Haylock: I work out of Newcastle, and the Northern Way and the 10 city regions of the North, and I find myself spending quite an amount of time in Carlisle, Workington and Whitehaven, and I'm thinking, “Are these the territories that the LEPs just leave on one side?” If they are, and if the LEPs are what we're using as a repository for any sort of strategic thinking about planning, how do we deal with Whitehaven and how do we deal with Carlisle?

Q87 Heidi Alexander: Well, I think you were touching on something I wanted to follow up on. My local authority is Lewisham, South-East London. We decided that, in Lewisham, it was best to be in a LEP, because it was the only show in town, rather than not to be in one at all. I think my concern—I wonder what your views are on it—is that there will be some that are left out of LEPs altogether, but there will be some that get into an area just because it makes sense to jump on the wagon when it's there. And equally, the economic geography in Lewisham looks as much to Central London as it would to other areas of the Thames Gateway.

Colin Haylock: You're worried about being a poor partner in a LEP as well as possibly being not in a LEP at all.

Heidi Alexander: Exactly.

Q88 Bob Blackman: Can I just ask what your view, then, is on how LEPs should organise and change, given different sets of circumstances? Because, clearly, communities may decide, as in Lewisham, “We want to be part of this LEP.” Others may be left out. Others may be huge, because they've made that decision. Do you think that planning should be the overriding consideration in this?

Colin Haylock: Well, you've got the first thing, obviously, that we're talking about: one size definitely doesn't fit all. We don't know what sort of models

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we're going to be working with here. I think some of us must have a considerable degree of uncertainty, because simply built into the title of LEP is the suggestion that it's primarily about economic issues. We can't ignore the fact that economic issues are incredibly important, but planning is trying to deal with economic success alongside dealing with a series of other issues, trying to effect the right sort of balance between economic performance and environmental performance, trying to produce genuinely sustainable, socially sustainable communities. The suggestion then is that, if this is replacing any form of strategic planning, it has to have that breadth of dimension.

Q89 Toby Perkins: You've probably covered this in the answers already, but what do you think the impact on the amount of housing being built is going to be—the removal of a top-down target on housing numbers?

Colin Haylock: Very varied across the country. You've got quite a complex pattern emerging already. What you get is, immediately, something like 1,300 units a day getting taken out of the planning process. This is local authorities that, reacting to targets that have been placed upon them, are saying, "This is a great opportunity not to have to accept these targets." What is really very difficult at the moment is that that's the easy thing to do—to say, "We don't want that, so we'll take it out of system." What is very much more difficult to sense is the extent to which the removal of targets might allow some authorities to say, "We'd actually like more development, and we'll put more development into our plans than was allocated originally," or any sort of testing of the potential of the New Homes Bonus to encourage development. So, those two components—we don't know how they're going to perform yet. What we do know is how people react when you say, "You don't have to have what you didn't want."

Hugh Ellis: And I think that the way that it's emerging is that it will have an extraordinarily negative effect on the provision of social housing. The system was far from perfect, but take those targets away and watch those allocations fall out the system. To give an example, if you base housing provision on a totally and solely local needs assessment of demographic change, how do you deal with all the demographic pressures, which are produced by, for example, changing populations in the inner city, perhaps on moving out, or inter-European population movements, let alone movements of population between Local Enterprise Partnership areas. It's really very hard to see how you can have a system that's fair without having at least the, if you like, technical laboratories thinking about housing, and of course those have gone as well. They can think about housing strategically and advise local authorities. Now, there are ways of evolving away from targets perhaps, but without them it seems very difficult to see how we're going to meet those obligations.

Q90 Toby Perkins: In Chesterfield—as everyone will be aware, everyone wants to live there—I'm glad to say the Council has decided, despite the abolition of the RSS, to stick with the target it had. But as a

Member of Parliament, I know that, every single week when I go back to the constituency, I'll have a number of pieces of casework of people contacting me, desperate for more housing, more social housing, affordable housing and so on, and my real worry from all this is that the change in approach from sort of a target to an incentive will see that councils end up going through the sort of path of least resistance, which is that it's much easier to turn things down, whereas at least the target provided, if you like, a justification for the Council to say, "Well, we've got to have these houses—not our choice, not our fault." They could just pass on the responsibility. They might pass it on to Government, but at least the housing would get built that we all knew we were desperate for. Do you share the Government's confidence that moving from an approach of a top-down target to an incentive will still see the housing getting built?

Colin Haylock: With the New Homes Bonus, as it is constructed as I understand it now—I'm looking at Eric Pickles's letter from last week—with the bonus being offered against consents, I can see a local authority being quite encouraged to offer consents in a position where it feels that there isn't a huge level of community resistance to the consents to unlock the bonus. That doesn't necessarily mean that the grant will follow.

Q91 Chris Williamson: Do you think there's a danger in some parts of the country that the abolition of the Regional Spatial Strategies will paralyse the planning system, and could you comment on what implication you think that might have on the construction industry, if you're qualified to do that, where it happens? I'd also be interested in your thoughts about the impact on economic growth in particular parts of the country where that occurs, if you think it's a likelihood.

Hugh Ellis: In relation to the abolition of RSS, what does not seem to have been fully considered is that when you abolish regional strategies, you abolish one half of the legal development plan, and that's really important, because you abolish the evidence part of the legal development plan, which renders all Local Development Frameworks underneath it more or less fit for purpose and, very often, less fit for purpose. So, that means that the abolition on the 27 May was much more significant than simply taking regional planning, if you like, out of the game. It had a profound impact on the infrastructure deployment plans of all sorts of organisations that needed to think strategically in the private sector over the medium and long term. That job has to be done. It's possible, of course, for local authorities to take it on board, but it seems very difficult for them to do so when, obviously, Planning Delivery Grant has gone and there's a skills gap, where local authorities will be spending less on planning.

It seems to me that the likelihood—we've thought long and hard about this, and I don't say it lightly—is that it will set back delivery on a range of issues by a number of years; perhaps five to 10 years in some cases on climate change, because it will take time for the new arrangements to come into place and to be fit for purpose. That will have a very significant impact

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on the economy and a very significant impact on our ability to deliver on issues that we don't have 10 years to wait for—principally, climate change.

Colin Haylock: You will have seen in our evidence a long list of authorities that have done various things with their LDFs, such as “We’ve stopped work on it,” or, “We’ve stood down an inquiry because we need to re-evidence it.” Quite clearly, at the very best, we’ve introduced a hiatus and a period of considerable uncertainty. You have authorities thinking, “How are we going to move forward on this? If we stick with the targets that were given to us, we risk issues with our community if they feel the targets are too high. If we reduce our targets, the house builders will be on to us saying, ‘You’re not allocating enough.’ I think we’ll just stand back from this a while, until the dust settles.” That’s the sort of delay that none of us can afford.

Last week, you were hearing observations about a window of opportunity here. We’re in a situation where, regardless of the planning system, we’ve not been getting the houses, because the market’s gone away. This is the great opportunity to sort things, such that, when the market comes back, we get the right housing in the right places.

Q92 Chris Williamson: Have you any thoughts, then, about the impact on the economy—on the economic growth—of this “hiatus at best” that you refer to, and possibly, at worst, the paralysis, as I suggested?

Colin Haylock: The logic is that for economic success you need housing in places that are accessible to areas where you’re most likely to get economic growth. These are precisely the areas where you’ve probably got the most intransigent issues of communities thinking they don’t need any more development, and they need their neighbours to deal with the issues of providing further housing. We don’t have the tools there at the moment.

Q93 Chris Williamson: This could—you might not feel able to answer this—have a consequential, knock-on impact, then, in terms of the job creation that is expected in the private sector to compensate for those jobs that are being lost in the public sector.

Colin Haylock: Well, going back into the loop again that “planning doesn’t create houses; it creates opportunities to build housing”, if we build delay into the process of creating the opportunity to produce the housing, then yes, almost certainly, if the economy begins to warm up, we will have more difficulty in meeting the needs of that economy.

Q94 James Morris: This is a question I asked last week to some different witnesses: is there a conundrum here? The Regional Spatial Strategies and the infrastructure of the previous Government produced a lot of targets, but, if you look at social housing, for example, they didn’t produce a lot of social housing. So, the previous regime was very good at producing lots of targets that local authorities could meet top-down, but didn’t produce any housing. So, if you’re sceptical about, for example, the New Homes

Bonus, what would you do to stimulate more social housing in local communities?

Hugh Ellis: I think this is hard to prove, because you have to wait for the evidence to appear. Now we’ve taken planning out of the game, over the last four months we’ve seen allocations disappear. But you’re right: that’s not houses being built on the ground. The disturbing question arises: if we’re focused on social housing, the incentive of the bonus won’t build any social housing, because the bonus is paid to local authorities and they may or may not wish to spend it building social housing.

If you take on board the other announcements we’ve had on social housing spend from the social rented sector, that appears to create a very difficult problem because, at the end of the day, planning is one, if you like, factor in all this: it can create a regime that is permissive to social housing or not, and then you have to hope the funding comes with it, but the only way we realistically have of leveraging social housing now is on the back of private-sector development—the one third or the one fourth or whatever it might be—and that is dependent on having a robust strategic planning system. I think we can be clear about only one thing in this uncertainty: the removal of targets certainly shows no sign of helping to contribute to the delivery of social housing, and our best guess is that it will damage that agenda.

Q95 Stephen Gilbert: Chair, can I explore this a bit more, please? Obviously, you’ve both indicated that you’re sceptical of the New Homes Bonus, but do you think, then, that, in principle, the incentive structure could never deliver the right houses in the right place, and never deliver the outcomes that we’re looking for, or is it just that the mechanism that is being employed at the moment could be refined?

Colin Haylock: I’d love to be able to quote the research that I’ve picked up second-hand at somebody’s breakfast seminar, but there was some interesting work done in the North-East about the value of the incentive, where it was likely to be signed up to by a community with a willingness to say, “That will actually make a difference; we will go for this,” and somewhere that mortgage lenders might actually lend. There was a considerable disjunction between them. The places where you were most likely to get consents were the places where mortgage lenders were least likely to lend. So, again, we got into this business of, “You weren’t producing the housing.”

Hugh Ellis: From our point of view, there are a couple of issues, I think. It’s not that it couldn’t be made to work, but it would have been really valuable to have been able to have a real-world example of having piloted it. I think that would have been essential, because everything now rests on it. It’s absolutely critical that it works, otherwise we’ll build nothing. Our concern is in two parts. First, is the fund big enough? The figures that we’ve been looking at in the last few days don’t appear to add up. If you were trying to build out at 200,000 units a year, by the time you get to years 5 and 6, there isn’t enough money in the fund to pay out at those rates, so there is a simple mathematical budgeting problem.

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The other thing is that the incentives are paid to local authorities. Which local authority—top tier or local tier in two-tier authorities? How is the money divided up and what's it spent on? Finally, if the weight of this is the idea that you can persuade communities to accept more housing because you pay local authorities, I don't think that politically stands.

Q96 Stephen Gilbert: Just on that last point, you could envisage a situation where the community directly benefits from the incentive schemes—that the money isn't put into, if you like, the local authority coffers to be used on whatever the councillors see fit, and therefore communities have a more tangible purchase on the benefit, if you like. So, that's something that you think would change dramatically or a little—how the incentive system might work?

Colin Haylock: I think, possibly, if you come in at this at a different level and you come in at this at a localist level, one of the things is—our experience has been through Planning Aid and working with local communities—that when you work carefully with a local community, you can actually change mindsets. You can get people to a position where they've jumped out of their normal default mechanism of “any development is bad development” into a position where they can see the positives of well-organised development that's well-related to a local community setting, and find themselves as champions, taking Eric's view, “Yes in my back yard,” but you've got to work on this.

From the Planning Institute's perspective, that end of the process we see as being incredibly positive—the localist bit. We've worked on localism for a long time in planning. Planning Aid is a great tool in working with local communities, helping them to have a very clear voice and a much richer understanding of the dimensions of development. That may have greater impact than financial incentives.

Q97 Stephen Gilbert: One very quick thing: that's about advocacy, isn't it? It's a question I asked last week. In your experience, I guess councillors—and MPs, to some extent—have a community leadership role on this. Would you say that the community leaders out there are advocating sufficiently the benefits—and, indeed, the national need—for development at a local level?

Hugh Ellis: No. There is a lot more work to be done, and I have to say that planning has a responsibility here. We have not communicated those things well enough; it's not been what we've done well, and we need to do much better at it. But on the decisions at the local level about housing in terms of paying directly, again this has to be about a much bigger change of mindset because, geographically, it will play out very differently. In the North and in many places—in peripheral places—there's a big demand for development. Go to any community and people will ask for it, so it's going to play out very differently, I think, spatially.

Colin Haylock: I think one of the big changes here is, in some ways, with externally applied targets, it's been very easy for local politicians to say, “Hey, it's not us. We didn't vote for this. We've just got to do it”. When

it becomes something that is purely local, their position changes. The difficulty, to loop back to some of our earlier discussion, is how you make something beyond the purely local when you have to deal with an issue that helps your neighbour.

Q98 George Hollingbery: Just quickly, it's more on the same subject. I'd contend, first of all, on the Regional Spatial Strategies that the targets weren't working particularly well anyway. I think an awful lot of housing that was planned in there was planned only because it absolutely had to be, and I had one near me, north/north-east of Hedge End—a development of 6,000 homes in an STA. It was instantly rejected on the abolition of the Regional Spatial Strategies, because it was entirely the wrong development in the wrong place, yet, elsewhere in the authority locally, we took a great deal of housing. It's just that that one was in the wrong place, so I don't think we should immediately characterise housing falling out of the planning mix as being a knee-jerk reaction. I think some of it is falling out for a very good reason. The stick was being applied too much and there wasn't enough carrot.

I'm just interested in the fact that Hugh in particular is so pessimistic about where this is all going to work out, and there seems to be quite a lot of assertion of evidence that no local authority is going to be broadminded enough to plan for its economic development and won't push ahead with something that develops the economy regionally. My own local authorities have come together in an organisation called PUSH, which I've bored for here already, I'm afraid, but it is, I think, an exemplar of how the Local Enterprise Partnership model could work: 11 local authorities coming together, subjugating their planning powers into one body—yes, they have local accountability back in their own planning areas—where they quite clearly look to the entire region about how best they can deal with all sorts of different regional issues. Why is it that you think that local authority leaders will not worry about economic growth and the benefit to their constituents? I don't see the evidence that what you're saying is correct. There's a lot of assertion, but I don't see the evidence.

Hugh Ellis: Well, I think the evidence is there, and it's certainly not my assertion that local authorities can't deal with economic development, but the difficulty is, particularly with the challenge of housing and climate change, but less so on economic development, that there is a mountain to climb, and local authorities are going to be confronted with that responsibility. What I'm asking, I suppose, is that they are inside a framework that enables them to act, and in relation to things like evidence base—for example, on energy provision and renewable energy—how are groups of local authorities, or even, worst case, a rural district authority, going to deal with the provision of their obligations under the Renewables Directive? What mechanism is going to help them to be able to do that?

I'm very pro local authorities; what I'm worried about is that some of this disruption was not necessarily necessary, and we could have moved in a more evolutionary way and we could have ended up with a

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system that gave more power to local authorities. I was in the PUSH area and it's a great exemplar, and it has the greatest challenge on climate change, but talking to some of the officers involved in PUSH, they're now obviously beginning to recognise that, in some sense, they've got to deal with that challenge of Portsmouth and sea-level rise all on their own. My question is, do they have the right resources? I'm raising questions about that. It's not that I have a problem with local authorities doing it; that's their democratic mandate. What I'm saying is, have we got the best regime to enable them? That's the question I'm asking.

Q99 Clive Efford: If there's not enough money for the incentive schemes to work, how should we use the resources that are available more effectively?

Colin Haylock: One of the things that we have to ask ourselves is what the incentive is actually doing. Every time that the incentive is applied to encourage a local authority that would have said yes to the development anyway, or a community that would have said yes to development anyway, that surely has to be a pretty poor use of public resource. So, if we loop back to your conversations last week, which I was able to enjoy online, this idea of, "The more bolshie you are, the more grant you get," isn't an answer either, is it?

Q100 Toby Perkins: So, what is?

Q101 Bob Blackman: One of the issues as well is that planning permission may be granted, but a development may not take place for three, four or possibly, in some cases, five years, so is that an issue, as far as you're concerned, and what would you do about it?

Colin Haylock: If you paid the grant on the commencement of development rather than on the granting of consent, at least you would have a direct line from offering the financial incentive to getting the goods that you wanted. That would help along the way; I'm still not sure what the absolute answer is though.

Q102 Bob Blackman: The other issue is this: I can take you to a place not that far from here where planning permission has been granted for 10,000 new homes. The land is all sitting there waiting to be built upon, but nothing is happening. Do you think there is mileage in Government saying, "We need to incentivise someone, whether it's the local authority or the developers, to bring those developments through to help solve the housing crisis?"

Colin Haylock: You'll presumably have different reasons why development is not happening in different places, so if it's simply an issue of, "You can't make this work until you've provided various chunks of infrastructure," it's quite a different equation from working with somewhere where, "Well, sorry, there isn't enough steam in the market. The area is not attractive enough to the market. It is not going to go there voluntarily."

Q103 Bob Blackman: Sorry, I want to press you for what incentives you think would work, if any.

Hugh Ellis: Well, I'll give you one example in terms of development models you'd bring forward in planning. At the moment, obviously, it's a terribly financially constrained environment, but it's just interesting, isn't it, that many of the proposed developments in, for example, some of the eco-towns and the entire history of new towns were positive for the Exchequer, not negative, because they dealt with the uplift in land values and they were able to be paid back into the Exchequer several times over, I think, in some new towns' cases? So, there's a lot we could do if we were willing to think more creatively about financial models, and I think the incentive regime we've been offered is one idea in what could be an interesting package, but it's not the only way that we could go. Local authorities could find themselves in a positive position, but, of course, to get that uplift, you have to plan on a reasonably big scale, and whether we're willing to do that is the question.

Colin Haylock: And you have to plan in a long enough time scale to affect the value at which land changes hands.

Q104 Heidi Alexander: We've talked a lot about housing this afternoon, and the building of new homes. I think both of you have touched on it when you've been speaking about the implications of the abolition of the Regional Spatial Strategies for renewable energy and planning for climate change, and I just wonder whether you could say more about that, because it strikes me that, while housing is incredibly controversial, and some renewable energy projects can be as well, those big environmental considerations are something that the RSSs played a very positive role in tackling.

Hugh Ellis: I think they did, and I feel very insensitive now, at the risk of being negative about the reform process, but in relation to renewables we can at least be clearer about the position, because the impact is more direct and the benefits of regional strategies—I think there's strong evidence for it—were more beneficial in terms of what they'd done. They'd added up energy capacity, they'd mapped areas of constraint, they'd created a strategic approach, they'd tried to mediate around some very difficult issues about onshore delivery, they'd tried to join up with energy providers and the grid to try and resolve those problems. I say "try" because they were more or less successful, but all that was there.

More importantly, they'd collected data at the right spatial scale on adaptation and mitigation. So, having knocked that out—I'm particularly worried about where the data go; East Midlands have sent them to Nottingham Trent University and South West have sent theirs to the British Library—no one will update the data sets on adaptation and mitigation. They had carbon reduction targets enshrined in them. All this was the fabric of what those regional plans did, and it was, on the whole, extremely positive and important for climate change.

Just taking a step back, then—this is very important but very controversial—if the science is right on climate change, and the Royal Commission on

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Environmental Pollution is looking at this now, it will result in demographic change on an unprecedented scale in the UK. We will need to move people away from vulnerability, broadly speaking, and the PUSH area, in fact, is already thinking about that. If we need to do that, we need to have really good data sets and really good intelligence. In other words, we need our spatial radar to be attuned. What happened with the abolition of Regional Spatial Strategies was that radar just got turned off and the only piece of evidence now being collected regionally is DECC's regional energy capacity studies. Of course, until we reinvent some form of localised or small and regional strategic planning, whatever we call it, there's nowhere for that evidence to sit. So, I think the situation is serious and deserves proper investigation, only because I think the question was not asked at the time, and really powerfully needs to be asked now.

Colin Haylock: Can I just add to that? Going beyond the renewables and the rest of sustainable development, clearly one of the patterns of strategic thinking in the RSSs was, "How do we organise development? Where do we place it? How do we minimise its impact on communities?" They were looking at the business of using existing infrastructure to a maximum, looking at the compact city—a series of issues like that, which are very, very difficult to deal with on a local basis.

Q105 Heidi Alexander: We've talked about LEPs taking on some sort of larger-than-local planning function, and how do you see this agenda in terms of the work that LEPs may or may not be able to do?

Colin Haylock: Well, we've just said the jury's out in terms of what's in the LEP box, what its terms of reference are. I come back again to this: if the LEPs are about a lot more than economic development, if they are about the total of sustainable development—economic, social and environmental—and they have the right geographical boundaries, yes, they are an opportunity to revisit that and consolidate the good thinking, if we haven't lost too much of the evidence along the way.

Hugh Ellis: But on joint infrastructure plans, which might be the vehicle that flows out of LEPs for local authorities to work together, I think there has to be a statutory duty for joint infrastructure plans to deal with climate change. There has to be such a clear signal that it is not negotiable that you can think about those issues, because the overwhelming national interest has to be an effective response to climate change.

Q106 Chair: One final point: you mentioned before about local authorities stalling their LDFs, then you were talking about this problem with the evidence base that won't be there at the regional level and local authorities are going to have to develop their own, and then they're going to have to come in as collaborative. Are the skills around in planning authorities to enable them to do that? Probably some of the smaller ones in particular.

Colin Haylock: One of the problems is that we've been eroding that skill base for a little while. As we've been through various pieces of reorganisation, we've

lost quite a lot. We still, critically, haven't got really important skills that we need to make sure, very quickly, know that they have a future in this.

Hugh Ellis: I think that's right. Many of the most critical people who have experience in this will be lost to the system, and I think, collectively, some authorities are likely to do well—Manchester is a good example, isn't it? They've got a strong relationship with the university on climate adaptation. But small rural authorities do not have the planning skills on climate change. Let's be clear: planning was just about getting its head around climate change at the beginning of this year. We were just about moving towards it. If anything sets us back on that in terms of skills, what we have to do is match the skills that we're losing out of regional planning into local government. That's the great challenge, and I'm not sure how we do that at the moment.

Colin Haylock: I don't know how we pass out these messages now, because, of course, local authorities are facing considerable financial reductions and, inevitably, pressure on all their staffing. If the message that is going out is that the larger-than-local doesn't really matter, and the strategic thinking doesn't matter, we're going to lose this. Local authorities need to understand, absolutely fundamentally, that this is critically important.

Q107 Clive Efford: Mr Haylock, in your evidence, you said that you think that some areas will build more houses than they were allowed to under the Regional Spatial Strategies. Do you think that that will compensate for those that we're losing as a result of the abolition of Regional Spatial Strategies, or will that be an insignificant amount?

Colin Haylock: I think we have the issue that those places that might most readily say, released from any constraint by targets, "We would provide more," may be places where the market is not going to rush to build the houses. They might make the allocations. They would not necessarily build more.

Q108 Clive Efford: In terms of the overall need, you don't see that compensating in any way for the amount of houses that we would need?

Colin Haylock: I'm concerned that we won't necessarily get the right houses in the right places.

Q109 George Freeman: Looking at this question of the climate change and renewable energy aspects of the RSS abolition, in my own area in Norfolk, and in large parts of East Anglia, part of the excitement over the abolition of the RSS, because it had come to be seen as a top-down mechanism, is to get back to a much more local, organic, rural model of development, in which sustainability means not just putting housing only in large places, but putting houses and jobs back in villages to make them more sustainable. To me, and to many people in the area, that's a much more practical, tangible contribution to climate change and renewables: if you get people travelling less and commuting less, and people living and working back in communities, that seems more renewable than the model that was coming down through the RSS, which was huge zoning and growth

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points, and everybody driving huge distances to where the work is zoned. So, I just wanted you to comment on whether, in fact, despite the well-intentioned strategic aspects of planning for renewables and climate change, a localist approach might not have a more immediate impact.

Hugh Ellis: I think the answer is that there is massive potential for it to make a contribution, but what worries me personally is, how do we know when we've won and succeeded to be positive, and how do we know when we've failed? In other words, what is the sum total of all those local decisions made on, perhaps, all sorts of decentralised energy, which really can happen in rural areas and make them truly sustainable places? The problem is that rural England—upland England—has a problem, doesn't it, in terms of the contribution of upland areas to renewable energy, if we're to provide the full mix that we need under what is existing Government strategy. So, this is what worries me: if you've taken the targets away, how do we measure our performance, how do we know when we've got there and how do we deal with the bit that, in some senses, I hate most, which is the strategic bit—the gap that we have to fill in our energy needs, which means that we have to deploy some very significant, big and probably unpopular renewable energy.

I'm genuinely struggling to see how we do that without some strategic framework that has that dreaded word in it—a target—but if we don't do it and we miss our renewable energy targets, we'll invent

strategic planning as a result of the phased withdrawal from the East Anglian coast on sea-level rise, which, depending on which science you care to read, is now a likelihood rather than not. So, in all those cases, I think that the most cautious approach is to evolve, somehow, an effective system that retains our ability to measure and have an element of strategy, which does not devalue exactly what you're talking about.

Colin Haylock: I see very interesting challenges in what we're talking about. Were you talking last time about the idea of what a Norfolk economy might be like, left to its own devices? There's this classic thing, then, of what is Norfolk's contribution to the South-East. Does Norfolk have to deal with something that other parts of the South-East can't deal with? That, presumably, was what was leading to the growth point propositions.

I look at this from a North-East scenario, the other way round. I'm looking at the ways in which RSS was constraining development in North-East and North-West Durham to try and ensure that there was enough demand to regenerate the inner areas of Newcastle, Gateshead and Sunderland. We're sort of taking away that ability to influence the wider market, to try—to the extent that one can push the market—to push the market. I found your ideas about a Norfolk economy really rather interesting; perhaps there is another substantive model there.

Chair: Thank you very much indeed for your evidence.

Examination of Witnesses

Witnesses: **Ron Morton**, Shortwood Green Belt Campaign, **Jeremy Heron**, Councillor, Ringwood Town Council, and **Alice Ross**, Save the Countryside, gave evidence.

Q110 Chair: Good afternoon. Thank you very much indeed for coming to our inquiry this afternoon. Thank you for the evidence you've submitted so far. For the sake of our records, would you say who you are and the organisation you're representing?

Ron Morton: I'm Ron Morton, Shortwood Greenbelt Campaign.

Alice Ross: I'm Alice Ross from Save the Countryside.

Jeremy Heron: Jeremy Heron, Ringwood Town Council.

Chair: Thank you, and you're all very welcome indeed.

Q111 George Hollingbery: I'm sorry to be talking yet again; I do apologise to fellow Members. I want to talk, if I may, from your perspective—at the bottom, as community groups—about what was wrong with Regional Spatial Strategies from your point of view, and whether you think there is a legitimate place for strategic planning at a tier above where you find yourselves, and whether you think that is a reasonable objective for Government and others to have.

Jeremy Heron: I've got one from our point of view, and I'm sure the others will have different views, or slightly different views. From our point of view, the

Regional Spatial Strategy was simply too far removed from the community. It was covering a vast area, trying to be all things to everyone and, as such, representation that was made to the RSS quite often got lost in the noise of everything else that was going on, and if yours wasn't a big regional issue, it failed to be identified and noticed. That said, I really believe that there is a role for a strategic view across the area and that it cannot be left solely to the very grass roots to establish the spatial planning, so there is that need for some, but it does need to be closer to the ground, so that it can understand local issues and local variations.

Alice Ross: We found such a lot of things, such as the top-down imposition of massive housing targets for our area. I think even Mr Healey eventually decided it was perhaps not such a good idea—the number that was suggested for the South-West region. The dubious statistics it was based on: going back to RPG 10 way back and then adding on to it, and not seeming to look at local statistics for need and so on was a real problem. Then, for the South-West region, I don't know if this was the same for all RSSs, but we had areas of search, indicative, so say, which pinned down exactly where that large number of houses, wherever, were to go, without really, truly consulting with the locals. I know we probably had a chance to do that,

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but by the time we realised what was going on, it had all gone past and, as I think you said too, the community were not truly considered.

Even worse was the Secretary of State deciding to add some extra things, making changes to the RSS, suddenly springing 1,000 houses here and 1,000 houses there, without any examination in public, without following proper EC regulations on investigating whether there was an alternative site. Problems like that made us feel really very anxious about it indeed. Then, after that, in this same modified RSS done by the Secretary of State, removal of infrastructure help, which wasn't very good; removal of the sequential test; encouragement in RPG 10 and after to go into the greenbelt if you couldn't go anywhere else. Greenbelt, to us, between Cheltenham and Gloucester, is very important indeed. We were worried we might finish up with "Cheltenham" or "Gloucesterham" if we didn't maintain the greenbelt there.

Also, the disrespect for rural communities: nobody thought of what was to happen to them. All the things were strategic town-and-city based, supposedly sustainable extensions. For instance, again, in our greenbelt, the land there is very likely to flood. Again, in our greenbelt, one of the areas they chose was within 3 kilometres of a toxic waste dump. All sorts of things there led us to feel that the top-down imposition of these houses on us was not the sort of thing that should happen, so we were deeply delighted when the RSS was revoked, particularly because our Joint Core Strategy was sort of under way.

Now it can really look at our community and really decide where houses should go for the best of all the inhabitants, particularly places, for instance, like the city of Gloucester, where, really, regeneration of the inner city is probably more important than building new-build stuff out in green field sites, particularly when you realise that Britain's agriculture suddenly is being looked on as very important indeed. Food security is such an important item in people's mind at the moment, so to go out and build on productive land when you've got somewhere that would require regeneration for the sake of the population of the city sounds a good idea.

Q112 George Hollingbery: Ms Ross, could I just ask very quickly if, by you very much welcoming the abolition of the RSS, what you mean is you welcome the abolition of the housing?

Alice Ross: Yes, I'm sorry. I should have said that.

George Hollingbery: No, it's just to be clear.

Alice Ross: You're right. There are really good things about it. In fact, in a way, I look on the South-West Regional Spatial Strategy almost as a modern Domesday Book. If you take out the prescriptive housing, the geographical description really is a very valuable document indeed, and I'm hoping very much that, somehow or other, online, there'll be a "Southwestipedia" or something that people can still consult.

Ron Morton: I feel a bit of a fraud sitting here in front of you, because we don't have a Regional Spatial Strategy in the South-West. One was proposed. The housing figures were never discussed, because the

whole of chapter 4 was withdrawn once it had gone through the evidence-in-public stage. Housing targets were increased by 50%. Nobody discussed them. Because of all this, 35,000 people objected to the South-West RSS, so there must be something wrong with it for that level of people to object. We were told that there would be responses, that the GOSW would come back to us within six months. That was 18 months ago. Then we were told it was going to be in the spring, and then it was going to be before the election. The whole thing ground to a halt, and this is one of the reasons why we're particularly irked by the proposal to go back to the RSS housing target figures as the default setting, because they've never been discussed in the South-West, and it would be totally outrageous, this level of unaccountability.

A second problem with the RSS is that it objectivises local communities. We are the people to whom things are done by planners. We don't have an input to the whole process. For example, my hamlet, which is 80 houses, is part of the parish of Pucklechurch. Pucklechurch has produced an excellent parish plan, which said there should be no building on the green belt land between Pucklechurch and the urban sprawl of Bristol, although there should be building within the village itself, because it recognises the need for families there to keep the school going, to keep the shops going—all those things. We need growth, but not this encroachment onto the green belt. So, what does the RSS produce? Building on the green belt. What did the planners in South Gloucestershire Council want to pursue? Building on the green belt. Nobody is listening to what ordinary people have to say, and they have expertise. There has been arrogance in some of the comments we've heard, disparaging remarks about communities—all your local and regional planners live in communities. All your nuclear scientists live in communities, and communities can call on that sort of advice when they're putting together their proposals. And if you consult the communities, you will find that there are communities with sensible ideas about where there should be growth, where there should be development, where it is organic, where it fits, where it will work. What we don't want is a monolithic top-down system coming down on to local communities. And top-down, if you're at the bottom of the hierarchy, like we are, also means the local council deciding unilaterally, without consultation, which is what we're finding. As authorities produce their core strategies, the last people to know what's happening are the residents living in the towns and parishes. They don't know about housing development until the bulldozers move on to the field.

Q113 George Hollingbery: Just to follow up, Chairman, there is nothing wrong with being a Nimby—I want to put that out front. Being very concerned—

Ron Morton: No, we are not Nimbys; we are Lambys. We are Looking After My Back Yard.

Q114 George Hollingbery: No, that's absolutely fine, and there is nothing wrong with fighting your corner. I want to make that plain before I start, but

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we're talking here about the Regional Spatial Strategies and a strategic level of planning. If your local authority did lots of collection of evidence and it looked at its housing need surveys and it looked at people who were living in bed-and-breakfast accommodation, and it came up with assessments of how many people needed to be housed in your local authority area and they had rigorously gone out and tested this, would you still be against the appropriate level of housing being built to accommodate all those people in your areas, or would you happily take that into account?

Alice Ross: We would take it into account, but insist, please, on them looking to find out what there is available in housing stock existing, to be refurbished or to be brought out of being empty. I believe that the Secretary of State has just recently put a sum aside for doing that. It sounds very sensible to me that you should check that the people who need homes because they can't afford them are helped, but that you should not build 70% unnecessary, open-market houses to achieve that on greenfield sites. That seems to me absolutely shocking. You should also see where you can regenerate urban areas and so on, and try not to spread out paving across our green land. That is the thing that I would ask to be done.

Q115 George Hollingbery: Could I push you a little harder on this? I don't mean to be too aggressive with this, but in my local authority area of Winchester, all those options were more than adequately addressed. There was no urban infill. There were very few brownfield sites. The only option to accommodate the 3,500 to 4,000 people on housing waiting lists was to start building sizeable communities in green areas. If it was reasonably evidenced to you that that was the case and that this extra overflow into refurbished houses and so on was genuinely not possible to meet housing need, could you, as campaigners, see a place where you could accept it?

Ron Morton: We do. In the co-ordinating group around Bristol about the various campaigns, no one's saying, "Don't build any affordable housing." This is what we don't understand. How you described Winchester is perfectly enlightened, but that's not our experience from the South-West Regional Spatial Strategy. What we have is hundreds of thousands of houses to be built as urban extensions to Bristol, to preserve it as a vibrant European city.

Now, I don't see how building £250,000 executive homes on the edge of Bristol helps people in need in the far South-West, where there are real problems of social need, low pay and all those things. I don't see how having joint equity schemes for affordable housing, where the potential resident has to raise a mortgage on £125,000, is going to work. I don't see how the schemes for these 100,000 houses around Bristol are going to help any of the 40 people who are sleeping rough on the city of Bristol's streets tonight, because it's not the sort of housing that they need.

What it is is housing that developers want to build, and the compact between developers and local councils and the planning system has broken down. Here we are, in, to all intents and purposes, a recession, and how many of the houses being built

are 33% social housing? None, because the market's collapsed, so the builders aren't building, so we're not getting the affordable housing. If South Gloucestershire needs 1,000 dwellings to meet the issues of homelessness and what have you—the figures don't indicate that, but let's say it is that—let's build them. But that's not the way that the system that has been legislated for is working.

The last point on all this is that South Gloucestershire is a very prosperous area, and if you look at the affordability ratio, it's the same as the national average. Yes, houses are very expensive, but local wages, because of hi-tech industry and the financial sector, are very high. The issue of the need for social housing isn't met by the RSS proposals for where the developers want to build the houses, and that shouldn't come as any surprise, because it's the building consultants—the developers—who wrote the figures for the South-West Regional Assembly, wrote the figures saying, "We need this many houses," and then they're acting as building consultants for the Stadium, the Ashton Park development. It's the same company, the same people.

Jeremy Heron: I have a slight disagreement on that view. We have a significant housing need in our area, and it is documented. It's documented by the housing waiting list. If you are young and you want a house in our area, I suggest that your parents put your name down when you're born, because otherwise you're not going to get one before you retire. We're listed as one of the top 10 least affordable areas. We had the relevant statistics just to check it up.

In the past few years—three years here, but I don't want to bore you with the past four applications—for more than two houses, we've had a six-house application, 15 objections, one petition and no one in favour of it. In a 24-housing application, 28 objections and no one put their name forward to support it. In the previous one, 12 dwellings, eight objections, no one put their name forward to it. So, if you leave it locally, everyone is very aware there is a housing need in the area, but they do not want it if it takes out the field that they've looked over for the past five years. So, if you leave it to a simple local decision and local planning, it will end up in a hiatus, because, as elected representatives, your job is to support them. You know that these people will remove you if you don't support that view.

Q116 Clive Efford: Can we just take you back to the question, which was about whether there should be any strategic decisions made over and above the local community? I assume your answer to that is absolutely not.

Ron Morton: No, quite the reverse. My answer to that is absolutely yes. It's a question of how you get to that strategic level. You don't get to that strategic level by starting at the top and saying they are the decision-makers and moving it down. You get to that level by starting at the bottom and building up to it, and I personally trust councils; they want their authorities to grow. They want them to be vibrant authorities. They will take this on board. They are honest, decent, reasonable people.

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Q117 Clive Efford: So, local authority level is—

Ron Morton: No, in the area where I live, there is what is called CUBA: the Councils that Used to Be Avon. That's Bristol, South Gloucestershire, North Somerset, and Bath and North East Somerset. They are used to working together. There is the West of England Partnership. They are used to doing this sort of planning together. You could even go wider to the West of England, where Gloucestershire and Wiltshire would come in. The problem is Cornwall and Devon are entirely different economies.

Q118 Clive Efford: But if we take the list that Mr Heron has just read out, his local authority clearly, at a local level, recognises that there is a serious need for affordable housing in that area. Now, that's local level. Those are facts, irrefutable and undeniable, but how do you respond to that need? Because your houses were built first, you're denying anybody else the opportunity to have their houses built.

Ron Morton: Well, you're assuming that there is no social housing in the village that I represent, and there is.

Clive Efford: I'm not assuming that at all.

Ron Morton: And there are also Traveller enclaves at both ends of the village. We are a very diverse but small community. South Gloucestershire has plans for 21,500 homes in its Core Strategy. Areas will be affected. It's not meeting resistance to those 21,500. Those were the figures that it originally wanted to build. The objections and the difficulties come when some unelected bureaucrat from the Government Office for the South West decides to up the ante and jump, in one go, from 21,500 up to 33,000 homes, which can be met only by building on the green belt—the green belt that was put there specifically 50 years ago to stop the urban sprawl going out into the countryside. The green belt has become a local authority-controlled land bank that is drip-fed to pushy developers over the years. It's constantly moving out, and I want to know how far developers and regional planners think it should move out before it's too big.

Q119 Clive Efford: But there is a necessity, is there not, that we respond to need, where that has been identified at local level? Now, the figures from the Government Office, presumably—I can't quote chapter and verse on the South-West Regional Office—are based on the figures that are produced by the local authorities in that area.

Ron Morton: When you look at them all together for the South-West, there are these issues. When you look at the urban fringe of Bristol, the case is not there. Whenever we use the Government Office for the South West statistical brief to argue against their proposals, there's just silence. The numbers of people in bed-and-breakfast accommodation in South Gloucestershire are really quite small and manageable, and yes, let's build housing for them next week—let's start and do it—but why, if South Gloucestershire needs 1,000 social housing units, can we get them only by building 3,000 houses on the green belt, which is supposedly protected under PPG 3, at some

time in the future when the developers finally want to get round to it?

You were talking about communities objecting to housing people in social need; the only example of that I can find in recent times is when developers wanted to reduce the ratio of affordable housing in the Emersons Green East development, which includes 2,000 new homes. They wanted to reduce the affordable housing by something silly like five. Because of the hiatus that caused—it had to go back and be discussed—we fell into the whole collapse of the financial and banking systems, and it's taken two years to start turning over the turf and building those houses. It was the developers who wanted less social housing, not the council and not the communities.

Q120 Clive Efford: Can I just set aside the current economic climate? Is it developers who decide where the houses go or is it demand?

Ron Morton: It's developers. From Shortwood's experience, because of the evidence in public for the South-West RSS—the evidence submitted by the Shortwood Landowners Group—they're specifically saying Shortwood's the ideal place, because they can just drive their bulldozers on and start digging. And they also, in that same document, complain about the delay within South Gloucestershire for processing their applications, so, "Perhaps we should have regional mayors with planning powers, so that we can get our houses built quicker." It's in there, in their evidence.

Q121 Chair: We'll move on now. Some colleagues will want to come back, but can we just finish up at the end and just get the two other issues dealt with? And could we get slightly briefer answers now, because we are a bit time-constrained and we want to make sure you get all your key points across?

Q122 Stephen Gilbert: I'm a South-West MP and I know that the region that stretches from Bodmin to Bournemouth and St. Austell to Swindon is very diverse, very disparate and very difficult to balance needs within, but I'm also 33 and I had to get elected to Parliament to be able to afford to live on my own. If I wanted to move to Pucklechurch, do you think you'd have an obligation to provide housing for me there?

Jeremy Heron: I don't think that any community can provide 100% opportunity. I think to do that runs the risk of destroying especially the rural community, so no, there is no ability or possibility to provide 100% guarantee. If you want to live here, you'll move here, because you'll probably move here, and when we've done that for everyone else who wants to move into a particular area, you'll probably decide you want to move out because it's not what you moved to. I think that you have to temper the need with a realistic ability to maintain a community in a manner to which it exists. You can't turn a village into a city simply because it's a very popular village, because it just won't be a particularly popular city and it will not have the infrastructure.

It was interesting listening to other people give evidence earlier on—the discussion about PUSH.

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Now, PUSH was very much designed as an economic growth. That was its remit. It would deliver housing only on the back of the economic growth, the economic forecasts and the provision of infrastructure, none of which, I note, is forthcoming, so one would assume that PUSH's housing figures will equally shoot down. I'm also aware that Hampshire aren't quite so keen on PUSH as they were when it came. I suspect New Forest, which sits on the fringe of PUSH and just has a toe in it along the waterside, probably aren't quite so keen, since its Head of Economics is now also part of ABP, and they will probably be looking at Dibden Bay with a greedy eye.

So, these things, as a voluntary group, may not perhaps function quite so well when they're not getting the incentives, and those incentives have to be seriously large, because we all know that all these areas, especially the main urban areas, are groaning under the pressure. So, they need serious money and it just isn't available, so you're not going to hold that sort of thing together if you don't have the bucks to back it up.

Alice Ross: We'd agree with that for our area as well. The 5,000 houses proposed to the north-west of Cheltenham, which I've been speaking about, would have added, well, 7,000 workers to our 110,000 population. Where would they go to work? They'd have to leave and go somewhere else to work, I should think. They would have added a huge burden to our infrastructure. I know that if you had just come and if you'd got a job and all the rest of it, probably that would have been all right, but if you think about it, that number of people attached to a small town couldn't possibly be sustainable, although they claimed it was a sustainable urban extension.

Q123 Stephen Gilbert: Mr Morton, do you have any comments to make on that?

Ron Morton: If you all wished to move to Pucklechurch, you'd be made very welcome.

Q124 Stephen Gilbert: What I'm trying to get at—perhaps I can help you—is that there is obviously a tension between some of the views you're talking about and some of the needs to keep our cities and economic drivers across the country going at full tilt. Are communities prepared to accept people moving into them, although I accept that, as an MP, the chances of me getting a real job are probably diminishing by the day? Let's assume that I was going to come and be an economically active part of the community and help drive the prosperity of the community and the wider region. Isn't that something that communities have to take into account when looking at housing provision?

Ron Morton: Absolutely, but there is the assumption that people don't want growth, people don't want housing. That's not the case. It's a matter of degree. The South-West has a higher-than-average burden of growth laid upon it. Now, already that has implications for the regions in the Midlands and the North, because if the South and the South-West have got much higher than average, it means other areas, even though they see in their RSSs that they're getting

growth, think they're getting growth, but it's below-average growth. Those communities are being wound down, because in the South-West, the suburbs of Bristol are being turned into Silicon Valley, in essence—massive growth.

So, the South-West is getting overburdened with growth. The policy then was to channel the bulk of that growth to Bristol, so then the figures are huge. If you go back to the figures that the councils are more comfortable with and spread that across the whole South-West, you can tackle some of the issues in the far South-West that need tackling. You can tackle issues in Norton Radstock, where they need more housing to make a vibrant town. Those issues can't be tackled at the moment because the RSS said these huge figures were going to go around Bristol.

Q125 Bob Blackman: In your evidence, you're quite sceptical about the New Homes Bonus. Can I ask you, without going into that evidence, what incentives would encourage house building in your areas—they could be financial, they could be otherwise? Could you give me some flavour of what that would be?

Ron Morton: I think a financial incentive is the worst possible option. I think the biggest incentive would be to involve local communities in the future of their communities, in the growth and the development of their communities—just that; just the involvement—because they are the ones with the expertise. They know what they can cope with, the sites that are available and what the need is.

Q126 Bob Blackman: Could I cut across you then?

Ron Morton: Yes.

Q127 Bob Blackman: Are you saying that the only growth within your type of community, your type of area, would be internal, organic growth—that is, homes for the local people, without people such as my colleague here, who wants to move to the area and who has a new job somewhere a short distance away? There's no space for them?

Ron Morton: No, I'm not saying that at all. There is growth in the Pucklechurch parish plan, and if you multiply that by 50 with other communities around South Gloucestershire, who knows what figure we could sustain in the future. The problem is in a top-down approach that decisions are taken by people who don't know the local context.

Q128 Bob Blackman: One final thing in terms of financial incentives: the Government would say, "We're giving this financial incentive to encourage not only the new homes to be built, but the infrastructure to be developed around those new homes." Are you saying that that financial incentive shouldn't be there, so you shouldn't have the infrastructure?

Ron Morton: I don't think it would work on the ground in the practicalities. Our perspective is built from seeing what's happened on the ground, in the way that people don't know about planning applications—don't know what's intended for their area—because they weren't involved. The decision-makers, even at town council level, didn't consult with local people. It's the isolation of communities. If

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you're involving them, it will grow. Paying a financial thing won't work, because, when the builders come in and build, for example, they will be loath to leave sufficient ground for a football pitch. They'll put in a community pond, they'll put in a playground, because they can fill odd corners, but a football pitch or bigger, they just wouldn't do it.

Q129 Bob Blackman: Sure, but that's an issue of planning.

Jeremy Heron: A significant number of people agree that they need houses. When you get to the point of being site-specific or even trying to level that amount of housing without some mandate of some sort of spatial strategy, everyone who lives in that section comes up with a good reason why they shouldn't be built there. They totally agree that you need 20, 50, 100 houses—not talking even big numbers like the Regional Spatial Strategy does, but even on those numbers, they all agree they need to be built. It's just that they need them built on the other side of the town or not where they always walk their dog. So, you have to have some sort of mandate from a spatial strategy to establish what is going to go there, because if you leave it to a very local level, the amount of pressure that you get will exceed the desire to push that housing through. So you have to have some sort of pressure that requires that housing to be built, above and beyond the housing list that is in existence. That is one level of pressure, so you do need more than that. Infrastructure is vital from a local-authority point of view, in that they do desperately need it and they do need that built, and it is excellent that that would follow a consent, but it will not influence the people whose favourite walk is going to be built over. So, you have two issues there.

Q130 Bob Blackman: Can I just press you? Are you saying, from your council's perspective, that financial incentives should not be provided?

Jeremy Heron: I think that they are excellent; financial benefits from building are a good idea. As far as an incentive, I don't think it is a sufficient incentive to see that come through. I do believe that they should be there, but I don't think, as an incentive, they would encourage the consent to go through.

Chair: Four colleagues want to come in. A very brief question and brief response, and if you agree with each other, please don't duplicate. George, Toby, Chris then James.

Q131 George Freeman: I ask this question as someone who wants to believe that local communities can be empowered to think about their own future and do planning. The question is, inevitably, some things in the planning system are not attractive—waste disposal, all sorts of strategic things that have to be done. As localists, where do you think is the appropriate level at which the wishes of a local community for its own growth and the needs of a wider area should be fused? Many people coming from the opposition say the county council in a rural area is the natural body. It has a sense of identity, it's legitimate, it's democratic, but it's strategic enough. Is that your view or is there another mechanism?

Jeremy Heron: Yes, it's accountable. It's at a level that's accountable. The local people who don't like it can vote their county council out—they feel they can. They feel that they can deliver that level, yet it is widely enough removed that, at a county level, you don't think that the political make-up will be changed through that objection or through that thing. I think they have enough space or enough size to be able to make an informed choice yet still be democratically accountable, so I think that that level of county and rural areas works very well. Of course, I'm quite safe, because you lot made ours virtually a National Park, so we're not going to get waste, but we did very much object to London trying to send their waste down to us.

Alice Ross: Are we assuming that we are going to have in the Localism Bill and in the Simplified Planning Bill the same planning framework simplified that we have now, because that is very much in control of how a county will handle these things?

Q132 George Freeman: I'm inviting you to assume nothing and dream, and tell us.

Alice Ross: If that's going to exist, that plus a county will work, but if the county has to reinvent the wheel for itself, I think we're in trouble.

Q133 Toby Perkins: In terms of the contribution of some sort of strategic overview, do you accept that there are wider needs for society in terms of the number of people who are homeless and the number of people who are inadequately housed, and that it is impossible to understand, when you're simply a village of 80 people, that sometimes we all have a contribution to make to solving the problems of the whole country? Some areas are already overdeveloped, and sometimes it will fall unfairly on some areas, so do you accept that, at some level, there are people who have a strategic view of the needs of the whole of our country, the whole of our region, the whole of our county, and that it's impossible for us fully to appreciate on a local level?

Ron Morton: On communities who object to being bulldozed in this way by planners, one of the problems we have to face is that we are all assumed to live in picture-postcard villages and to be behaving in such a Nimby manner, and we are not from the real world. Well, Shortwood is from the real world. It is ethnically and socially disparate. We have a civic refuse site in a quarry, backfilling as it goes along. We have an emergency social housing unit for battered wives and suchlike. We have—

Q134 Toby Perkins: With the greatest respect, I'm going to stop you for a moment, because my question really has nothing to do with what you're answering. What I'm saying is, do you accept that there will be people at a strategic level who have an understanding of the needs of the wider community that you couldn't possibly have at a local level? That's my question.

Ron Morton: No, I go back to the list I was making. I won't expand on it, but I think people in Shortwood do have that wider view, and we are all grown up. We know what is required and we are prepared to do our share. What we find difficult to accept is that a village

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of 80 houses should be threatened with a development of 1,456 houses swamping the area, all of which is on greenbelt land, which is supposedly protected from development, unless you want to build housing for rural employees on low wage, which you can do, but the builders don't do, because it wouldn't be a sufficiently large project to attract them.

You can build social housing in the greenbelt, but in small units, which is not attractive to developers. The point I would want to make is that the whole process is being driven by the needs of the developers, who are treated as stakeholders in the whole process, and the people who will experience life in these new communities—their stakeholding is totally ignored.

Q135 Chris Williamson: It's a brief question, or comment, and I'd like your reaction: listening to all the evidence from all three of you, I think a surprising consensus has emerged, in that I think what I've heard you say is that there is a need for a Regional Spatial Strategy, or some semblance of a regional strategy; it's just that the process as to how they've arrived at the targets for housing and how they've arrived at the overall direction of travel for the Regional Spatial Strategy is something that you fundamentally disagree with and that, in a way, it seems to me what you are saying is that abolition of the Regional Spatial Strategies has thrown the baby out with the bathwater. Is that a fair summary or is that completely at odds with what you've said?

Jeremy Heron: I think you've slightly missed the point, and that is the fact that the Regional Spatial Strategy—I was surprised at how much agreement we had, because I thought we would be at slight odds—was too broad a brush; it was too big and too large, and effectively it had a desire to deliver a vast number of homes with very little local understanding of what it was trying to deliver. And so, the consequence was, the gentleman down there, they're trying to double the size of where he lives, with no concept of the infrastructure or what effect it would have simply visually on that sort of area. For somewhere like us, where we're a new National Park, where the incumbent Government felt that it was sacrosanct, we got under-housing provision, would you believe, which is quite miraculous, really—

Q136 Chris Williamson: Is that not down to the process? If you were able to influence the process more—

Jeremy Heron: The process was a game. The process was a method of a number of discussion groups and a

number of forums. The trick was to get enough people so that you had somebody with your opinion sat on every single split-out working group, and then, when they amalgamated the working groups, you found that someone on every single working group had mentioned your pet topic and it went to the top of the list. That is how I managed to get back-up grazing as a serious issue for the South-East Regional Strategy; the only people who knew what it meant lived in the New Forest, but I managed it and they decided it was a very important issue.

Alice Ross: I keep wondering why, in our case, our two tiers—the structure plan and the local plan—didn't work, because it seemed to me that they understood local issues, that they consulted and that inspectors all along the line agreed and modified things, and we got five years of comfort and all the things that we wanted for that area were covered—conservation, the countryside and so on. I'm wondering why we had to go regional. I always suspected slightly that it was a European thing: they wanted us to have regions so that we matched them with *départements* and *länder* and all the rest of it. I didn't quite get to answer your question, I think, about how you would manage with the duty to co-operate and so on. I just don't see why that level of local authority can't talk to each other, why they can't manage, why a strategic level would be necessary above them. Maybe, for instance, you could use the inspectorate there as an arbitrator if there was a problem with the duty to co-operate and somebody was being undutiful and not co-operating. Those are some thoughts, because it seems you've wrecked a perfectly adequate and comfortable way of carrying on.

Q137 James Morris: Mr Heron, you talked about a wider spatial level at the county level. What powers would you envisage residing at that level if you got your way, as it were?

Jeremy Heron: I suppose similar to the old parish and county structure plans—the same issues that they do, which is broadly in line with some of the issues that were provided for in the Regional Spatial Strategy, so it is a determination of strategic infrastructure and a provision down of housing numbers across the districts.

Chair: Thank you very much indeed. I hope you've had a chance to get all your points across. You've certainly given us a lot of information to think about, so thank you very much for coming.

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Examination of Witnesses

Witnesses: **Justin Milward**, Woodland Trust, **Fiona Howie**, Campaign to Protect Rural England, and **Brenda Pollack**, South East Forum for Sustainability, gave evidence.

Q138 Chair: Welcome to all the witnesses. Just for the sake of our records, could you just say who you are and the organisation you represent?

Brenda Pollack: Brenda Pollack. I'm from the South East Forum for Sustainability, which is a regional environment network.

Justin Milward: Justin Milward. I am a regional and local government officer for the Woodland Trust.

Fiona Howie: I'm Fiona Howie from the Campaign to Protect Rural England.

Q139 George Freeman: Fiona, the first question is for you on the abolition of the RSS and the question of land banking. Interestingly, in your submission, you highlight the fact that, despite planning permission for housing development on 271,000 plots being granted, the Communities and Local Government statistics showed that, in the same period, construction began on only 80,000 homes. I want to invite you to comment on that sort of secondary land banking and how you think that affects the housing aspects of the RSS.

Fiona Howie: I think, basically, the reason for including it was very much to highlight the issue that I think has come out in the previous sessions today: just because you have high targets, or just because you grant planning permission for units, doesn't necessarily mean that they end up getting built. To comment in that respect that, obviously, we very much welcomed the abolition of the top-down housing targets in the RSSs, because we didn't believe that they were delivering housing.

Q140 George Freeman: So, my supplementary is, is your view that the same numbers could be achieved and would be acceptable if achieved in a bottom-up way, or have you got a different vision of what those housing numbers should be? I found myself, reading the submission, agreeing with much of the mood of it, but wondering if, actually, the objective was many, many fewer houses being built, or better houses being built in a better process.

Fiona Howie: We very much recognise that there is a need for housing. Under the previous Government, we questioned the 3 million national target, so I think we think that there is a need for new housing and we believe it should come from a bottom-up process, and we believe that more would get built that way, because there wouldn't be the sort of opposition that the current targets are facing, but we wouldn't advocate the similar, very high levels that were coming through the RSS process.

Q141 George Freeman: So, the last question that drives from that, then, is, if you accept that there's a housing requirement that's probably higher than the current level of community engagement would support—this is a question for all three of you, really—what's the process that we should be recommending to unlock that community level of

support for housing that the top-down system is clearly not servicing?

Fiona Howie: I think some communities very much recognise there is a need for housing, and will take that forward in a sensible fashion. I think, as emerged perhaps in the previous session, there is an issue that, in some areas, people say that they want more housing but, when it comes to being site-specific—saying where they're going to go—that's a stumbling block. We've been working with people like the National Housing Federation to try and say that there is a really clear role for local authorities, parish councils and town councils really to work with communities to try and highlight the benefits that can be gained from more housing, whether that's keeping local schools open or keeping post offices open, and certainly in rural areas, the services are going because of a lack of people.

There is a need for more housing, and I think there's a role at every level for us to be pushing that, but it's very much in the appropriate location. We wouldn't support massive extensions to small villages, but six affordable houses might make a massive difference to that community, and we think, hopefully, that localism could help to have those conversations and engage more people in those discussions, hopefully to deliver housing that meets local need.

Q142 Stephen Gilbert: Just a quick follow-up from what you said there. You've said that you questioned the last Government's target of 3 million units because it was top-down and imposed, and you then went on to say you thought more would be built if it was a bottom-up approach. Do you mean more than the 3 million?

Fiona Howie: No, sorry. To clarify, not more than 3 million, but more than were coming through the system previously.

Q143 Stephen Gilbert: Does the CPRE take a view on what number is appropriate?

Fiona Howie: No.

Q144 Chair: A general question: the Regional Spatial Strategies weren't just about housing. Have we thrown everything out and are there things that we should have kept from the Regional Spatial Strategy in some form for the future, which we ought to at least try and reinvent?

Brenda Pollack: I'd say definitely, because that was very much the basis of our submission. We were involved quite extensively in pre-consultation phases as well as during the public consultation, and it was very much an iterative process between different stakeholders. I would say one thing. All my experience is within the South-East, so it may not be the same; hearing the earlier evidence, obviously it isn't the same in other regions. In the South-East, the Regional Assembly that was driving the South-East Plan, as our Regional Spatial Strategy is known, three

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quarters of the body of the Regional Assembly is made up of local authorities, and they were inputting and their officers were inputting to everything that came out in the South-East Plan. I think there is an issue there: if they were not consulting their local communities enough as part of that process that might have been one of the glitches with it. From our point of view, there was so much more in there. I've got a copy of it here.

This is the South-East Plan—10 years of work has gone into that. I don't know about the officers from the Regional Assembly when they heard it was being abolished, but I nearly wept, although I was just on the periphery of influencing some of the sustainable development policies in there, some of the renewable energy, the technical work that went into not just the housing figures but the capacity of the region for renewables, and where waste was going to go. All that evidence was fed into this final document, and I think that some of the stuff that's gone now—that's completely a void—needs to be brought back and seriously considered by the Government, rather than wasting resources trying to develop them through Local Enterprise Partnerships or whoever in the different variations of bodies, where there might be gaps in between them. All that good evidence is still there. It may be that it needs updating, but it shouldn't go to waste.

Justin Milward: I think our position is that, as regards the natural environment, delivery of those benefits at a local level is crucial and, indeed, I guess the Woodland Trust has been doing that, along with other conservation bodies, for some time. But I think the local delivery can be enhanced by a degree of strategic environmental planning at a level between the national and the local.

For instance, nature conservation is very much informed these days by the idea of landscape-scale environmental planning, and that informs both the recent report by Sir John Lawton, and also the questions underpinning the Natural Environment White Paper, which is out for consultation, I think, for another four days. That landscape-scale is useful to inform local delivery. An example, if I can give one perhaps, is the National Forest in the Midlands, which covers, I think, about 200 square miles, and they have increased their woodland cover from 6% to 18% over their lifetime. Their area covers three counties and six districts and boroughs, and I think it's generally accepted that, if there wasn't a degree of planning over and above those administrative areas, it might not have been as successful.

Q145 James Morris: Just picking up on the points you were making on the strategic planning side, you talked about the Regional Assemblies having representatives of the local authorities, but, as we know, one of the big criticisms of the RSSs was lack of democratic accountability directly. Are there any barriers to local authorities working in co-operation voluntarily to do some of the central strategic planning work that you're describing?

Brenda Pollack: I'd like to answer that, because one of the things mentioned earlier was PUSH. I think there are no barriers, but in trying to find other

examples in my region, I don't think you'd find many as good as that in terms of the strategic working. I was sitting in the audience thinking, "Why is that?" and one of the things I would say comes back to what somebody was mentioning earlier about city regions. If you've got a big metropolitan authority that can lead—I'm not saying that other authorities don't—they have more resources and officer power with the right expertise and chief execs who will drive things. You do see in other regions—the Manchester and Bristol city regions—that they've got that drive and ability to bring bodies together to drive, hopefully, sustainable economic development, which is what PUSH did have on its side.

Q146 George Hollingbery: Project Integra manages waste across Hampshire—that's throughout all the Hampshire rural and urban authorities and it seems to me that's just as successful.

Brenda Pollack: I don't think there's a barrier, but I think ensuring that they're doing it within a framework of sustainability is what our worry would be.

Q147 James Morris: So, where does that framework reside in your concept? We're talking about enhancing democratic local accountability by getting local authorities to do that work voluntarily, but you're saying they need a framework. Is that top-down, imposed framework from national Government?

Brenda Pollack: In the current system, you'd have the Planning Policy Statements and what have you, and how that then relates to the region and what differences there might be. You would have the Regional Plan, which you don't now. So, an example of—

Q148 James Morris: So, on the basis that that's gone, what is your conception of what would replace it? Is it just extracting information from that RSS and re-describing it somewhere else or are you conceiving of some other framework that is required?

Brenda Pollack: I think that's the million dollar question. Now that the Government's got rid of that, where does something like it sit? I think most people, if you ask them, do identify the need for some sub-national strategic thinking where there's this void at the moment, which is halting everything, and the question is, how? Somebody earlier said about counties and structure plans—we could go back to that, but then that's splitting the geography even more.

Q149 James Morris: So, where would this reside for you? Is this a national Government-prescribed framework, which then informs, or does it reside somewhere else, at a spatial level? So, it could be at the county level. I'm just trying to press you on where you think it should reside. Is this a nationally determined framework that you're looking for?

Brenda Pollack: For me, it would reside geographically at a regional level, but there's no body that exists to do that anymore. So, for me, I think that was a sensible way forward. Whatever the pitfalls of the political and the geographical descriptors of that region, I think that that was a sensible way forward

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and was beginning to come together, and May 2009 was when we got as far as this, so, for me, that would be it. If you had it at national level, as somebody said earlier, one size doesn't fit all.

An example would be in the South-East: we're consuming as if we have three and a half planets. We're above the average on our consumption. For us, that's a big issue in the South-East; it might not be in a different region, so the South-East Plan and the Regional Economic Strategy had targets to stabilise and reduce our consumption, whereas that might not be relevant in other regions. So, you'd have to have somewhere to park some of those policies, which could be at county level, as they exist already. And in some ways, the synergies for county level would be good because, for example, on climate change, as Mr Ellis was saying earlier, you did have, although they've disappeared, the Local Area Agreement indicators, which county councils were responsible for. You've got Local Strategic Partnerships at that level, so rather than creating new layers, either use something existing or put something back in at the sub-national regional level.

Fiona Howie: CPRE equally supports the need for something between local and national. We recognise from our members' frustration at the regional make-up how some felt that it was totally nonsensical; others, obviously, feel that they relate to it even more. What we believe may be a way forward is something at the Local Enterprise Partnership level, but we currently don't believe that LEPs, with a purely economic remit, are appropriate to be taking forward strategic planning.

Justin Milward: I think our view on it, and harking back to one of the earlier questions about incentives, which we didn't all answer, is that, as regards the natural environment, there is, I think, an opportunity: as well as having quantitative incentives, also having qualitative incentives, so that the development that results is complemented by its setting. An example of that might be creating new green infrastructure, for instance, and also providing robust protection for the natural environment that we've got.

A good example of that, as you might expect me to offer, is woodland, in the sense that new native woodland creation can deliver a wide range of benefits at that level, not only the obvious ones, which are landscape and biodiversity, but potential cost savings in health benefits, reducing flood risk and even, if climate change begins to cut in, urban heat-island cooling. While we believe that there is still an opportunity, as I've mentioned, for a degree of strategic environmental planning between the local and the national, in terms of delivery, the natural environment is ideally placed to operate at a local level.

Q150 Chair: There is a view that there may be a need for some co-operation somewhere between existing political entities, whether they be counties or districts or single-tier authorities. Is that going to be simply something that you hope will happen or something that's going to be required to happen, and is that a role for Government to say there has to be a

duty to co-operate and some sanctions if it doesn't happen?

Justin Milward: I think it's a question of the new arrangements providing the ability for it happen, whether that be prescriptive or voluntary. Again, if I could give an example, down in the South-West, the Woodland Trust has recently been involved with a partnership, if you like, slightly above local level, with South Hams District Council, Plymouth City Council, Natural Environment and the Forestry Commission to utilise some of a large amount of developer obligation funding, basically to plant trees. That partnership, if you like, came together because of the will of all the individual partners, but on the ground it's delivered, in its first year, 27 hectares of woodland creation, covering 41,000 trees, and that came together not because of any prescriptive encouragement, but because of the ability of the various partners to see an opportunity and go with it. I feel that there needs to be, whatever arrangements are arrived at, the ability for a range of partnerships to take place in response to local community desire.

Fiona Howie: Just on the duty to co-operate, we believe it might be able to play quite a useful role in ensuring that neighbouring authorities are talking across their boundaries, but we believe that some more clarity or clarification is needed to explain what it really will mean. We're concerned that if it simply means that people, in developing their local plan, just have to say to their neighbour, "Oh, we're doing it. Do you want to see it? We can choose to ignore everything you say and we don't have to try and ensure that they vaguely match up in developing them," obviously it has the potential to be meaningless, so it needs to have some sort of teeth to try and ensure that, in co-operating, people are lining their plans up, rather than just nodding to each other but not responding to feedback on trying to make things line up.

Brenda Pollack: I think that there is a need for some guidance on this, definitely, because what you need is a twin-track approach of some sort of strategic overview and guidance, with the ability for local flexibility or sub-national flexibility for authorities and others to interpret it for their own geographical, economical reasons for changes. I think if we don't have the guidance, you don't get the best. Everybody will just do what they think they want to do for their own area and not necessarily follow best practice, and also have the three areas of sustainable development in mind. Some will be pushing more on the economic front or whatever, so I think we would have a worry that, if there wasn't the guidance centrally to make sure that sustainable development was happening, people could go off the rails, or organisations could, if they were not necessarily following the same guidance.

Q151 Heidi Alexander: I was going to ask some questions about how appropriate you think it is for the new LEPs to take on some form of strategic planning function, but I think most of you have picked up on that issue already. Is that fair? Fiona, you certainly said you didn't think it was appropriate. Brenda or Justin, did you have anything to add?

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Justin Milward: I think we felt that it wasn't appropriate, because we felt that the prevailing mood seems to be towards a more localistic approach, and it seemed that the LEPs wouldn't really achieve that by virtue of having a tier that's above local authorities and, therefore, less democratically accountable than going down to local authority level itself. So, I think we would not support planning powers being given to LEPs.

Brenda Pollack: Our evidence said that we don't, and having looked at the South-East applications or bids for becoming LEPs, there were about 15. We had the most of any region, which is probably unsurprising, given the size and nature. But also I've seen there's some information about which ones might be getting the green light, and there are about four, I think, in the region, and the problem you have with that is the gaps between them. Where does it all join up—the jigsaw puzzle—for a start?

Also, the different LEPs are going to have different priorities and different ways of working, and you've got, for example, the Coast to Capital bid in our region, which includes West Sussex, Brighton, the Gatwick area and East Croydon, so, for a start, all the evidence we've got about things like climate emissions or business needs and all those things will need to be recalculated, partly because East Croydon wasn't in the South-East region before, so the data would be different.

You've got East Sussex sitting on its own with another LEP bid, and traditionally, the hinterland—Brighton and Hove—is both East and West Sussex, but East Sussex haven't been included in the bid. Also you've got the Gatwick Diamond doing their own bid, as well as saying they're supporting Surrey's bid and the Coast to Capital bid, and the Gatwick Diamond's bid mentions sustainable environment factors, but nobody else's does. So, I think it's a mess, really, and I would be really worried if they had planning powers, let alone anything else.

Q152 Heidi Alexander: I've got another question going back to some of the housing stuff.

Q153 Chair: If it isn't LEPs, then what is it?

Fiona Howie: I should just clarify. I don't think, in their current guise, they should undertake planning. I don't think they should have a statutory planning function, but if their remit was broadened so that they gave equal consideration to economic, social and environmental issues, and so it was based on sustainable economic growth, and the accountability and governance issues were reconsidered in light of them being skewed towards business interests, in their strategic role, I think they could look at the bigger picture, which is something that we feel there is a need to do, and help local authorities work across their boundaries, but that was with all the previous caveats. So, I think they could have a role, and it's almost inevitable that they will have a role in future if they continue down the route that the Government have talked about, so our concerns are about ensuring that they're looking at sustainable growth rather than just prioritising economic growth at any environmental or social cost.

Q154 Chair: So, what do you do about the gaps that would arise?

Fiona Howie: Well, I understand, at the moment, again from CLG, that there were 56 bids and they are looking at them, and there is some overlap, but outside London, I understand every authority is in something. Some are in two, hence some of the problems. But, from what I understand, they're giving the green light to some and not others, and others need more work, but if, as this suggests, they do come out with a coherent network, it might well be the most appropriate level to look at these strategic, bigger-than-local issues.

Q155 Chris Williamson: I wonder if you could comment on how you think incentives should be used to ensure that high-quality housing is built in line with the Local Development Plan.

Brenda Pollack: We did so much on incentives. It is not my topic, I will follow on from earlier comments, when somebody was asking about how it would work if we gave money to local authorities or gave it direct to communities. From somebody who comes from a bottom-up local community, basically, a community would see it as a pay-off: "You're going to try and give us a swimming pool for us to take 1,000 houses." The answer would be, "X off!" You would have to be very careful with it being financial, and one of the witnesses just before me was saying that incentives in the form of being involved in what could be in our community—something like Planning for Real—would be the way to include and involve people. Whatever happens, it's the transparency and the inclusivity that are important, both with the LEPs and any incentives or anything like that. I would say that that principles of that, with whatever replaces this, are important.

Q156 Chris Williamson: Do you think there is a place, then, for something like this? Your answer seemed to imply there wasn't any place for incentives at all? Planning for Real and things like that aren't really an incentive.

Brenda Pollack: I don't know.

Fiona Howie: We're concerned about linking cash with permission. In our evidence, we suggested that, if this is the direction that the Government would like to pursue, we would very much like to see the incentive linked to the property either being built or occupied, so not just simply permission being granted. As you suggested, one of our key issues is that it should be for development that's in line with the local plan. We're concerned that cash-strapped authorities, if they really are seduced by the incentives, may well feel that they can grant permission for housing that comes forward outside the plan-led system, and we're concerned that that then overrides all the good aspirations of localism and bottom-up and really engaging communities in discussing where properties should go.

At the moment, the information that I've seen on them suggests they're quite a blunt instrument, and I know Mr Shapps wishes to keep them very simple, but we think there needs to be further work to try and refine them, to ensure that they do incentivise appropriate

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development that meets local needs, as identified in the local plan, and is high-quality, energy-efficient and so on and so forth, rather than just poor-quality housing that could be located in the wrong place.

Justin Milward: I think we'd agree with what Fiona said, and I think one way of perhaps encouraging local communities to come forward with development proposals is if there was a qualitative element to the incentive, so that they could be sure that a development coming forward would be couched in appropriate, natural-environment, safe, healthy neighbourhoods, which I think might provide an encouragement for people to come forward more than if it's just a purely quantitative incentive.

Q157 Chris Williamson: Have you any thoughts about using incentives for proposals that are already contained within the Local Development Plan, which you might take a view that the local authority should be doing anyway? Have you any thoughts on that? Is it okay or do you think it's wrong?

Fiona Howie: I think doing it any other way runs the risk of penalising—

Chris Williamson: I'm sorry, could you say that again?

Fiona Howie: Sorry. I'm concerned that if you don't pay incentives on all development that's come through the local plan, you run the risk of penalising areas, perhaps in the North of England, that want to regenerate and want to plan for more housing, and you may end up perhaps incentivising development in southern counties that really don't want more housing but are relatively wealthy areas anyway. I agree that paying for approval for applications that should be approved anyway is questionable, but if you are going to introduce incentives, that's how you need to do it, rather than penalising certain areas.

Q158 Chris Williamson: You say "paying" for that. I thought you were saying earlier that you weren't too sure about using a financial incentive as a reasonable model.

Fiona Howie: No, we're not, but if the Government are going to introduce them—

Q159 Chris Williamson: If you are going to use that or whatever incentive it is that you get?

Fiona Howie: Exactly. If that's the route that the Government wants to go down, this is what we'd advise.

Q160 Chris Williamson: Or whatever other incentive.

Fiona Howie: Yes.

Q161 Chris Williamson: Local authorities shouldn't be exempt in this regard. Any other comments at all on that?

Brenda Pollack: Whatever system is brought in, it's the affordable housing. Somebody referred earlier to the edge of Bristol and the developers wanting to build the more lucrative developments, and the percentage of affordable housing that is part of the targets in the RSS is part of the problem, so instead of it being a percentage approach, if the incentives

could help with tackling that issue, that would be a good thing all round, whoever gets the money, I suppose.

Q162 Bob Blackman: I just wanted to press you on incentives for quality of housing because—

Brenda Pollack: Sorry, could you say that again because of the coughing?

Q163 Bob Blackman: I just wanted to press not necessarily you, but possibly Fiona, on incentives for the quality of housing. Do you think there's a case, particularly in more rural areas, to give incentives possibly to developers or the local authority to make housing that's built to be in keeping with the local area, rather than possibly system-build-type developments that may then be in complete contradiction to what's there already?

Fiona Howie: I wouldn't support the idea of giving the incentives to the developers to do it. I believe that, through the plan-led process, there should be policies around design, quality, trying to ensure that it fits with the character and the distinctiveness of rural areas, and that should be considered through the planning process. And therefore, if permission is granted, the incentive goes through that route, but I think the issue of quality should be considered when the planning permission is being determined.

Q164 Bob Blackman: But there is going to be an issue if affordable housing is to be developed. If the developer was sitting there, they'd say, "Well, we can't afford to develop this. We want to build out these huge executive homes that are going to sell for huge amounts of money that then justify doing this, but affordable homes, well, we'll only do that if we get this." I wonder if there's an incentive for providing affordable homes for people in the countryside or wherever that need to be developed, particularly, perhaps, for first-time buyers.

Fiona Howie: I believe there is thought being given to the incentive that there would be for affordable housing, and I believe it's 125% rather than 100% matched funding, which I hope will help. Again, I absolutely agree it's a massive issue in rural areas, and it does need to be tackled, and I know the HCA plays some role in that, just as other bodies do, and I know there are other ideas coming through from the Government about community right to build and things like that, which I won't go into. But I think, hopefully, the incentives programme will help, but I also believe that there is a big task for housing associations, working with the Homes and Community Agency, to bring forward schemes like that and talk to communities and try and make them understand how beneficial such schemes can be in their local area.

Q165 Heidi Alexander: I think it's a larger question, actually. It goes back—sorry to pick on you, Fiona—to what you said earlier about the fact that the CPRE thinks 3 million homes was too much, but then you're not espousing a new target, and I think some of our discussions, sat around this table, have been about making the case for new development, appropriate

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development, the right homes in the right places, and as organisations that are looking to promote sustainable development, I wonder what your thoughts are on a position where you don't actually say, "Well, we think this is how many homes that we need." I would say, is that good enough? That's the question I'd put to you, I guess, and just really what the other organisations represented here think about that, making the case for appropriate development.

Fiona Howie: I think you can come up with targets just as, in the past, the National Housing and Planning Advice Unit has done, looking at extrapolating population growth and looking at household size and how that will affect things, and I know that's how, in the past, top-down targets have come about. We believe that we can advocate the need for sustainable development and sustainable growth without putting a figure on a national target, especially if that won't necessarily help homes being delivered at the local level, so that's the approach we currently take.

Justin Milward: I think we would see, as you said, the opportunity to put the right house in the right place with the right environment. I think we see it as an opportunity, if you like, for local communities to have more say in how their natural environment is protected and enhanced and created, and it may be that the right house in the right place provides the sort of opportunity that perhaps they haven't had previously.

Brenda Pollack: I would just add that we argued during the RSS process that there should be a set number of affordable homes, not a percentage, which is what I was talking about earlier, but also that it should be within the environmental limits of the region, if you're going to have a regional figure.

One thing that I didn't mention earlier that was good about the RSS process was that there was strategic environmental assessment, and we didn't mention that in our submission, so I just wanted to get that in now, because at local level, you don't get that strategic overview of how things are panning out in impacts on water and waste and what have you, although authorities are required to do some environmental assessments, but not at that strategic level.

In sympathy with what the South-West people were saying before, I think we had the same thing: even after all the technical data were done on affordable housing, all the housing that was needed in the South-East, the Government Office for the South East commissioned extra work from different consultants, after the Assembly had done all its work, to come back with different figures, so there's an issue there in terms of Government top-down stuff coming along again.

Q166 Toby Perkins: None of the five witnesses who we heard from before you today were of the opinion that the incentives would be sufficient positively to persuade local authorities to give more planning permissions, which I believe you also agree with. But you've also raised the important issue—given the

parlous state that local government finances are expected to be in over the next four or five years, and indeed the fact that this approach requires people to have a feeling of buy-in at a local level—of the fear that objector groups might think, "Well, the council's approved this only because they can't afford not to approve it. They're going to get the cash if they approve it; they're going to go bust if they don't." Potentially, it creates a very dangerous situation where either there's a financial pressure on councils to say yes to something they wouldn't really like to say yes to or the council makes the decision they would have made anyway, but local objectors feel that it's been made for the wrong reasons. Do you see that as an additional pressure and an additional danger that might be caused by this sort of incentives approach?

Brenda Pollack: Yes.

Justin Milward: I think that is exactly why you need the checks and balances, if you like, that a qualitative element of incentivisation would bring, rather than just purely quantitative, to allay fears of that sort.

Fiona Howie: Yes, we're concerned about that. I think it is a very real possibility, and I think that's why we very much would want to see an incentives scheme that ensures the implementation of the local plan, which has come up in consultation with the local communities and neighbourhoods, so that they see that the local authority are giving permission in line with the development plan and reaping the rewards, potentially. I think the big risk will be, as I said earlier, if a scheme comes forward that's outside the development plan and the local authority potentially looks at it favourably for the financial incentives. That could be where the real problems with their local community start.

Q167 Toby Perkins: In terms of the qualitative approach you've mentioned a couple of times, Mr Milward, given that the circumstances are different in different areas all the time, isn't it going to be incredibly cumbersome to have some sort of qualitative approach, given that what we need in Chesterfield might be different from what they need in Norfolk? For the Government to set some sort of strategy that recognises all those different circumstances seems incredibly bureaucratic.

Justin Milward: Picking up again on what Fiona's just said, in terms of the natural environment, provided the Local Development Framework or its core strategy or supplementary planning documents have the sort of protective measures that are required, say, for the natural environment—for instance, and again I use a woodland example, ancient woodland that needs to be protected—enshrined within them in respect of the relevant local authority, that would provide a way of harnessing the qualitative element, if you like, to that particular local authority's specific characteristics, as embodied in their LDF.

Chair: Thank you very much indeed for your evidence and for the time you've taken to come to be with us this afternoon.

Monday 8 November 2010

Members present:

Mr Clive Betts (Chair)

Heidi Alexander
Bob Blackman
Simon Danczuk
Clive Efford
George Freeman

Mike Freer
Stephen Gilbert
David Heyes
James Morris

Examination of Witnesses

Witnesses: **John Acres**, Planning Director (Sustainable Development), Catesby Property Group, **Roy Donson**, Regional Planning & Strategic Land Director, Barratt Developments Plc, and **Andrew Whitaker**, Planning Director, Home Builders Federation Ltd, gave evidence.

Q168 Chair: Welcome to this evidence session on the abolition of regional spatial strategies. For the sake of our records, could you identify who you are and the organisations you represent?

John Acres: Good afternoon. My name is John Acres. I work for Catesby Property Group, but I am also President of the Planning and Development Association and, for my sins, I am also involved in the Royal Town Planning Institute in the West Midlands.

Roy Donson: My name is Roy Donson. I am Regional Planning and Strategic Land Director for Barratt Homes.

Andrew Whitaker: I am Andrew Whitaker and I am Planning Director for the Home Builders Federation.

Q169 Chair: Thank you very much indeed. Thank you for the evidence that you have already submitted to us in writing. One of the things that has become fairly clear from the evidence from you and others, and the oral evidence to date, is that, whatever people think about the abolition of the regional spatial strategies, there are some concerns that the void left has not been filled with guidance or anything, and local authorities and developers have been left to sort it out as they go along. Is that one of your particular concerns, and what do you think the Government ought to do about it?

John Acres: I believe it is. There is a void that has almost created a paralysis in the planning system both in the public sector, where many people have stopped preparing their plans until the advice is clearer, and also in the private sector, which obviously needs confidence to invest. Effectively, they have waited to see what new guidance is to emerge, so I think it is very unfortunate. The past three months have been almost a question of treading water to see what happens next.

Andrew Whitaker: I think that has been our biggest problem so far, in terms of how long such paralysis will last. The Government are very clear that they do not consider that they need to issue further guidance, and I think that both local authorities and the development industry would quite like them to do so because they need to be very clear about what the new process will involve. We do not have a lot of that detail. We are constantly told that the detail will be coming along, and we get announcements in various documentation, which is all very useful, and points

us towards an endgame; unfortunately, we think that endgame is some way off. As John has said, we are faced with a void in a large number of local authority areas. I do not want to give the impression that every single local authority is struck by this paralysis; some just say, "Well, it's just business as usual. We will carry on; we have a strategy for development. We want to continue to bring development forward under that strategy. It hasn't made any difference to us." There are some other places where that is not the case at all.

Roy Donson: We also face the issue of how long this situation will continue. In certain places, local authorities have said they are waiting for further guidance. That further guidance really will not be available until April 2012 if the programme to produce the national planning framework is adhered to. If local authorities gear up to produce their plans as a consequence you can imagine that we'll be in this uncertain situation for approximately four years, and that is not a good situation.

Q170 George Freeman: Given that the Government have made it very clear that the purpose of these reforms is to increase the rate of house building by creating a framework of incentives and more control locally, first can I ask you as three parties who have an interest in seeing that happen whether you think that, over the next five years, that will be the case and more houses will be built under this framework? Secondly, what is it that you need to see clarified by either central or local Government to allow that to happen?

Roy Donson: I think the answer to the first question is: more than what? If you mean "more than was built last year", that is not a very great number.

Q171 George Freeman: More than the rate over the past 10 years?

Roy Donson: More than the average over the past 10 years? Will that actually happen? That will depend upon several factors, not least the economy. The present holding back of house building is probably due more to mortgage availability than actual planning as such, but in what you might call the medium term—the four-year period I was talking about—certainly planning must be much more certain than it is at present. Planning is a lagged process; you do not

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get the end results for several years both because of the timescale taken to obtain a planning consent and the actual delivery on the ground. You will not see numbers coming through for several years under a new regime, even if that new regime was fixed tomorrow.

Q172 George Freeman: Your projection is that over the next four to five years, given the lags in the process, there is likely to be something of a downturn or hiatus?

Roy Donson: There is a possibility of that but it can be solved. I submitted in my evidence three particular areas where I thought there were holes in the transitional arrangements as they stand. I think the Government need to produce much clearer transitional arrangements. They promised that in *Open Source Planning* and we would like to see it.

Q173 Chair: Can you tell us what those three specific examples are, very briefly?

Roy Donson: Yes. I said that if housing numbers are re-determined by a local authority in advance of a new plan being formally deposited, what is the evidence base on which that decision is made, and how is that judged to be sound? If a local authority can now say that it will not go with that housing number but with another one—option one or whatever it is—on what basis is that judged to be sound, and how is that tested? If reliance is placed on old-style development plans, which is the default position of the transitional arrangements, and on safe policies that are clearly out of date, is that a reasonable position to be in, because a lot of the evidence that informed those plans is 10 to 15 years old? If housing numbers are re-determined by a local authority in advance of a new plan being formally deposited does the calculated five-year land supply start from the time when the new number is brought forward, or is it re-determined over a period looking backwards?

Andrew Whitaker: I think that is one of the key points for us. We were very pleased when the five-year land supply was reintroduced because it meant we could look forward rather than just back to completions over the past year. By time you collected those data, they were perhaps another six months out of date. Therefore, with the five-year land supply came the requirement for local authorities to do a trajectory plan that was a year-on-year assessment of how many dwellings would be completed in their areas, on what sites and how they would come forward. You could monitor that as you were going through the year to say, “Well, this site has stalled for all sorts of reasons.” As Roy has said, the driver for how sites come forward for development is a long process, and there are lots of different things that can go wrong in bringing forward a site. Therefore, having a trajectory plan means that you can be very proactive in asking, “Why is this site not coming forward? What has happened to it? What can we, as a local planning authority, or a developer or investor, do in order to ensure we will meet whatever target we say we will meet, whether it is the regional strategy or locally produced target?”

Q174 George Freeman: Do you envisage over the next five years a higher or lower rate of growth than in the past 10?

Andrew Whitaker: I am afraid I do not have the evidence to give you that figure. We have not seen very many of these trajectory plans done, so I do not have the data.

Q175 Simon Danczuk: What is the long-term impact of abolishing the regional spatial strategies? I know you have mentioned the economy but regulation is also important.

Roy Donson: I suppose it depends on how you define “long term”.

Q176 Simon Danczuk: Fifteen, 20 years?

Roy Donson: Gosh! That is pretty difficult to forecast. You almost have to answer that with “don’t know” because the Government have set so much store by the effect of the New Homes Bonus as part of the package. That is a completely novel approach, and we cannot put our hands on our hearts and be certain it works. I am absolutely certain in my own mind that Ministers are sincere about their desire for more housing and that they believe the New Homes Bonus-type structure will work, but it is quite a high-risk strategy because nothing like that has ever been tried before. I think there must be a plan B, and probably that plan is that if the New Homes Bonus as currently outlined—we do not have much detail on it at the moment—does not do the trick something must be added to it to make it work and we must keep at it until it does. I suppose that in the medium term there is a wee problem about money and about how that resource is made available.

Andrew Whitaker: One of the benefits of regional strategies was that they were long-term documents; they looked forward over a 20-year period, so you could change whether an area was a growth area or a regeneration area; you had a long-term vision for it. I think the threat of localism is that people do not look forward very far. Everybody does it; you do not even know where you are going on holiday next year, let alone how you will plan for your area for the next 20 years. That was what strategic planning was about; it was to take a long-term view. I think that will be quite difficult. Overall, I think the development industry will thrive under any form of planning system because it has to. Either we build houses, in which case we have a vibrant house building sector, or we all go under and do not build any houses at all. As a country, that is inconceivable. All we want is clear sets of rules. Our problem at the moment is that we cannot see this long-term vision and clear rules for an industry that invests millions of pounds in long-term strategies and delivery. As Roy has pointed out, development is not like a water tap; you do not turn it on and off; you have to do a lot of work upfront that takes years and years and costs a lot of money, and it is the threat to that investment that we are quite worried about.

John Acres: I think there is a common misconception that regional spatial strategies were simply top-down documents. My experience, having worked with probably most of them in my career, is that they are

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bottom-up documents prepared by the constituent local authorities to build up a set of planning policies for a region. My view is that without that you would have to reinvent it. What worries me is that we are not putting anything in its place; there is a yawning gap between the national planning strategy, which I think is long overdue, and the local plans, which by definition can prepare plans only for a local area. That worries me. Your question was: what is the long-term outlook? I think the long-term outlook, without some kind of guidance on housing numbers, is that local authorities will tend to undershoot. You asked whether the incentives would be enough. My view is that they probably will not be enough. They will encourage authorities that want to build anyway; they will not encourage authorities that do not want to build because those incentives will not be sufficiently strong to promote that building. But I am encouraged by the local choice White Paper, which says all the right things. I am not sure it has all the right policies within it to carry it through.

Q177 Simon Danczuk: I get the sense that you think the process will stall, and that that will have an impact further down the line. Am I right in thinking that? Are you worried that the process will stall and it has to change and it will take time to get back on track?

John Acres: It will do so because we are changing a system completely from what is seen as top down, which is a hierarchical system where there is an overall target, regional targets and local targets, to a bottom-up system that is supposed to be built up from neighbourhoods. I have to say that having worked at every level and with a parish council involved in local planning it is very difficult for people at local level to see the bigger picture. At the end of the day, if you are to build up a commitment to house building you must look strategically even though you are local because you have to bear in mind that wider picture.

Roy Donson: I think we have to turn slightly to history. When the 2004 Act came in, it completely changed the then planning system to the system we now have, allegedly, with local development frameworks and so on. The Government then brought in a mechanism that presupposed the new plans would be in within three years. They saved existing policies for three years. We sit here six years later with only 15% of the country covered by local development frameworks. That is the nature of planning systems. The problem here is that this large change again will probably be of that timeframe before it is effective.

Q178 James Morris: Am I hearing the argument essentially for the status quo? Regional spatial strategies, as I think Mr Whitaker said, were very good at producing comprehensive documents and definitions of targets, but they did not deliver any more houses. So, were there any weaknesses in the system of regional spatial strategies of which the Committee should be aware?

Roy Donson: I think there were and I think I have just outlined one: the very slow process. If you have this top-down process, you start with the regional spatial strategy; you then have the LDFs; then the allocations documents; and then you paint the Forth

Bridge again. It is a very slow process, so, yes, it had its faults, but I do not argue for the status quo; I argue for more clarity to prevent hold-ups.

Q179 James Morris: Mr Acres, are you arguing for the status quo?

John Acres: My argument is not for the status quo, although I see a role for strategic planning. One of the things I did before I came today was to go through the files. I found the strategic planning guidance for both Merseyside and West Midlands that was produced in October 1988 during the period of the previous Conservative Government. That is it. It is very slim—I think it runs to 12 pages. It has general statements of policy and a set of numbers in the appendix. That seems to me to be a helpful intervention because it gives people a clear idea of the general strategy—I know I must not use the word “region”—for a strategic area, i.e. above local level.

Q180 James Morris: You were making claims that the regional spatial strategies were somehow misunderstood as top-down, hierarchical documents?

John Acres: Yes.

Q181 James Morris: In what way can you support your claim that they were bottom up and involved local communities?

John Acres: Because I have been involved in the regional spatial strategies for the West Midlands, East Midlands, the South West and to some extent the others as well where you are involved in the process of consultation that occurs over not just months but years with focus groups and examinations in public that do involve community groups, church groups, business groups and local authorities. It is not just a question of somebody saying, “Here’s a figure; work with it”; it is a fairly time-consuming process of building a strategy up from the bottom and getting consensus for it, but I am afraid that has now gone. I believe that could have been done much more simply and in a more streamlined way to produce a clear strategy without all the time-consuming stages that went with it. It does not need to be 100 pages long; it can be half-a-dozen pages long.

Mike Freer: I just want to correct the assertion that regional spatial strategies were consensus-oriented and collaborative. I have to tell you that in London they were not. The London plan was very much top down and did not have the consensus of many local authorities. I want to correct that so it is on the record.

Chair: Obviously, that is a view about how effective they were.

Q182 Clive Efford: Do you know what is meant when people say “affordable housing”? Do you have a definition for us?

John Acres: PPS3.

Roy Donson: There is a broader definition, which is housing that is affordable to who wants to buy it, but if you mean the strict definition in planning, there is a definition that is related to social, rented and intermediate housing.

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Q183 Clive Efford: Would you put an estimate on the income of those people on whom those properties—affordable housing and intermediate housing—would be targeted?

Roy Donson: I will not put an estimate on actual yearly earnings because it will vary across the country, but the general rule that has been followed, which you will find set out in the strategic housing market assessment, is that the definition of affordability is 3.5 times single income and 2.9 times joint income. I think that definition is a little out of date because it related to a period when interest rates were much higher. I think a better definition is related more to the proportion of income that should be spent on housing.

Q184 Clive Efford: You are talking about a definition that is applied when somebody is borrowing?

Roy Donson: Yes, but that is the accepted definition of affordability.

Q185 Clive Efford: Mr Whitaker, you produced a report entitled *Broken Ladder* in which you highlighted some difficulties in terms of people being able to afford houses in future. Assuming these conclusions are correct, what impact do you think that will have on future demand for housing and, therefore, future house building?

Andrew Whitaker: *Broken Ladder* drew attention to the problems of mortgage availability, the tight restrictions on lending and the requirement for a very high or very low loan-to-value ratio—I have never understood which way round it is, but you now need a very large deposit and the report drew attention to how people would find that deposit in order to buy their homes. However, home ownership is not necessarily the only route forward for newly forming households. People still need houses; they just need a different tenure of house, so other products, such as shared ownership products right the way down to social housing, are all part of housing requirement.

Q186 Clive Efford: But didn't your report conclude that if somebody was in the private rented sector in London they would not be earning enough to save any money at all towards becoming a home buyer?

Andrew Whitaker: It did draw the conclusion that, yes, on the face of it people could not afford housing in some parts of the country because they did not earn enough and their outgoings took up all the money they earned. Therefore, they did not have a savings vehicle to save up the deposit to purchase their own house. That does not mean they are inadequately housed; it means that they are in a different tenure of housing, i.e. the private rented sector.

Q187 Clive Efford: What I am trying to tease out is whether there is a need in the economy for affordable rented accommodation, i.e. social housing, if people are to be home buyers in the future. Is that the thinking?

Andrew Whitaker: There is. We have long campaigned for a better definition of affordable housing and getting rid of the word "affordable" because it is very misleading. As we have stated,

pretty much all housing is affordable to someone. What you need is a different definition. "Subsidised housing" might be the right definition. In the past the planning system has tended to polarise housing tenure into merely social rented or full market purchase. Therefore, planning has said, "for 'affordable housing', read 'social rented'". It is only quite recently that we have started to be able to move into intermediate products, such as shared equity products, HomeBuy Direct, and developers' own shared equity products, that extend the definition of affordable or subsidised housing.

Q188 Clive Efford: It is the case then that, in large parts of London, people who are paying private sector rents may aspire to buy a house but will probably never be able to save enough. Your report pointed out that they would need a deposit of £62,000.

Andrew Whitaker: Yes.

Q189 Clive Efford: You have a case that shows that people would have to save £700 a month—you can do the maths and work out that they will be grandparents before they can buy a house. If that's the case, don't we need some sort of top-down strategic planning for affordable housing?

Roy Donson: To go back to the Kate Barker report, we need more housing. How we get there is a different question. We definitely need more housing. I cannot remember where the quote comes from, but without doubt in this country we are a million houses short of where we ought to be in relation to household formation versus supply. Without doubt we need a mechanism that produces more housing. That is where I welcome the statements that have been made by the Government that their objective is to produce more housing. Great! I am absolutely with them on that one; I want to do it—I can't wait to do it.

Q190 Clive Efford: I did not hear you say "No". You do not agree with me that we need more affordable housing?

Roy Donson: No. We need more housing, because the lion's share of affordable housing is paid for out of 106 Agreements. What happens then is that if you have a requirement to keep the affordable housing on a site to a low value, which is then subsidised out of the land value, the rest of the housing on the site goes up in value to make the site viable. The consequence of that is a yawning gap between those who are in the affordable housing sector and those who are in the private sector. If you like, that gap is part of the broken ladder, and at the same time as we build more housing we must have a mechanism to bridge that gap.

Q191 Clive Efford: So, you are saying that Section 106 has driven up house prices?

Roy Donson: Without doubt the consequence of requiring high levels of affordable housing is one of the things that has driven house prices because it is part of the general burden of regulation to make housing sites viable.

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Q192 Clive Efford: I do not want to be disingenuous, but are you seriously saying to us that house builders in the private sector would sell houses at lower prices than they can get in the market if it were not for the existence of Section 106?

Roy Donson: No; do not misunderstand me. That is far from the only issue. What I am saying is that the whole burden of regulation on house building has been a contributory factor to increasing house prices because when you do a residual calculation, the top line is what you sell the houses for. That generates the money that pays for everything else.

Q193 Clive Efford: And that is calculated in Section 106? If we are relying on voluntary arrangements between local authorities, what will be the effect on house building in the future? Do you think that with the incentives for local communities, which generally are the block to building new houses, they will be more amenable to houses being built within their communities or around them if they are to benefit from the proceeds?

Roy Donson: Will they be more amenable? It depends on what the process is. As I said earlier, this is quite a high risk. Will that be enough to do the trick? My view as I put in my evidence is that it probably won't and I suggest other ways to lever in more money. But what you have to do to convince the community is look at the whole package of the benefit of housing. It is not just how much money comes with each house; it is the economic value of house building of itself, and getting people off housing waiting lists and the social benefit of housing. That is part of the package. Clearly, what has to happen to make communities more in favour of housing is a cultural change, which starts with these sorts of issues. That cultural change can come only from the Government essentially; it has to come from that top-down process. It has to be established that house building is not only necessary for the benefit of all but is a good thing for the country as a whole and cohesive for society. We have to establish that as a basic principle. Having done that, we can then start to turn round the idea that, for some reason, which completely defeats me, house building is bad. I do not understand why it is bad, but that is a view.

Q194 Heidi Alexander: I was going to pick up on Mr Donson's point, which is: why is house building a dirty word? For me as a local councillor for six years, whenever one tried to promote a new development, it was as if housing and new homes were a dirty word when we all know there is huge demand out there. In my experience, everyone wants it but they do not want it at the end of their road. I just wonder what your reflections are on that.

John Acres: I think you have just hit the nail on the head. As a society and as individuals we are schizophrenic, aren't we? We want to protect our own interests. I never criticise individual objectors when they come up with reasoned arguments for not allowing building to take place. I quite understand that people do not want building close to them if they feel it will be detrimental, but I think it is important that people should understand the bigger picture. They

should understand the wider planning advantages of housing and that housing is not necessarily detrimental. It is not about putting more pressure on schools or services; it is about making those services work more efficiently so that more children going into a school means that school gets more resources, or more people shopping at the local supermarket or whatever brings more business to that community, making it a wider and more interactive community, and allowing people to move from one place to another.

To me, it is strange that planning policy is becoming more and more localised when the world is becoming more and more globalised. We do not seem to think that is strange. I think it is very strange.

Q195 Heidi Alexander: Do you think it is about the fear of increased demand for local public services and lack of suitable amenities for the new population?

John Acres: That is what I think people fear. When we propose a development, people will often come up with the criticism that there is no room in the school. I will then go along and talk to the head teacher and find, surprise, surprise, that there are plenty of spaces in the school. Or it is said that there is too much traffic; you will do a traffic survey and find that traffic is not an issue. There may well be other issues that are much more legitimate. One of the criticisms I have seen flowing through the planning documents is that we have to change the system because developers do not consult communities. Developers do and always have done, and increasingly they consult communities as a matter of course; they see it as part of their role because it is in their interests to do so.

Q196 George Freeman: I confess I am now confused and I ask you to help me. I think everyone in this room agrees that we need to build more houses. You seem to be saying on the one hand that we need a stable, reliable system on which we can plan. You appear to be saying that the RSS was such a system and that, contrary to the views of some people round this table, you believe it to have been bottom up and legitimate. Yet you would accept—indeed, your submissions make it clear—that we have not been building enough houses. The Government have taken the view that the right way to unlock that is to break the perception, if that is all you think it is, that the RSS and the panoply of planning systems are too top down and get communities to think about their own needs. I struggle to understand why, in the light of evidence that the previous system clearly was not working, you think that to go back to the old system is the right solution. I invite you to say what you would like us to recommend that the Government should do to unlock this wave of house building, if not what they are doing.

John Acres: First, don't get me wrong; I did not say it was entirely bottom up. I think the system we had until recently was a combination of the two. Clearly, it is top down to the extent the Government set a target of 240,000 per year they wanted to see built and expected regions to try to identify their share of that. They expected them to use the evidence base to give guidance as to how that should be distributed, but the

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decisions then taken were consensus, bottom-up ones to try to marry the two, effectively.

Q197 George Freeman: It wasn't working?

John Acres: I do not think it was working.

Q198 George Freeman: So, what do we do?

John Acres: You are quite right; it took too long, and to that extent I think there was a need for change, but there was no need to throw the baby out with the bath water. I think the system could have been adapted, simplified and streamlined, but what we have now is a completely different system. We will make it work; the house building industry always does.

Roy Donson: Every time the system has been changed in the past there has been a fairly smooth flow in the planning process from the old to the new system. If we go back to the 2004 Act, we had saved policies that were the transitional arrangements, if you like. The difference now is that we have taken away the top tier—whether that is right or wrong, that has happened—and the transitional arrangements are not sufficiently clear and are not sufficient of themselves. All the other pieces of this particular jigsaw are not there yet, but we know they are coming, so we end up with a period of uncertainty.

Above all else, I want to reduce that period of uncertainty to an absolute minimum and get on with the new system, give it a go and see if it works. If it does not work, as I said earlier, probably the only answer is to put more money into it somewhere along the line to make it work. I can't think of anything else in particular, to be perfectly honest.

Chair: I think that was where the Housing Minister got to when we interviewed him last time.

Q199 George Freeman: You made a point about culture change from the top. You said you thought the culture needed to change and the way to do it was by Government.

Roy Donson: No; it is Government making a statement; it should come from the top that we need more housing and that housing is beneficial.

Q200 George Freeman: But is not all the evidence that when Government says, "This is good for you," the British public tends to decide quite the opposite? A key point of the Government's policy is that, if you let communities think about their own futures, they are more likely to decide they need some houses.

Roy Donson: With respect, they are thinking at the moment about their own future against the background, for historical reasons or whatever, of being anti-development. I am saying to you that background must change. It does not have to change first but it must change as part of this process. The impetus for that change must come from some pretty bold statements by Government. If I am frank, there are some bold statements in the document on local growth and I am happy with those, but they do not tell me how. They tell me what is to happen, but not how and the next step if that does not work. My position is that I want to end the uncertainty. If we remove that uncertainty and give this process a chance, it may deliver. I am not saying it won't; it

may deliver. If it delivers, that is fantastic. I have no political beef one way or the other, quite frankly. All I want is a greater delivery of housing.

Q201 James Morris: To follow up Mr Donson's point, I thought you were making a slightly more profound point about the role of Government. You say that what Government need to do is champion housing, but I got the impression that you were talking about something slightly more profound, which was that you expected Government to provide a framework, do something and provide some kind of policy, but you are just saying it is a rhetorical thing and that would be sufficient.

Roy Donson: No. I do want them to champion housing, but I also want them to sell the idea a bit more, if you like. At a local level, for example, there is not a great deal of understanding about the benefit of housing of itself. As often as not, all you hear are the disbenefits, some of which John outlined. You are told that the school is full, there is too much traffic or whatever; you just hear opposition all the time. We need to champion that right from the top. Provided that the Government are making the right sort of noises at the top, we can do the championing at local level, but if you have an expectation that suddenly there will be a cultural change at local level to deliver, no matter what framework you have, that is a severe danger.

Q202 James Morris: Is it not the case that the previous Government made a lot of public statements about the importance of house building, but nothing happened? That is a categorical statement, but they championed house building and nothing happened underneath.

Andrew Whitaker: There are lots of reasons why housing does or does not get built. It is all very well to go round saying, "I'm going to allocate this site for housing," but if that site is not viable for housing or there is no market for people wanting to live there, that site will not come forward for development, no matter how much you say it will do so. Regional strategies did not build houses; all they did was say to local authorities, "This is your role in life. You are a growth area", or "You need to tick over", or "You are a regeneration area. This is the role we want you to play." It was then up to local authorities to allocate sites for development that were deliverable and capable of being developed. Therefore, that required them to be viable in terms of market deliverability and not to be swamped with a whole load of policy requirements to pay for lots and lots of public services because that makes the sites unviable.

So, it does not matter how many sites you allocate for development. If they are unviable they will not be developed. You can sit there all day long allocating the wrong sites in the wrong places and you will not get development. You can turn round and say it is the fault of the planning system, but it is not; it is the fault of the people who use the planning system and have done it incorrectly. It was not the process but the policy approach that was wrong. We saw it over time with the Brownfield First strategy in PPG3 in 2001,

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where all sites were pretty much restricted to previously developed land within urban areas.

Therefore, local authorities could make sweeping assumptions about the amount of development they could bring forward on previously developed land and they would say, "This site will be developed to 100 units this year and therefore we do not need to allocate any more sites for development." Of course, that site either was not viable or it took two years to come forward for development, and even then it was developed at only 20 or 30 dwellings a year. Therefore, they were building into those assumptions a shortfall of housing because they went about the allocations process the wrong way. The fault of the previous system was the policy approach, not the system approach.

Q203 Stephen Gilbert: I think that one of the bits of jigsaw missing at the moment is how we assess the number of homes needed. Obviously, it is something for which the Committee has asked evidence. All three of you have given us your views on that. It would be helpful if you could set out how you think we can do that in a time when leaders' boards are being abolished; and, if not, what the source and characteristics of the dataset that we seek would look like.

Roy Donson: I think you have to start by putting two things together. The first one is demographics. What is the future population and its composition? What strain will that therefore generate in terms of housing requirement? You have to match that with economic development; the two go hand in hand. You bring those strands together and produce a local housing strategy as a consequence. A great deal of that methodology already exists within the strategic housing market assessment framework. They are the sorts of things you bring together to produce that, but it must be very much a balanced approach; it must match economic development with housing development for the future of the area.

I think it is fairly easy to write a set of rules by which anyone—I suppose it always would be a local authority—who is producing a plan must abide. I look forward to the national planning framework setting out those rules, the simple test being for the national planning framework to set not a number by which the local authority must abide, but a set of rules for going through a process. That process is then tested at the subsequent inquiry into that local plan. If it passes those tests, the plan is found to be sound, and that is the basis for planning; that is the established need.

Within that process, I may have a slight disagreement with the particular local authority; I might think that the number is slightly different from theirs. Whatever the result, that is fine. If you do not have that set of rules, I would have a problem if we are all agreed, being reasonable people, that the housing requirement is 5,000 dwellings, to pick a number out of the air, and the local authority produced a plan of 1,000 dwellings and there is a quantum difference between us and they have no evidence for that. There must be a set of rules that will come to somewhere round the 5,000 figure, to use my example. We may have a bit of an argument about 100 or 200 either way, but that

is by the by. Whatever that settled figure is, I will live with. I would have difficulty with putting plans on the stocks that are way short of housing need.

John Acres: To add to that, I think Roy has described very well the sort of factors you need to take into account on the demand side. If you look in PPS3 you will see a whole list of criteria that the authority should use that include both demand and supply side factors. To take a given area, clearly you would look at the demographic, economic and also the supply factors and perhaps the constraints that might discourage you from providing quite so many. So, if you were in the Peak District or Lake District, clearly you would not provide enough to meet your ideal market demand; you would probably throttle back, but you provide an alternative number somewhere else to compensate for that. That is the strategic approach that I think will be missing without some kind of overview.

I have three guidance bases here that I believe you must take into account if you are trying to come up with a number. First, you must take a long-term view. Authorities are sometimes reluctant to do that. Secondly, you must base it on firm evidence, which is available in a variety of forms—demographic, market and economic—and, thirdly, you must look wider than just your local area. If you are to allow people to move in, move out and so on you can't base it just on the people who already live there, because some of those people will have moved out in 20 years and more people will have moved in.

If I may take the opportunity to respond to James Morris's earlier point about why things have not happened in the past three or four years, the answer is Roy's very first point: development occurs over a very long period of time, so a site in which you acquired an interest perhaps 10 years ago is one for which you get planning consent today or in 10 years' time. It really takes that long. To give you an example, Catesby started to promote land to the south of Newark in Nottinghamshire probably about five years ago. Five years before that, there was initial interest in promoting the land by, I think, the University of Nottingham. Today, we put in a planning application for 3,150 dwellings as part of Newark's own plans for their growth point for the town. We have been working with Newark and Sherwood over the past five years to get that introduced. Newark have seized that opportunity with open arms and continued with their regional strategy figure. They want to see growth. There will be a public inquiry in the Newark area starting on 23 November, when their LDF core strategy will be tested by an inspector based on those figures. We will be part of that, and we are working in partnership with them, as indeed are two other major developers on two other sites, so it can work but it takes a long time.

Q204 Stephen Gilbert: I just wondered whether Mr Whitaker had anything to add to the comments of his colleagues about the dataset and evidential base that we need to create properly to cater for housing need.

Andrew Whitaker: To start with, I do not like the term "housing need". We tend to talk about housing markets, and that is why we refer to strategic housing

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market assessment because it is the whole market for which you need to provide. If you need 100 houses and only 90 are provided, 10 households will not get a house. It does not matter which part of the spectrum does not get them; 10 people will not get them. I concur with both my colleagues. I think it is a mixture of demographics and the economic cycle. We used to do it very well indeed.

It is very easy to get hung up on individual people and say, "Well, I don't need a house," but we must look much wider than that. It is relatively easy in the social sector because you have the names and addresses of everybody you are trying to house. In a fluid housing market it is more difficult, so you have to use data that rely on the propensities of people to do things; it is not individuals. We do not know who in this room will be divorced next year and therefore requires two houses rather than the one in which they are living at the moment, but we know full well that with this number of people, the propensity will be for one of those couples not to be married next year. You have to talk in the abstract and it is quite difficult for people to get a feel for, particularly at local level, because they will look round their settlement and say, "I don't see anyone who is about to get divorced, so why do we need to include that in the numbers?"

Q205 Stephen Gilbert: Your point is basically that the aggregate of a local need will not necessarily equate to the national need?

Andrew Whitaker: I think that is correct.

Q206 Bob Blackman: Moving to the New Homes Bonus, from what you have said to us in evidence, you appear doubtful that this will succeed. Can you explain your scepticism about it?

Roy Donson: Perhaps I may relate that to the example of Leeds City Council. If Leeds City Council delivers the number of houses as part of their strategy over the next year, their New Homes Bonus will be about £3 million. As an authority, they have to cut £50 million out of their budget, so there is a disparity there.

The second issue is about when it is paid. The New Homes Bonus, calculated over a long period of time, may appear to generate a large amount of money. If an area is building, say, 10,000 houses over a 20-year period, that would appear to generate a very large amount of money and sounds very interesting, but that money does not come in one lump; it comes in a series of payments over a 20-year period. I fear that people will look at that and ask what it will achieve; or if an authority decides that it will save up those payments over a number of years for a specific project, people may have a disconnect between that project not happening when they want it to happen—in other words, not early enough—and the benefit thereby of the bonus. Those are the sorts of fears I have. Therefore, I come to the conclusion that we need to add to it and generate more money first up, but we also need to put it in context.

Q207 Bob Blackman: To clarify, are you saying that the incentives need more cash or that they need to be reshaped? What needs to happen?

Roy Donson: There are two things. First, as part of my evidence I suggest that we hypothecate stamp duty to the local area as well to add to that process, but since I wrote that evidence lots of other things have happened. There has been an announcement about TIF; there is the regional growth fund to have a go at; and there is also the Section 106 payments that we would normally make, be it under a community infrastructure levy process or some other. I think what you have to do is stick this lot together, if you like, partly to sell the benefit of development. I think development of itself is a benefit because of the GDP it produces, but in addition to that, you have to put it together as a package and then it starts to become something that looks worthwhile. If you look at the New Homes Bonus in isolation, on a year-by-year basis, it really doesn't ring too many bells, but if it is put together with other things, it has the potential to do so.

John Acres: I have a slightly different angle on this. I agree with Roy that it is probably not enough to convince authorities who would not want to build, but I am not terribly sure that it is being aimed necessarily at the right people. My understanding is that it is designed to encourage communities to accept development. The communities are the people within those communities. I do not think those people are convinced by an extra sum of money coming to their local authority. To convince a person that development is good, the individual must see a direct benefit to themselves or have a wider social interest in seeing more development, which comes back to Roy's point that somehow we need to get the message across that house building is a good thing both for the economy and socially.

I am wondering whether it is the right way to do it. I have slight nervousness about effectively bribing local authorities to build. Local authorities should build if it is right to do it in their areas and if there is a need for it. At the heart of all this is planning. It seems to me that it is planning that losing out because developers won't know in the long term whether a local authority wants to go for growth or hold back, and we will know that only when we see their attitude to the New Homes Bonus.

Q208 Bob Blackman: What do you think will be the effect of the New Homes Bonus on Section 106 payments?

Roy Donson: In some ways I would like to see it as an offset, but I do not see that; I just view it as an addition.

Q209 Heidi Alexander: You referred to the example of Leeds City Council and a potential New Homes Bonus of, say, £3 million. I just wonder whether local authorities on some large developments already negotiate through, say, a development agreement—if they own the land—and their Section 106s very substantial community benefits. In my own local authority, there is a swimming pool that cost probably the best part of £20 million. In your experience as developers, when those types of community benefits have been negotiated, does it mean that the local community is saying that it welcomes with open arms

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the development of hundreds of new homes? Even when the scale of the incentive, albeit negotiated in a different way, is that large, I am still not convinced that that means the local authority would be advocating the hundreds of new homes that would be part of the overall development.

Roy Donson: I think that is a very difficult question to answer, because the context for providing those 3,000 dwellings was a very different one; it was probably the RSS context, which effectively has been done away with. That is a very different context, so the question you are really posing is: if, as a developer, we were to come along and provide a new swimming pool as part of the development, would that be enough to convince people? I honestly do not know what the response would be. I guess that some people who like swimming would say “very much”; those, like me, who are not very bothered probably would not care much about it. I honestly can’t answer that question.

Q210 Heidi Alexander: I use it as an example of the scale of community benefit.

Roy Donson: What I was going to say, however, is that in my view it should be the case that the development only need pay for its own impact, because if you go beyond development paying for its own impact, you get into some rather dodgy territory about the reasons behind development going ahead.

John Acres: Perhaps I may use my Newark example. There, the local authority are firmly committed to growth and have been for some time. They are firmly committed to it partly because they want to see their town grow, but also because they are desperate to have a southern link road for the town. Effectively, the A1 bypasses the town to the east and the A46 bypasses it to the west and the link between the two is unfilled. They are very keen to have a link road and our development happens to provide that. In that case, it is not a swimming pool but a link road. It may not be very sustainable in today’s world but, believe me, they are very keen to see it.

Q211 George Freeman: Given that there are three tiers of local Government and local concern in terms of planning, in rural areas such as mine you have the community parish council, the district council and then the county council. Given the importance of the county council in terms of determining transport, care provision and education—three of the major issues in a rural area around sustainable development—and the importance of the community feeling there is some benefit, can you comment on what you believe is the appropriate split? Let’s leave aside the argument about what the quantum of money should be and whether that is appropriate. Given that we will have a New Homes Bonus, can each of you say what you believe is the appropriate ratio between community benefit, district council and county council in a rural area?

Roy Donson: My instant answer would be to base it on the current council precept. Notionally, I would have thought the current make-up of your council tax—how much you pay to the parish, the district and county—must be a reflection of services. Therefore, that seems about the right balance, but that is

completely off the top of my head and I do not have any justification for it.

Q212 George Freeman: Do you disagree?

John Acres: I agree with Roy. On the other hand, if you are looking at it as an incentive to growth you would try to shift it in the other direction and give more to the neighbourhood, who are the people who accept the growth, and proportionately less to the district and county. That would be the logical thing to do, but I agree with Roy that if it relates to services it ought to be according to the current precept arrangements.

Q213 James Morris: All of you have talked about the importance of strategic planning in relation to this area. What do you think of the role of local enterprise partnerships, which the Government have announced—I believe 24 have gone through—as a platform for achieving that level of strategic planning?

Roy Donson: I think it depends on what you mean by “strategic planning”. I would not want local enterprise partnerships to start dictating where housing numbers go, because that is not very far down the road from their becoming mini-regional assemblies, which is probably where we do not want to go. At the moment, even though there is a lot in the local growth White Paper about local enterprise partnerships, there is not much about things like their powers. Do they have powers and, if so, what are they? There is not much about their statutory basis; nor is there much about their funding, so at the moment there are quite a number of unknowns about local enterprise partnerships, which makes it very difficult to suggest what role they should have. For me, I would like to see them looking at their area in terms of locational priorities so they could come forward with a document that suggests the areas for growth on which to concentrate based upon sustainability factors and also things in which they may well have a direct interest, which are both economic development and infrastructure provision. I think that if you get that as a direction, and no more than that, and that is a material consideration in drawing up the subsequent local plan, that is about the right balance of role in my view between an LEP and the local authority.

Q214 James Morris: Do you think they need to have powers, or would it be sufficient, for example in the Black Country, which is the area I represent, for the four local authorities to come together collaboratively when there are strategic planning issues to be considered without them necessarily needing to have powers; in a sense, pooling sovereignty to collaborate to make decisions? In your view do they need to be given powers?

Roy Donson: I think they need a clear, recognisable structure, which for my money can only be set down.

Q215 James Morris: They might have a duty to co-operate but would that be sufficient?

Roy Donson: Again, the duty to co-operate is one of the great unknowns at the moment. I think it is a good idea; people should co-operate anyway, but I do not know what would happen, for example, if they did

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not. Where is the sanction if people do not co-operate? It comes right back to the beginning. In the process we are in these are all pieces of the jigsaw and we do not have those pieces yet. I would very much like to have those pieces rather rapidly, please. I think an LEP needs to have a clear entity; otherwise, I do not quite see how they can function. The danger is that if they do not have a clear entity they end up being just a talking shop.

John Acres: To expand on that, the other danger is that if we have LEPs making key decisions in what is a quasi-judicial process, i.e. planning, where you make legal decisions that have an impact and people appeal against them, you must rely on policy when you appeal. What status can you give the policy of an LEP that has no powers as such? That is one of my concerns.

The second concern is that at the moment we have 24. We do not have a full picture across the country. I am not sure we will get a full network or patchwork of LEPs. If we don't, how can we have a strategic system that does not match up? That also worries me. Maybe it does not matter and you can have overlapping LEPs and LEPs with gaps in between where the areas are not significant, but as a planner my feeling is that there ought to be some kind of structure on which you can rely.

Having said that, I have read this document and am quite encouraged that the Government are taking a measured approach to it. I am now a lot more positive than I was when I wrote my evidence where I said I thought it was a retrograde step. I am not sure that it is. I think that to have economic areas based on market areas is a sensible approach and I could see them working, but I am not quite sure what their role is in strategic planning. I also think that is a bit unclear in the document, too. It talks about economic and infrastructure planning but not about housing. I am just wondering whether that omission is deliberate or just that housing was a bit too sensitive to talk about.

Andrew Whitaker: We faced this challenge before under the previous system with regional development agencies. They produced a regional economic strategy for their regions and the RSS was the spatial strategy for the region, and that allocated or identified areas for housing growth. We collectively and the Government of the time decided that those two documents were disjointed and therefore wanted to combine them into the regional strategy of which we are now seeing the back. I think it is an age-old problem. I would concur with Mr Acres in that I do not think we have enough rules and methodology behind establishing LEPs to give them the powers that some people suggest. I think it is indicative of the fact that a lot of people believe we need some sort of mechanism to look at things in a wider than local, or larger than local as the RTPI puts it, context, because everyone is saying that the LEPs can do that because they are larger than local and therefore will have an overview. We remain very worried about the role of LEPs if they remain self-elected or self-proposed, do

not have any constitution behind them and do not even have any rules about their make-up. There is a very loose idea that they are business and local authority-led. As far as I can see, the majority of them appear to be very local authority-led and not very much business-led.

Q216 Chair: I make a very brief comment about one of my concerns. Obviously, as developers you have land for which in some cases you have planning permission, but you cannot go ahead and build because of the current economic climate. Mortgage availability was mentioned as a particular factor in lowering demand. If the housing market picks up in three or four years, maybe before that, but the planning permission on those particular pieces of land expires and then the local authority looks at them again and, in light of the new planning guidance, decides not to give permission would that be a concern, both in terms of your own businesses but the development of a potential hiatus where you are simply not capable of responding in a proper way to demand when it returns?

Roy Donson: If we have a planning consent on a piece of land, it is like gold dust. If we were to let it lapse it would be very foolish. Yes, obviously we would have a concern if the system conspired against us and we could not do anything about it, but we would wish wherever we can to maintain that consent, obviously within the bounds of planning law.

Q217 Chair: You will start the foundations or something?

Roy Donson: Whatever we have to do to maintain it. We also can't afford not to do that, in all honesty, because if there is a difficulty, be it short, medium term or whatever, in bringing forward new land we will have to rely on that resource to keep our business running until the new system is fully up and running and delivering, so it is very important for us to do that.

John Acres: Our situation is the same, except that we operate slightly differently. Normally, we get planning consent as a property company and then move that site on to a house builder who is better at it, although we sometimes build commercial and retail developments. But, like Roy, we would not sit on a planning consent; we just could not do it. You either sell it on straight away or build on it. We do not have planning consents stored up; we just would not do it. We have options that are ready for the future, but they have a limited time scale, so it is important to make sure that you get planning consent before your option expires; otherwise, you have lost a lot of money. Remember, it takes a lot of money and effort to promote sites through the planning system. It takes six-figure, sometimes even seven-figure, sums to promote large sites, and you cannot afford to let them lapse.

Chair: Thank you all very much for coming this afternoon and answering our questions in such detail and so thoroughly.

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Examination of Witnesses

Witnesses: **Cameron Watt**, Head of Neighbourhoods, National Housing Federation, **Steve Hinsley**, Senior Director at Tetlow King, and **Kay Boycott**, Director of Communications, Policy and Campaigns, Shelter gave evidence.

Q218 Chair: Good afternoon. Thank you very much for coming and sending in written evidence to us so far. For the sake of our records, could you begin by identifying yourselves and the organisations you represent?

Kay Boycott: I am Kay Boycott from Shelter.

Cameron Watt: I am Cameron Watt from the National Housing Federation.

Steve Hinsley: I am Steve Hinsley from Tetlow King, planning consultants.

Chair: Thank you very much indeed. We may at some stage have a vote, in which case we will have to suspend the Committee and leave you here. We return in due course. We will try to get back as soon as we can. We will be no longer than 15 minutes.

Sitting suspended for a Division in the House.

On resuming—

Q219 Chair: It was a reasonably appropriate point to have the break anyway; we were about to start the questions. The evidence you have submitted to us raises fairly fundamental concerns that you have that, if nothing is done to change it, the new arrangements could lead to a very substantial reduction in the number of new homes being built, particularly in the south of England. Is that a fair resumé of the position as you see it?

Cameron Watt: Yes. I think that the abrupt abolition of the regional spatial strategies without the new planning system being in its place, particularly the incentives, means that there is, as previous witnesses have detailed, a very worrying void in the planning system at the moment. I think that in the short to medium term there could be a big fall-off in the delivery of all homes, including affordable ones. The National Housing Federation's consultants, Tetlow King, have done extensive evidence-gathering on this and throughout the southern regions. My colleague Steve Hinsley may be able to elaborate.

Steve Hinsley: The work we did on behalf of the federation began shortly after the announcement by Eric Pickles of the intention to abolish the RSS. The work we did was a telephone survey of local authorities to find out their reaction to that announcement in terms of their housing numbers. We have continued to update those assessments since the first one in July. Our first assessment found 85,000 homes no longer being planned for, rising to 100,000 on 2 September; early in October authorities indicated 160,000; and the most recent assessment we have undertaken is 182,000. I think that shows not only the scale of the planned losses but also the speed at which those numbers have fallen away.

Q220 Chair: Can anything be done in the short term to deal with this fairly critical issue? Obviously, the Government will not reinvent regional spatial strategies and go back to where they came from, but is there something that can be done particularly in

terms of affordable housing to stop the crisis getting worse?

Cameron Watt: I think there is a need for the transitional arrangements the likes of Barratt and the Home Builders Federation have been calling for to help prevent a further hiatus between now and 2012 with the passing of the localism Bill and the new national planning framework, and to give local authorities time to develop new-style local plans. There is a need for transitional arrangements and we would support many of those that have been advocated by our colleagues from the private house builders. As we have set out in the summary of our recommendations, I think Grant Shapps has spoken about the national definition of sustainable development and a presumption in favour of it where clearly local authorities are seen to be dragging their heels. I think that to develop a national definition of sustainable development in favour of granting planning permission in the case of those local authorities that are dragging their feet to the greatest extent and do not have in place an up-to-date plan—their plan may be pre-2004—could help.

On affordable housing specifically, perhaps our biggest concern at the moment is that the planning system continues to deliver affordable housing but local authorities set themselves and deliver stretching affordable housing targets—affordable housing as the proportion of all homes built—and also continue to support affordable housing through planning gain. About 40% of all new affordable homes are wholly or partly dependent on planning gain contributions from private developers. Two thirds of affordable homes are delivered on section 106 sites. We are still waiting to see the details of the Government's reforms to section 106, with perhaps a new tariff system, but if we do not have continued support through planning gain for affordable housing we will not be able to deliver more homes and the 155,000 affordable homes that Government want us to deliver over the next spending period.

Kay Boycott: I think the economic and planning aspects have been covered, but a lot of this is about changing behaviour. There has been a lot of conversation about, and we look forward to seeing the accountability and transparency measures around the new proposals, but we would not want those to wait until then. It is quite important that not just the NHF commissioning people look at what is happening but that it is brought forward before the new changes come in so we know what is happening to local authorities and what they are committing to.

Earlier this year Shelter did a local housing watch that looked at housing need and delivery over the past three years of affordable housing against that. It was not without its contentiousness, so we need to have those debates now so we can get an understanding of what is happening out there on a quarter-by-quarter basis, because as these units disappear and the

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capacity disappears we will not get it back quickly. I think that needs to be pulled forward because transparency and accountability will start to drive behaviour among local authorities.

Q221 David Heyes: Changing behaviour underlies my question. The Government seem to believe that local authorities freed from the imposition of regional spatial strategies will become more responsive local needs and that will lead to more housing. Clearly, from what you say, you do not believe that to be the case.

Kay Boycott: We are talking about lots of different authorities and behaviours and going down to parish councils. Some people will; some people won't. The figure we always come back to is the two thirds of the population who support affordable housing and the 41% who will say they are much more likely to support it if it is not in their area. This is the crux of it. There is an awareness and general acceptance among large swathes of the population that we need more affordable houses. There is a sense that that will be good, but then we get down to their local patch. Clearly, it is a rational response. For a lot of people the perceived risk of development to their personal wealth is quite a rational one. We have very different segments of people who need to be convinced.

In the previous session lots of things were said about how you can sell development or make it appealing to communities. I think that to talk about communities in the broadest sense is not particularly helpful. We need to recognise that there are very different drivers depending on where you are on the housing ladder, your demographics and where you think you will be in five years' time. Accountability and transparency is just one matter, but another is a much better understanding of it and making that appeal to local communities.

Q222 David Heyes: Clearly, variable responses from different places and different local authorities are a factor here. Cameron, do you have a view on whether we can achieve a change in the way local authorities behave as a result of the changes that have been made?

Cameron Watt: I think local communities and councils can be convinced to accept more homes, but it will take a long period—certainly a longer period than the next comprehensive spending review. Obviously, the key driver Government see in encouraging local authorities to accept more homes is the New Homes Bonus. I am sure we will come on to discuss that in more detail, but we are not convinced that at the current levels envisaged that will drive local authorities and local communities to accept significantly more homes, so we are very worried about it.

Q223 David Heyes: Is the Government's proposal to build 150,000 houses over the next four years more or less likely under the changed system?

Cameron Watt: I think the changes to the planning system may make that more difficult. The federation still believes that the Government's top-down central target of 155,000 new affordable homes over the next

CSR period is deliverable. About half those will be from existing commitments at current grant rates, but obviously a lot of those homes will depend on new intermediate rents—80% of market rents—and we do not think it is appropriate to make up for the huge cuts in capital subsidy for affordable housing, which is 63% in real terms over the next spending period, by increasing rents for some of the most vulnerable in society. The Government are committed to tackling the disincentives to work in the benefit system, but tripling the rent of a lot of low income families' rents will create a benefits trap from which it will be much more difficult for them to escape. Our initial modelling suggests that the household income of a two-parent family with a couple of kids perhaps may need to increase to £50,000 under the new rents to make it worth them moving from welfare to work. Clearly, that is a massive concern.

Q224 Heidi Alexander: Steve, in your research with local authorities have you asked any questions about those that are in the process of developing their core strategies given the abolition of the regional spatial strategies? Are you seeing any changes to the targets for the percentage of affordable homes that should be delivered as a percentage of the total? I just wonder whether given the absence of regional spatial strategies, there are some local authorities that say that rather than go for 35% they will go for 25%.

Steve Hinsley: The research we have carried out has not looked at that specifically. What has happened is that the overall numbers have been cut for the next stage of the core strategy consultation process. Within that, I have not seen any evidence for a change in the percentage of affordable housing looked at on a district-wide basis, but that is very much a high-level position. Quite often, more detail of how much affordable housing is sought on individual sites comes in other parts of the LDF suite of documents. I have not seen any signs of that.

Cameron Watt: Clearly, there needs to be some flexibility to market conditions to ensure that private developers can continue to build homes. I think planners need to be sensitive to private house builders' viability issues, but what we don't want is the new system being changed during difficult market conditions so that effectively private developers can get away with significantly less by way of affordable housing contributions, because obviously we hope and expect that the market will soon pick up. It is important that when the market does pick up, private developers continue to provide a very significant amount of affordable housing as part of the value uplift to ensure we can house the 4.5 million people who languish on social housing waiting lists.

Steve Hinsley: If I may just comment on the 155,000, Cameron has spoken about the resources for that—public funding—but we have to remember that those houses have to be built on land somewhere, and that land must be in the right place. As Cameron says, that land is usually provided on the back of private development, which adds an additional subsidy. That is the process that has been working and will continue.

Cameron Watt: As well as providing a cash equivalent value, the section 106 deals have ensured

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that we have had more mixed communities with private open market housing being mixed in with some social rented housing but also shared ownership—part-rent, part-buy schemes—for the missing middle, or those on moderate incomes who wouldn't get a social home and couldn't buy in the open market. In addition to providing a cash equivalent value, section 106 is really important to mixed communities.

Q225 Bob Blackman: Moving on to the New Homes Bonus, what changes to the scheme do you think need to be undertaken to make it a bigger incentive for local authorities? Kay, I accept that from your perspective you probably want a definition of what affordable housing is, but can we just look at what incentives should be there to encourage local authorities to develop affordable housing?

Kay Boycott: The first small point is that the first 70,000 homes that will receive the New Homes Bonus are homes that are already planned for, so it would be quite difficult to look at whether or not those have been incentivised. One thing I am quite keen to explore is whether the level of the New Homes Bonus, which will ultimately be the thing that incentivises or not, is enough. We will not be able to test that until quite far out. I think it is very important that there is already a date set for the review of it. A lot of the benefits of the New Homes Bonus come in the later years, by which point will you know whether or not it has worked? What is the review period? There is definitely a question to be asked about how we are to assess whether or not it is working and over what time period.

At this point, we cannot say, having done the modelling, whether it will work and incentivise. I am sure Cameron can talk about some of the modelling his organisation has done that suggests that initially it will not be enough in the absence of other incentives for local authorities, which comes back to how appealing it is to the local population and what else is happening in the local economy. I think it is very difficult to say in isolation whether it will work, but the first tens of thousands of homes on which it is being paid are already committed to.

Cameron Watt: In common with the overwhelming majority of representations that you have had in this inquiry, we do not believe that the overall pot for the New Homes Bonus will enable local authorities to be incentivised effectively to accept significantly more homes, so we think that more resources are needed for it. The federation welcomes the principle of incentivising communities and councils to accept more homes.

Q226 Bob Blackman: I accept what you say, but we already have that in evidence. The key issue is: have the Government got it right in terms of the incentives for affordable housing? Could they take away those incentives at the top end and not bother with housing for private sale but give greater encouragement for the development of affordable housing?

Kay Boycott: Perhaps this is the time to come in with a definition of affordable housing. This is where Cameron and I may diverge. If low-cost home

ownership or those sorts of schemes are included in this, Shelter has recently produced a report that shows that a lot of that is not targeted at the lowest-income families and most vulnerable. There is a group that is completely excluded from low-cost home ownership, and in some areas low-cost home ownership is being used to subsidise people who could afford market housing. We are very concerned about the definition of affordable housing. In these times of constrained spending, Government subsidy should go to the most vulnerable and those who need greatest help with housing affordability, which leads you to social housing.

Cameron Watt: I think it makes sense to incentivise all housing, particularly as a lot of affordable housing delivery is dependent on private sector delivery. I think that to give the bonus to all new housing development makes sense. The additional premium for affordable housing delivery could perhaps be increased. As we have discussed, housing development in many parts of the country is unpopular, and affordable housing in some areas even more so. At the moment there is a proposal for a 125% bonus for affordable housing. I think a bonus of about 150% might well be more effective. We do need more for affordable housing and flexibility so that if the New Homes Bonus generally is not delivering the amount of housing that is needed the pot can be increased as soon as possible by top-slicing more formula grant.

One of our concerns is that the New Homes Bonus will perhaps disadvantage parts of the country where there are less buoyant housing markets, perhaps in the midlands and the north and some of the housing market renewal pathfinder areas. Obviously, for open market housing the proposal is that the New Homes Bonus will be paid on net additions, which could affect local authorities in regeneration areas. I think the totality of the spending review announcements will disadvantage poorer parts of the country over more affluent ones, so when the consultation document is published shortly, we will be looking at the proposals and the impact assessments to ensure that the New Homes Bonus does not seriously disadvantage local authorities in less affluent parts of the country.

Q227 Bob Blackman: Kay was talking about low-cost housing. What is your view on that?

Cameron Watt: I think that grant-subsidised shared ownership schemes, part-rent and part-buy, that our members provide have provided tens of thousands of affordable homes to people who would not in any way be eligible for a social home but are completely failed by the market and priced out of it. The typical household income of shared ownership purchasers is around £27,000 to £28,000; it is bang in the middle of the income scale. Private developers have developed their own shared equity products but in most circumstances these are much less affordable than housing associations' shared ownership schemes. I think that if we are serious about supporting the aspirations of the majority of the population to become home owners we need continued investment

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in shared ownership to provide for a broader range of housing needs.

Kay Boycott: One other point on the New Homes Bonus is that, until the detail is published, we have concerns about whether or not it will incentivise against the building of family sized homes for which there is need in a lot of places.

Q228 Heidi Alexander: To what extent do you think the New Homes Bonus will offset reductions in the HCA and social housing budgets?

Cameron Watt: I do not think it will offset the reductions in the budget. Obviously, the overwhelming majority of new affordable homes are built by housing associations that take Government grant and match it with their own resources and private developer section 106 contributions. Although the New Homes Bonus is welcome in terms of encouraging local authorities to plan for more housing, it will go to the local authority so it will not make up that shortfall.

Q229 George Freeman: I represent a rural area where affordable housing is a huge issue, average income is below £20,000 and the real issue is jobs with houses; for elderly folk it is care with houses; and for youngsters it is access to services with houses. Given that the county council is responsible for care, transport and education and the parish councils tend to be the places where local opposition takes root on the basis of "What's in it for us?" can you comment on what you think would be an appropriate split of whatever moneys are available in a rural area as between parish, district and county?

Cameron Watt: My understanding is that at the moment the proposal is for 80% of the New Homes Bonus in two-tier areas to go to the lower tier authority, the district which is the housing and planning authority, and 20% to the county. That seems to be an appropriate division of the New Homes Bonus, because we need the local planning authorities to be properly incentivised. I think that if a significant proportion is reserved for the parish council that will seriously disincentivise the planning authority. It needs to be more sensitive to the bonus from granting more planning permissions. I think there are other ways in which you can encourage and persuade local parish councils to accept more homes on small exception site developments of five or 10 houses. You can persuade them on a whole range of grounds about the sustainability of the community, keeping local shops and pubs alive, and keeping the character of the village as it is. I do not necessarily think that the New Homes Bonus should be used to incentivise individual parish councils in rural areas.

Kay Boycott: We are talking about what will incentivise people with widely different housing needs whether that is demographically or in terms of the areas. One of the things we will look for when the proposals are published is that there has been some work done to model what will happen and what will incentivise. It is not something that an organisation like Shelter can take on. The NHF have done some, but we hope that CLG will have done some of that work.

Q230 George Freeman: Are you making the case that there might be a different regime in different parts of the country?

Kay Boycott: We know from the work we have done in local campaigns and talking to people about how development is done over the years that it varies wildly. If you are in a rural area, a market renewal area, in London or the broader south-east the things that incentivise people are very different. It is very easy to talk about the finances and you can be a little more national about those; you can talk about the general economy. However, when it comes to what will get people in that local community to be incentivised, a lot of those things are emotional rather than rational. If the emotional ones don't work then the New Homes Bonus is, as I understand it, designed to create a financial incentive to overcome those barriers, and the amount needed will be very different depending on the degree of opposition in that area. It may not even be opposition but apathy. We do not know the detailed proposals but we know that getting local community support is a very tailored process, which is the point about localism.

Q231 James Morris: Turning to local enterprise partnerships and the need for strategic planning, do you see LEPs as having a role in developing housing planning, or not?

Cameron Watt: The National Housing Federation's view is that it is important to continue strategic planning because, as already discussed, the aggregate of a snapshot of immediate need in local areas over the nation will not produce an accurate overall level of housing need. We think that strategic planning needs to be upheld and that is why both the federation and Shelter were signatories to the letter sent to Eric Pickles by the new coalition led by the RTPI and Strategic Planning calling for a continuation of strategic planning under the new regime. We believe that LEPs should be charged with developing a planning and housing strategy and that should include a robust assessment of housing need, including affordable housing. I think that in terms of upholding housing delivery generally, what is more important than a strategic role for LEPs is that local authorities under the new-style local plans that they are charged with developing have to conduct a robust and credible assessment of housing need and demand across their areas and have some obligation to meet it. That assessment of need by individual local authorities will produce more homes than the strategic planning element of LEPs, although I believe that role of LEPs will provide a fuller, rounder picture of housing need.

Q232 James Morris: You are saying on the one hand that you believe local enterprise partnerships need some form of strategic development. Is it powers with which they need to be imbued, or do they need to collaborate on the production of plans for those specific areas that LEPs cover? I am not quite clear.

Cameron Watt: I think powers would help so that when local authorities themselves come together and identify the broad level and distribution of development across their sub-regions they together agree a housing target and they are bound to deliver

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the target to which they have committed themselves. I think a statutory basis with some powers would be helpful.

Kay Boycott: What we look for is the ability to hold people accountable. What worries us is: is part going to the LEP, is part going to local authorities, is part going to sit with the national plan? What about county councils and parish councils? Where is the point at which we can hold local politicians to account for the delivery of affordable homes? In a way, it does not matter where it sits as long as those people collaborate, it is based on housing need and they come together in a timely way to make the decisions, but being very clear it does not mean that in five years' time everybody can point to everybody else about why it went wrong.

Q233 James Morris: Is there a need for powers imbued in the LEP to make that happen, or do you conceive of a situation where local authorities are able to collaborate to achieve this without there being some kind of statutory body in existence at sub-regional level?

Kay Boycott: Without knowing what the proposals are for the local authorities it is very difficult to say.

Steve Hinsley: Following on from that point, the difficulty is that in the past local authorities have been expected to work in a loose relationship with each other. If we look at examples of their coming up with an answer at the end of the day, it has not worked very well. If we take the example of Bristol and authorities there, they just do not get on and there is a hiatus and inertia in going forward. There need to be some powers. Linked to that is the point Cameron made that local authorities need new guidance on how to carry out housing needs assessments. The indications are that we are going back to the situation 15 years ago, when each district council carried out a housing needs assessment for its own borough or district, but the question is: how do you look at the wider area and those districts and boroughs that join? How do you look at the opportunities in the wider planning sense and where the housing should go relative to need and constraints? I think that is the level that needs to be handled very carefully, because I do not think that to go back to the old style of district-wide surveys is the answer.

Q234 Simon Danczuk: I want to pick up a point made by Cameron. I got the impression you were saying that LEPs were best placed to provide that strategic planning role, but my question is: do you think they are that well placed in terms of the make-up of who will sit on LEPs and their geographic boundaries? Do you think that is an adequate level at which that strategic planning process should take place?

Cameron Watt: That remains to be seen. As far as opportunities for strategic planning going forward are concerned, LEPs seem to be the only show in town, so I think strategic planning through LEPs is better than no strategic planning. In terms of the areas that they cover, obviously there are concerns that LEPs will often not cover natural housing market areas and therefore the potential value of the strategic planning

that they do could be limited by that. At the moment we have had some strategic planning by local authorities through the Homes and Communities Agency single conversation process that has been undertaken in the past two years to direct affordable housing and other investment. I think there is a question about how the local investment partnerships that have resulted from the HCA single conversation process will interact with LEPs.

Obviously, there are also issues about democratic accountability. We need to ensure that LEPs are truly representative of the areas they cover and it is not just business interests that are represented. I am encouraged by the indications by the Minister of State for Decentralisation that he would see civil society representation and social enterprise representation on LEPs as a norm and an expectation. As major providers of affordable housing obviously we would be calling for housing associations to have a role in many LEPs.

Q235 Simon Danczuk: Everybody seems to agree that we need to collect data and carry out housing needs analyses at local authority level, but who should take on the responsibility to build that up into a bigger picture, perhaps up to a sub-regional or regional level? In addition, Shelter in particular has made a big play of openness in terms of data collected by local authorities. Would you say something on that point?

Kay Boycott: Referring to the work we did earlier this year looking at the SHMAs, a lot of local authorities already don't have the in-house capability to do those and they can cost significant amounts of money, so there is a cost saving and capability conversation to be had if it is 70,000 per local authority and accumulates. First, I think there will be a cost saving by having national expertise about how those should be done. At the moment, they are complex and not very accessible documents. To get to affordable housing need, for example, usually you have to go to page 197 to find it. They are not updated very often. If you think about how the housing market has changed since 2005 and 2006 when many of these were done, they are not particularly dynamic. They are very complex documents, but we really need to have a conversation about dynamism, ability to do them and cost. In our view there needs to be a role for central Government to do that basically to save costs and streamline them and get them done faster and achieve that cumulative understanding. That is the local authority. But if the current process is repeated, we think it will introduce yet another huge hiatus into it.

Cameron Watt: "Open Source Planning", which is the blueprint for the current planning reforms, envisages local authorities providing individual neighbourhoods with quite detailed evidence on housing need, including affordable housing, at local level. I think the federation's concern is that with the abolition of the National Housing Planning Advice Unit and of leaders' boards, overstretched local authorities, particularly the rural ones, may not have the capacity to produce meaningful evidence themselves from scratch and that could seriously hinder implementation of the bottom-up vision of "Open

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Source Planning". CLG has said it has made good arrangements for the data that were previously collected by regional leaders' boards to be looked after and updated by other organisations. I believe that for the south-west the data have been deposited with the British Library, which to me does not suggest that these are living, active data sets that will be made freely available to local authorities to help inform their new-style local plans. We have real concerns that the evidence base for local authorities to develop their new housing numbers just won't be there.

Steve Hinsley: I think that the information to support any kind of primary housing need survey is there but it needs to be maintained. Secondary data is very important. Just to reiterate what Cameron said, that needs to be maintained in a proper sense and I think it really can be only for Government to ensure that is kept up to date.

Q236 George Freeman: I want to ask about the housing federation's quite striking views in its evidence about the role of LEPs. My understanding hitherto has been that the Government see the local enterprise partnerships as setting out an economic vision for their areas. In my own area it might be: where are the growth industries in the next 10 to 15 years or so? What infrastructure do we need to support them, with the planning authorities doing the housing to support that? Mr Watt, you make the case that you see the LEP making an assessment of housing need and setting out how the partners intend to meet it in a way that would be binding once agreed. It is very interesting that you say the LEPs should have powers to aid cooperation over implementation. That sounds like a blueprint, for better or worse, for the LEPs to become the strategic planning authority. I am interested in whether that is really what you suggest, because that is quite different from the vision of LEPs pushed by the Government. I am interested in whether I have understood correctly that you see the LEPs basically as the strategic planning authority.

Cameron Watt: They would be a strategic planning authority. Obviously, different messages have been put forward from Government on how they envisage the LEPs working and what powers they might have. In previous documents before the Local Growth White Paper it was clearly said that Government envisaged that they would have potentially a strategic housing and planning role. Obviously, the housing element now seems to be downplayed, but if LEPs are setting out a spatial vision, for example, for economic development particularly in rural areas that may not be successful if there is not the housing provided to support it. Therefore, it seems to make sense for housing to be planned alongside strategic economic development in infrastructure. We think that binding powers are one option that should be seriously looked at because, obviously, if local authorities themselves have come together and set out a vision for the future and made commitments to meet identified housing needs themselves clearly those commitments must be meaningful.

Q237 George Freeman: Can you give an example of what you mean by powers to aid cooperation over implementation? What do you have in mind?

Cameron Watt: Obviously, if the LEP has set out a housing number across its sub-region and the local authority is not allocating nearly enough sites for housing then perhaps the LEP could compel the local authority itself to allocate sufficient land to meet the housing needs that that local authority and other LEP partners have identified as essential.

Q238 Chair: I pick up the issue of the evidence base for assessments of housing need in an area. Mr Donson from Barratt Development spoke about the potential for housing need in an area being 5,000, give or take a couple of hundred either way, but the local authority's knee-jerk reaction might be only 1,000, and therefore there is need for clear guidance about how that evidence base is calculated by the local authority and to get consistency across the country. Do you see that important? Should it be something stronger than guidance if local authorities have to comply with it?

Kay Boycott: If we want to look at different local authorities and compare them on a fair basis, housing need must be where you start from. How are people delivering against housing need as opposed to how many units do they deliver? We would argue very strongly that there needs to be a consistent methodology. That will need some quite hard conversations about the difference between housing need, housing demand and housing aspiration, which brings us to the question: what is our vision for housing going forward? Someone quite rightly said that housing need versus housing market were quite different things. We believe that there will need to be guidance because of the importance of different tenures, if nothing else. Over the past few years we have looked at the growth of the private rented sector. All the indications are that private renting will continue to grow, so how will that be dealt with in strategic housing market assessments, in addition to looking at other tenures and potentially new tenures that are evolving? We think it should be consistent and tied in with a long-term vision for housing.

Cameron Watt: The revised planning policy statement on housing published by the Coalition Government in June, I think, reiterated that local authorities had to have housing numbers based on sound evidence and the SHMAs and SHLAs having a key role in that. But the current strategic housing market assessment guidance is over three years out of date and was clearly written for the former year of regional spatial strategies, so it is important that with the new national planning framework, with potentially a new PPS3 being issued, new guidance is issued centrally to help local authorities ensure that they robustly and accurately identify housing need. I think that process should be as consistent as possible across the country so it is right therefore for local authorities, having identified need on their own patches, to come together through LEPs and have a meaningful conversation, and also for individuals to hold their local authorities to account on whether they are accurately identifying housing need and planning to meet it.

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Kay Boycott: Part of the reason for doing it is that if you are communicating with communities about the need for housing and building it needs to be based on something they recognise. The number one concern of people is about affordability, so SHMA or whatever it is needs to look at those issues in order to be able to articulate them back to the local community, whereas if it is all over the place it may be some of those are missed and those communication opportunities are also lost.

Q239 Chair: Do you think there is a role for central Government in taking a wider overview of the assessments of need that are being done individually by local authorities, or collectively in some way through a LEP or another arrangement, and monitoring the total in aggregate that is being agreed by local authorities and matching it against the Government's own assessment of housing need at national level?

Kay Boycott: I would have thought it would be very difficult for national Government to do any investment

decisions in the next CSR if they do not have a view about housing need and the relative priority of housing without having some sort of aggregate view. The National Housing and Planning Advisory Unit is no longer providing that data. Previously, Shelter did reports with Cambridge. I am not sure that is sufficient given the level of housing need facing the country.

Cameron Watt: I think it is vital that when local authorities identify housing need at local level, by whatever means, inspectors should be able to continue to check the new local plans that they have developed to see whether the needs that those local authorities have themselves identified are credible and the numbers are adequate; otherwise, some authorities may abuse their new freedoms and revise their housing numbers significantly downwards even though there is significant unmet need at local level.

Chair: Thank you very much indeed for your time and the evidence you have given us.

Monday 22 November 2010

Members present:

Mr Clive Betts (Chair)

Heidi Alexander
Bob Blackman
Simon Danczuk
Stephen Gilbert

David Heyes
George Hollingbery
James Morris

Examination of Witnesses

Witnesses: **Cllr Jim Harker**, East Midlands Council, **Cllr Ken Thornber**, Leader, Hampshire County Council, and **Cllr Derek Antrobus**, Chair of the Planning and Housing Commission, Association of Greater Manchester Authorities, gave evidence.

Q240 Chair: Good afternoon and welcome to the fourth and final session of our inquiry into the abolition of Regional Spatial Strategies. Unfortunately, Councillor Symon Fraser from the East Riding of Yorkshire Council is not able to be with us. I think he had a problem with a cancelled train and was unable to catch a later one to get here. For the sake of our records, could you say who you are and the organisation you represent?

Ken Thornber: Chairman, I am Ken Thornber, Leader of Hampshire County Council.

Jim Harker: I am Jim Harker, Leader of Northamptonshire County Council, and I represent East Midlands Councils.

Derek Antrobus: My name is Derek Antrobus and I chair the Greater Manchester Planning and Housing Commission.

Q241 Chair: You are all welcome. If at any stage comments are made by one of your colleagues with which you agree, do not feel it necessary to repeat it. If you just say you agree, that is it. We can probably make more progress that way, because we have quite a lot of interesting things to explore with you.

To begin, quite a lot of the evidence we have had so far suggests that if and when the Regional Spatial Strategies are abolished there will still be a need for some arrangement between an individual local authority and national planning guidance. Do you concur with that? If so, will we recreate Regional Spatial Strategies in some other name that in practice will be a similar thing?

Derek Antrobus: I think Regional Spatial Strategies transcend local authority boundaries, so whatever we do we need to recognise the porosity of those boundaries and to think wider than the individual local authority. That can take a variety of forms. For example, in Greater Manchester, there is a long history of the 10 authorities that constitute the conurbation working together. We also need to be alive to our connections with authorities that border Greater Manchester: Warrington, East Cheshire and so forth. There will always be a need to integrate our thinking on spatial planning.

Jim Harker: One of the challenges is that we have such a mixture of local government in England, particularly in two-tier areas, that it is essential to have a wider spatial planning provision other than district councils. I can think of an example under the

structure plan process in my own county of Northamptonshire. We wanted to build a dual carriageway to link the M1 with the A14 and A45. That went through five district councils: Daventry, Northampton, South Northants, Wellingborough and East Northants. It would have been almost impossible to get that sort of road built under a system whereby strategic planning was left with the district council authorities in a two-tier structure. I think the two-tier arrangements between the counties and the districts will be particularly challenging. I would hesitate to go back to the structure plan approach. Nonetheless, I think that at sub-strategic level, there is a real role to be played by the counties in two tiers.

Ken Thornber: I would not disagree, but I can see a three-tiered structure, most of it voluntary, and for all that, gaining great commitment at district, county, sub-regional and regional level. If you take regional level in the South East, prior to RDAs we had what was called SERPLAN, a south-east region plan, which was voluntary but for all that was very effective. We now have south-east England council leaders—78 of them—who meet as 78. Obviously, they span the region, and that would be a vehicle for regional planning; or we have the south-east strategic leaders' forum formed of strategic authorities, counties and unitaries. Therefore, we have the ability to fill what I believe to be a bit of a void now between RSS and local level. We can do it in a sustainable way; we can do it voluntarily, and I think it would have greater impact.

Q242 Heidi Alexander: Councillor Thornber has just spoken about filling that void through some of the forums that already exist. The Government have proposed a duty to co-operate. How do you see that working going forward based on all your experiences? Equally, do you have any concerns about the lack of sanctions? If a local authority does not choose to co-operate what happens and how do you resolve it?

Ken Thornber: The duty to co-operate is one that we welcome. We would like to see it strengthened so it is a duty to co-operate not only at district level but with the strategic authorities. We think that in that way you can have a sub-regional co-ordinated approach to planning. The Honourable Member speaks of sanctions. In terms of housing plans, one of the greatest sanctions is the knowledge that, if you do not plan where you want your houses and the numbers

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you want, you will get planning by stealth, by application of developers and so on. That is one of the sanctions available. I am not one to want sanctions but I believe in the construct that there ought to be the reserve power of final intervention by the Secretary of State.

Jim Harker: I agree that it will be really difficult to enforce. I am not sure how the sanction will work unless there is guidance. Perhaps the proposed national planning framework might give some guidance about the sort of areas in which co-operation is required.

Derek Antrobus: The recent Flood and Water Management Act imposed a duty on the various agencies involved in flooding to co-operate. That appears to be working well. I do not think there would be any difference with local authorities joining together. If there is a duty to do these things, local authorities tend to obey the law.

Jim Harker: We have some evidence from Northamptonshire, which is a growth area. It has two local delivery vehicles of which you are probably aware: the West Northants Development Company and the North Northants Development Company. Both of those in two halves of the county have been working in partnership with the relevant district councils and county council to prepare core strategies. It is a mini-strategic plan. Therefore, co-operation can work.

Q243 George Hollingbery: Do the witnesses agree that if the data that backed the Regional Spatial Strategies were robust, the outcome of co-operative groups of this sort is likely to be that of the Regional Spatial Strategies? Is there any truth in that?

Jim Harker: As far as the East Midlands are concerned, the total number will probably not be that much different. The demand for housing is still there. Indeed, all the evidence is that, without the Regional Spatial Strategies, for the past 10 years the growth has shown up. There is a lot of variation between different parts of the region. For instance, South Northamptonshire does not want development. They have already told me that they will have very limited development as a result of it. Corby in Northamptonshire wants development. I think you will find that, while the total numbers are probably about the same, there will be a lot of different choices between different parts of the region.

Q244 George Hollingbery: Can the witnesses elaborate a little wider than housing, because clearly the RSSs covered a great deal more than just housing?

Jim Harker: Yes, although it was really just moving on, wasn't it? Separately, the RDAs were charged with preparing the RES, Regional Economic Strategy, for jobs, roads and industry, and the regional councils did the RSSs, Regional Spatial Strategies. The previous Government had just begun to put those two together and integrate spatial strategy—housing—and jobs, which was the sensible way forward, although on a much bigger scale. I would like to see that copied on a much more local scale. If I may say so, if I get the opportunity in Northamptonshire, I will take a combined approach that looks at economic

development—jobs and inward investment—alongside housing.

Ken Thornber: The number of houses proposed by 11 district councils and two unitaries supported by Hampshire County Council is 5,600 a year. That is almost exactly where we started with our draft plan before intervention by government to increase that allocation. Looking across these districts, there is an accepted need to plan for that number of houses. We have robust discussions and they will continue, but at the end of the process we had agreement around that number of houses. Those houses are now being put forward by local district councils and, therefore, there is still a measure of agreement. It might be argued that if you are close to the RSS housing allocation, why can't we replace the RSS with something else at regional level? Indeed, I spoke of voluntary arrangements that could do that.

In my experience, it is not the case that districts in particular clamour for a lower number of houses; they accept the need. I think the big problem for us all, and certainly in Hampshire, is the infrastructure to keep pace with that level of housing. There is an infrastructure deficit. I think every district council and county would plan for these houses and it would not be that much different from the RSSs, but there is an infrastructural deficit which we need to address if we are to produce that number of houses.

Derek Antrobus: The question was specifically about areas other than housing which might create some difficulties. There are some areas about which I would have concerns. I sat on the regional planning group for the North West. One of the most contentious areas where some authorities were reluctant to allocate was to do with Gypsies and Travellers. That was very controversial. I wonder whether or not local authorities would make adequate provision for that without the sanction of Regional Spatial Strategies. I also chaired Greater Manchester waste planning committee for the production of the DPD. That was also controversial. There were some very sensitive sites. In the end, we recognised it was our duty to provide sufficient sites to meet the requirements of the RSS. I do not know what would have happened if it had not been a statutory requirement.

Ken Thornber: One request we would make is for the return of planning powers to upper-tier authorities consistent with their statutory obligations, which are certainly transportation, waste, mineral extraction and probably areas of education and social care. These are statutory responsibilities. We would look to a situation in collaboration with our district councils where Hampshire County Council planned these strategic planning concepts, if you will, in order to provide support. I focused on housing, but it is far more than just that; it is roads, infrastructure, health centres, education and social care.

Q245 Heidi Alexander: Councillor Antrobus picked up the point that I intended to raise which is that, while housing can be controversial, sometimes there are even more controversial things such as the siting of Gypsy and Traveller pitches and the building of waste disposal facilities. Councillor Antrobus, you said you would have some concern about those

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provisions in the region, were it not for the obligations placed upon local authorities. In the new world in which we find ourselves, possibly without the Regional Spatial Strategies, how do you deal with that problem? In your opinion how do you deal with the thorny, knotty issues that are very controversial?

Ken Thornber: If I might Chairman, this may sound like an unabashed grab for power.

Chair: The district councils might think so.

Ken Thornber: If you have these responsibilities at upper tier level, they will be exercised. If I look at the lovely county of Hampshire, it has its Gypsy problems as well as others, we could vest the strategic authority with the role of agreeing with district councils the disposition of Gypsy sites. We would have been doing that in the era of SERPLAN and before planning powers were removed. I would offer that as a way to tackle these controversial issues.

Jim Harker: Before the RDAs were invented—I know we keep talking about the two-tier system but that is really where the issues are—the old idea was that counties were responsible for the strategy and the structure plan. They planned where the roads, schools and main items of infrastructure were to be; they dealt with minerals and the bigger strategic issues of their sub-region, if that is what it is. The districts then had the responsibility to apply those strategic guidelines and had development control for housing and the industry that went along with it. It was not a bad system.

Q246 Chair: There was never any conflict in that situation, was there?

Jim Harker: Quite frankly, there was not that much conflict. We have been around a long while. I have been a member of the county council for 32 years and I chaired the old Planning Committees. There was not so much conflict because you thrashed it out. At the end of the day, it was your responsibility to get to a solution and you got it. In a way, conflict is inevitable, because if you left it to districts to make those individual decisions it would be quite difficult to get things done. You need the element of conflict and debate where everybody has the opportunity to put their point of view, but having somebody a bit more dispassionate who takes the decision is the right way to go about it.

Q247 Simon Danczuk: What do you think of the New Homes Bonus? Do you think it is a great enough incentive to get more homes built?

Jim Harker: In our experience in the East Midlands, we have plenty of extant planning permissions anyway; we have nearly 100,000.

Q248 Simon Danczuk: But I suppose we are looking to the future.

Jim Harker: There are a few issues around the New Homes Bonus. The first is that it is not yet clear exactly who will get the bonus, whether it will be the district council that gives the permission or the parish council that suffers the housing to be put upon them. We are not sure how it is to be shared out in the two-tier system. We have an indication that 80% will go to the district and 20% to the county. That is the

reverse of the cost of providing the infrastructure. I understand it is not necessary to provide the infrastructure, but it will be part of that. We know that roads and schools cost 80% of the funds available. There are still quite a few issues around the New Homes Bonus. The other thing people are not sure about is that, because most of the funding for it is to be top-sliced, it means we have to pay for it to get it.

Q249 Simon Danczuk: You do not sound very enthusiastic.

Jim Harker: I can understand the principle, which is to compensate localities for putting up with development. That is a terrific principle, but it will not be that easy to apply it. I do not disagree with it; I think it is the best we have, but we need some answers to those questions.

Ken Thornber: I have done some basic arithmetic: 5,600 new homes per year in Hampshire with an average band D of around £1,500 yields an extra £10 million that will be divided among 11 or 13 authorities, so clearly it is less than £1 million each. While the bonus is welcome—there will be councils with deprived areas that want to take advantage of this—there will be affluent areas that are willing to forgo not a very great amount of money in order not to upset their vociferous populations.

I think it is mixed. There will be benefits for some councils to do this, but I am bound to say that £10 million for 13 authorities that cover 1.3 million people is not a great incentive from the point of view of infrastructure. 80% of £900,000 at district level is still not great. Given the statutory responsibilities of county councils, upper tier authorities, the 80%/20% ought to be reversed, because of all council tax bills, 80% to 85% of that bill is attributable to the upper tier. I say that in passing. Jim mentioned top-slicing. I welcome the concept. While people will not feel it in their pockets, they may see some minor improvements as a consequence.

Q250 Simon Danczuk: What you are saying is that to ignore the amount a local authority could receive from the homes bonus might be a price worth paying so they do not have the headache of having to get through all the new house building in their locality?

Ken Thornber: I think that is a real danger and in some localities that bonus will be forgone.

Derek Antrobus: I think it is fundamentally flawed and unfair, although nowadays I am not quite sure what “fairness” means. If you are an authority like Salford, where most properties are in the lower council tax band, compared with an authority where the housing market is buoyant and properties are in the higher tax band, you will be rewarded differently for exactly the same output. For every unit that is built in Salford, an identical one built in a more prosperous authority where house prices are higher will secure a greater grant. It seems to me there is a disjunction between the bonus and the effectiveness of the local authority; the level of reward you get is purely down to the market.

I think it is even more unfair when you look not at the outputs but the inputs. In order to secure development in Greater Manchester, we need to invest

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heavily in infrastructure and place-making to encourage development to take place. There are 69,000 extant planning applications in Greater Manchester. The main reason many of them do not go ahead, apart from the current economic climate, is the fact that we want people to invest in good places, and that requires public sector intervention.

I think our current local investment plan with the Homes and Communities Agency amounts to £375 million over the next 15 months. If you compare that with what is to be substituted for it, the £1.4 billion regional growth fund over three years for the whole country, you can see that the resource available to invest in those places and transform them is to be sharply curtailed. It is that investment we need in order to deliver these housing units.

Another issue that concerns me is the fact that the New Homes Bonus will use the net figure. To secure high-quality family housing in many northern cities requires the demolition of old sub-standard housing that has no market value. That will count against us and we will not benefit from the New Homes Bonus. By doing that we will lose out because the net figure will be reduced.

My third concern is about the reaction of the public. I have dealt with two applications in the past month. In one case, we needed to secure grant funding from the Homes and Communities Agency for some affordable housing. Obviously, that would have been beneficial in terms of the New Homes Bonus and the addition one gets for affordable housing. We got the very clear message from the local community, local councillors and the planning panel that they would not make that decision based on the financial benefits; it had to be about the quality of the environment and development. That particular application was refused by the planning panel. Therefore, it is not necessarily the case that just by waving a cheque in front of a local authority it will agree to housing; it has to be of the right quality, and people in the community must be persuaded that it is right for them. Recently, we gave planning permission for a new Tesco. Because the council sold some land, we were slated in the media for selling planning permission. That is totally untrue, but that is the public perception. If people think that you are allowing development to go ahead simply because of financial gain, my experience is that they will not go along with it.

Q251 Bob Blackman: Moving on to the impact of the New Homes Bonus, have you decided to delay decisions on any planning applications, or seen any evidence of delays, pending its introduction?

Jim Harker: Certainly, as a county council we are not a development control authority, but in my area, no. We have extant permissions, a lot of them granted only recently. The problem is not so much giving the planning permissions as selling the houses, for the reason that young people in particular cannot find the deposits. They could service the loan if they could get the deposit, but at the moment what stops them is having to find 25% to 30%, which can be £30,000 to £50,000, as a lump sum before they can even start to think about buying a house. I believe the way forward in future is to find a way to allow young people,

particularly first-home buyers, to borrow the deposit as well as the main funding. That would be a great help. The recession we have been in for the past few years is very much the cause of that.

The recession is also putting major pressures on the provision of infrastructure. All the new developments and planning permissions that have been granted, which are linked to 106s, are predicated on the idea of capitalising the land values so the developer is allowed to make substantial contributions to the provision of infrastructure. That is not happening now; indeed, in no way will some of the permissions negotiated two or three years ago be able to be built because the developer and the permissions were granted when the land was worth £1 million per acre and it was easy to allocate £300,000 or £400,000 of that to infrastructure. That is no longer with us. It will hopefully come round again in due course, but until it does and until, sadly, house prices go up and provision is made for people to be able to buy those houses and borrow the money, I think we are in a bit of a stick.

Ken Thornber: Sadly, I find little evidence that the number of houses planned bears any relation to the imminence of the New Homes Bonus. Strategic authorities in particular are very aware of a national presumption of sustainable development. We know that if housing numbers are not put forward something to which I alluded earlier will happen: there will be speculative development and planning appeals. We as a county will find development where we did not really want it. That imperative will not drive housing numbers rapidly upwards but will drive strategic authorities in their planning.

Derek Antrobus: I understood from a letter we received during the summer—I think it was from Greg Clark or perhaps Grant Shapps—that the New Homes Bonus was operative from that date, so any property built after it would qualify. We have been relying on that and have kept a copy of the letter—

Chair: Very wise.

Derek Antrobus: And the number of homes we have approved since that date.

Jim Harker: I do not believe that is clear.

Q252 Bob Blackman: We may clear that up a bit later in the evidence. Given that every authority has already published the level of housing that it expects to see developed, do you think it is right that it should be given an incentive to achieve that target?

Ken Thornber: It is not really to achieve the target, is it? If it is essentially to compensate communities for taking on that development then I think that is a good idea. It is a big stumbling block.

Q253 Bob Blackman: If I may cut across you, the thrust of my argument is that they have published a target that has been accepted by the community, so should not the incentive be applied to something above the target? In other words, if your target is 5,600 or thereabouts, which was the figure to which Councillor Thornber referred, and you build 10,000, then you will be rewarded for the 4,400 extra houses that are developed. Would that not be a fairer system?

Jim Harker: It is another way of looking at it. I am not sure it is fairer; it depends on what you want it for.

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Q254 Bob Blackman: The thrust from government is that they want to see more houses developed in a faster timeframe because we are at a low point in terms of house building development. Local authorities have said that that is what they plan to do anyway. Therefore, if the New Homes Bonus is to apply, surely the argument would be that there should be an incentive to build extra properties, not the ones they will build anyway.

Jim Harker: But the targets were not set by the local communities; they were set top down by the Government of the day. The local communities did not really have much choice about it. They had a consultation period and made certain variations as a result of that, but the top-down targets for the growth areas anyway were set by the central Government of the day. In that case, I think it is reasonable to say that the village or town that must take on these 5,800 houses—probably doubling or trebling the size of the community that is there at the moment—ought to have some compensation for it.

Derek Antrobus: I think the issue is not so much about targets. In Greater Manchester, the RSS indicated 200,000 extra homes over the next 15 years. Each of the local authorities in Greater Manchester through their core strategies is imbedding that aim in their planning policy. The fundamental issue is not planning policy; it is about delivery.

Q255 Bob Blackman: To take that point, should the incentive be on delivery?

Derek Antrobus: The incentive should be on delivery, but it is not the local authority that delivers these by itself; it does so in partnership with developers and local communities. It is the level of investment in places that encourages developers to build homes in those places. They have to be attractive places and we need that level of investment.

Ken Thornber: I think I would go for the honourable Member's compromise, which is actual delivery of what local government said it could deliver. My understanding of the Coalition's philosophy is that they would not be prone to target setting or directing from the top. I can speak only for Hampshire. If we do our job properly—there is a good will out there—assess us on what we say we will produce.

Q256 Bob Blackman: We have received an answer to this, but I want confirmation of it. Do you think that the financial incentives proposed are sufficient to overcome the objections most residents have? Normally, when they object to planning permission they do so on social or economic grounds or some impact on them and their properties. Do you think these financial incentives are sufficient to overcome those particular objections?

Jim Harker: I think it depends where the incentives go. I can give you an illustration. Kettering, a town with a population of 50,000, has just agreed an urban extension of 5,800 houses; it is more than a 10% population growth. It has agreed that in the parish of Cranford next door, so the people who will pay for that are those who live in the parish of Cranford. It is a brilliant idea, but I am not sure how it will work. A much more effective way to reimburse local

authorities for the growth they accept is to look at the way the grant system works for local authorities. At the moment, because we use the figures from the Office for National Statistics that are two years out of date, sometimes longer, it is at least two years before we get the grant to pay for these people. If that could be tackled on a fairer basis it would compensate the areas taking the growth much more satisfactorily and to a much larger degree. Of course, there are issues around that, but I do not understand why the Government cannot work out the grant on current population statistics rather than something that is two or three years out of date. That would help a lot.

Ken Thornber: I do not think local government should ever reject the concept of earning more on the basis of what it produces. I am bound to say, however, that at the level I indicated for Hampshire it is extremely difficult to see how fundamental infrastructural deficits could be addressed by a bonus of this sort. It may be that is not in government's mind and it is concerned more with a community and small improvements to its infrastructure, but this goes for six years and there is top-slicing of the strategic authorities. There is, therefore, in terms of the 80/20 split very much reverse and imbalance. I would like to encourage government to persist with this idea and allow local government to say what it can do and then reward on that outcome, as Mr Blackman says.

Q257 Chair: I suppose the question is: what happens if in the end local government collectively does not deliver as much as is needed? The National Housing Federation gave evidence to us that 180,000 planning applications have not been granted but would have been granted prior to the abolition of the Regional Spatial Strategies. Is that not a problem? I do not think you have quite addressed that.

Ken Thornber: Chairman, if I have understood it correctly, we then do not get the £1.25 for every pound of the council tax.

Chair: That is right.

Derek Antrobus: It will vary according to different parts of the country. In Greater Manchester, there is sufficient land allocated to meet the requirements of the Regional Spatial Strategy and the requirements of the core strategies of the local authorities. We have 69,000 extant planning permissions, so it is not a question of the local authority not delivering; it is about getting the houses built on the ground, which means investment in land.

James Morris: I return to the need for strategic planning which we discussed earlier. A lot of the evidence presented to us is that there is a need for broader strategic planning. Local Enterprise Partnerships have been introduced. To what extent do you think they could act as a vehicle for strategic planning in this context?

Q258 Chair: Can you give fairly brief answers because the Secretary of State is sitting outside, waiting to give evidence?

Ken Thornber: My fundamental problem is that an unelected, unaccountable organisation is being given responsibility for some planning matters. Indeed, if the split between local government and business

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people is 50/50, with a business-led chairman and corporate governance having a casting vote, you could argue that unelected people are taking planning decisions or are planning strategically. I have great difficulty with that. I am not sure that business necessarily wants to conduct the process of strategic or detailed planning. Certainly, what business in Hampshire is concerned about is outcomes and getting the planning process simplified and speeded up. I do not believe LEPs are the vehicle. The vehicle for what you have said is the upper-tier authorities co-operating with LEPs, but unaccountability worries me.

Jim Harker: It does not worry me so much. It depends on the size of the LEP. If you have a great big LEP frankly you just replicate the old RDAs and

you are back to the same issues. I would not go for that. If you have reasonably small-sized LEPs on one, two or three counties I think there is a good case for letting them become hands on, not just consultees, as far concerns preparation of the strategic plan. Maybe you need the local authorities to sign off, but I want them to be more involved than just consultees.

Derek Antrobus: I agree with Ken. What the LEPs need is not more planning powers but more resources to ensure the delivery of what the plans have ambitions for.

Chair: Thank you very much indeed for your evidence. You'll have a very favourably disposed Secretary of State when you go out, for getting him in on time.

Examination of Witnesses

Witnesses: **Rt Hon Eric Pickles MP**, Secretary of State for Communities and Local Government, **Greg Clark MP**, Minister for Decentralisation and Planning Policy, and **Katrine Sporle**, Chief Executive, The Planning Inspectorate, gave evidence.

Q259 Chair: Thank you very much indeed for joining us this afternoon for the final session of evidence taking in our inquiry into the abolition of Regional Spatial Strategies and its consequences. Secretary of State, just for the sake of our records—I think we know you fairly well even without a nameplate—perhaps you would introduce yourself and your colleagues.

Eric Pickles: My name is Eric Pickles, Secretary of State for Communities and Local Government.

Greg Clark: I am Greg Clark, Minister for Decentralisation.

Katrine Sporle: I am Katrine Sporle, Chief Executive of the Planning Inspectorate.

Q260 Chair: Welcome. Secretary of State, if you had come before us three weeks ago we might have begun with a slightly different question about Regional Spatial Strategies, but since then there has been a court case on the issue. Following the decision in that case that you did not have power to revoke Regional Spatial Strategies in general but had to wait for a new Act of Parliament, is the situation that in essence currently RSSs are in existence and local authorities have to follow them in developing local plans and considering any planning applications that come before them?

Eric Pickles: I think they are one of the factors that they need to take into consideration. Another factor is emerging policy. Mr Betts, you will recall that in both the Conservative and Liberal Democrat election manifestos there was a pledge to remove the Regional Spatial Strategies; indeed, it formed part of the Coalition Government's document. A sensible, prudent authority will take into consideration the fact that in a matter of days a Bill will be produced—we have produced the draft clauses of that Bill—and in a matter of time these spatial strategies will be removed. Therefore, while it is a factor it is not necessarily a decisive one.

Q261 Chair: Surely, when the Planning Inspectorate receives appeals on planning decisions, whether or not local authorities have taken into account the Regional Spatial Strategies, and indeed local plans that currently exist based on those strategies, will continue to be an important element when it looks at any appeal decision, will it not?

Katrine Sporle: Yes, Chairman. Inspectors will, as always, start with the local plan—they start with section 38(6) of the Planning and Compulsory Purchase Act 2004—which must be in general conformity with RSS. Inspectors now have a clear instruction that, in the light of the court decision, they will go back to the parties and ask for any evidence that has not previously been taken into account but which takes into account extant RSS.

Q262 Chair: So, from your point of view, Regional Spatial Strategies are still in existence, and local authorities, when looking at a planning application, take account of that through their local plan which itself is currently based on evidence from the RSS?

Katrine Sporle: In general conformity.

Eric Pickles: Mr Betts, you have to remember that only 18% of authorities have up-to-date planning figures, so we are not talking about the whole of local authorities.

Q263 Chair: That means some local authorities are still based on the unitary development plans because they have not upgraded them?

Eric Pickles: They have not upgraded them to the new figures.

Q264 Chair: But their evidence base will still be at regional level in forming the UDPs?

Eric Pickles: We would all expect decisions to be made on an evidence base, but you have to understand that a new system is now devolving through the New Homes Bonus. That will be followed by a duty to co-operate. The consultations on the New Homes Bonus

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ends towards the end of next month. It is not as though these things are taken in isolation.

Q265 Chair: We will come back to the New Homes Bonus in a minute, Secretary of State. As part of our inquiry, it has not been our job to second guess government policy on the abolition of the Regional Spatial Strategies. As you say, it was in the Conservative and Liberal Democrat manifestos. But one thing that has concerned us so far is evidence from councils, practitioners and others that it was almost as though the world ended and before the new world began they were left in a vacuum. Without the regional spatial strategy, which underpinned existing LDSs, if they had them, or regional evidence that underpinned UDPs, it was not clear where the evidence base was that they should use for planning decisions from now on. If we have at least a breathing space during which Regional Spatial Strategies continue to exist until the new Act is passed can you give comfort to people that when the new regime you have set out comes in, which is clearly a different one, there will be a transitional period to allow them to work their way towards it? The last time we had a planning Act there was a safe policy understanding that existing plans would continue for a time until new ones could be formulated.

Eric Pickles: We are in a transitional period right now with the move across to the New Homes Bonus. This is not theoretical. Houses that are granted planning permission now will qualify for the New Homes Bonus, because that is not paid until completion. We are moving across to a system that is not target or paper-based; it is not based on the number of planning permissions you get through, but on the actual number of houses you complete. It works on two levels: first, it is an encouragement for planners to grant permission; but, secondly, it is an encouragement to local authorities to ensure that that process of building is carried out expeditiously, because the bonus, as I said, is not paid until the house is completed.

Greg Clark: You asked whether in effect robust numbers needed to be taken into account by authorities in setting their plans. This was made clear in guidance, which I think was issued back in May at the time of revocation. I have a copy of the guidance in front of me. It says: "Will we still need to justify the housing numbers in our plans? Yes. It is important for the planning process to be transparent, and for people to be able to understand why decisions have been taken ... they should do this in line with current policy." So, we have always been clear that you need to have housing numbers that are defensible.

Q266 Chair: Yes, but if you have an authority with an existing local plan based on evidence, maybe through Regional Spatial Strategies, and the Act comes into force, do those plans continue to exist based on the evidence with which they were drawn up at the date the Act is passed and for a period of time until they can collect a new evidence base?

Greg Clark: It is open to the local authority to collect the evidence that they feel justifies the decisions they want to take. If they feel that the number imposed on them by the RSS does not make sense and they can

collect evidence that demonstrates a different number is appropriate, we have been clear from the outset that that is what they should do.

Eric Pickles: A number of authorities have responded to that. Somewhere in the region of 60-odd local authorities are putting plans to the inspectorate. I think there are another 50-odd in the pipeline. Is that right?

Katrine Sporle: Sixty-four are currently under examination and 54 have been published and will come to us for examination within the next few months. From our point of view, we have never been so busy.

Q267 Chair: So, those plans were drawn up on the basis of the RSS and will continue to be the plans unless an authority chooses to redo its evidence base and come back with new proposals?

Greg Clark: Correct.

Q268 George Hollingbery: To elaborate that a little further, if they had robust numbers in front of them before they started, which were then changed through the imposition of RSS numbers, they can rely on those previous numbers as long as the evidence is reasonably up to date. Would that be a reasonable conclusion to reach?

Eric Pickles: If they have gone about it in a rational process and it is not done just on the basis of, "We'll cut a certain number across." But those Option 1 numbers did go on the basis of evidence, and I think that if the inspectorate were happy about that then, yes, that is probably the case.

Q269 George Hollingbery: In a couple of cases round the country, the inspectorate has found for the appellant on the basis of five-year land supply. Ms Sporle, perhaps you would comment on how the five-year land supply figures affect decisions at this very moment. I have a question for the Secretary of State. Do you agree that clearly there will be a time of confusion, as already identified by the Chairman, between now and Royal Assent of the localism Bill, but thereafter until finalisation of the national planning framework a period of uncertainty will be created?

Eric Pickles: I do not accept that for a moment. We are moving from one system to another; we are moving from the Regional Spatial Strategies with housing numbers to one in which local authorities are encouraged to move towards building houses on the basis of incentives. Our principal concern as we move to the new system, which is now beginning to be well developed in the sense that local authorities are responding in granting planning permissions, is that under the new system local authorities have the prime responsibility for ensuring a decent supply of housing.

Greg Clark: In the guidance that we issued to authorities there was the question: "Do we still have to provide a 5 year land supply? Yes." It then says various things and goes on to conclude: "Authorities should also have a five-year land supply of deliverable sites. This too will need to reflect any changes to the overall local housing ambition," so it is absolutely clear.

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Q270 George Hollingbery: To elaborate, there are issues other than housing, which is one of the thrusts that I am moving towards. The national planning framework will be very important in deciding how some of those issues—Gypsies, Travellers, minerals and so on—are dealt with. Can we just discuss that a little?

Greg Clark: There are two policy undertakings: one is the localism Bill, with which everyone will become very familiar very shortly; the second is the commitment in the Coalition Agreement to rationalise and revise the national planning framework. It is clear that some things need to be decided nationally, and local planning needs to be in a national context. I think it has grown to a size that is out of control. I am advised that there are more words in the current PPSs and guidance notes than there are in the Bible or the complete works of Shakespeare, which obviously means it is not accessible. While the Bill is going through its Committee stage, we will be working with the industry, local government and stakeholders to rationalise this into something that is clear and usable.

Q271 George Hollingbery: On the issue of the five-year land supply, which I know the Minister covered, am I led to believe that local planning authorities will need to be absolutely explicit in their belief—somehow written as a cabinet minute or some such—that the five-year land supply that perhaps they had previously agreed to in an LDF, or a deposited document, has been superseded by their re-examination of the data since that date?

Eric Pickles: If they go about it in a reasonable process where they look at the numbers and consider what is possible, yes, that is what is necessary, but it must be substantially a proper examination rather than just a simple process of arithmetic.

Q272 George Hollingbery: Ms Sporle, may I get your reply on that?

Katrine Sporle: It is clear that inspectors always look for the five-year housing supply as set out in PPS3. Inspectors then look at the robustness of the evidence and the deliverability of the supply being put forward. That does not change.

Q273 George Hollingbery: Despite the fact that a local authority may have said that it has changed its mind about the amount of housing it wishes to deliver?

Katrine Sporle: The local authority still must produce a five-year housing land supply.

Q274 George Hollingbery: So, they would need specifically to re-examine their five-year housing supply and specifically and overtly produce a different assessment of their five-year housing supply?

Katrine Sporle: Any local authority wanting to change the approach in their development plan would have to come up with the evidence to support that change.

Q275 George Hollingbery: If they were to make an adverse decision against that assumption?

Katrine Sporle: Indeed. Over and above or below RSS, they would have to come up with the evidence.

Q276 James Morris: Secretary of State, it would be fair to say that one of the paradoxes in the evidence with which we have been presented is that a lot of people liked the planning framework provided by the RSSs but, as you know, the reality is that over the past 10 to 15 years we did not build enough houses. Can you say a little more about the policy drivers that underpin the movement towards the abolition of Regional Spatial Strategies in terms of overturning that?

Eric Pickles: In other words, “Nice policy. Pity about the resource.” We want to see more houses built. We do not think that the Regional Spatial Strategies delivered them, because it really was about ticking a box and going for an ambitious target and it did not really matter. There were no consequences for not doing that other than that your target increased. That was why we went for a system that rewarded local authorities and gave an incentive.

It is important for government and local government to realise, to misquote Clint Eastwood, their own limitations. We have tried to bring in a number of reforms that work with the market rather than against it. After all, the purchase of a house, maybe the purchase of a car, is one of the few things for which you can barter, so the market is different. It does not mean that the incentive is everything. We expect them to move more towards planning and less against development control, because the whole thing is predicated on conflict. What we wish to see are communities working harmoniously together to agree on numbers.

Q277 James Morris: A lot of the evidence presented to us is that there is a gap around the strategic planning function. Do you accept that in the disaggregation that you are implementing there are some gaps around how we bring planning together in sub-regional areas or between local authorities?

Eric Pickles: The duty to co-operate is an important function of local authorities, but this is really about bringing planning closer to communities and the reality on the ground. I appreciate it is comforting to planners but we do not believe that it is a system that works. The suggestion of a vacuum is completely wrong, because we are now moving to a different system. That different system is now in place, in the sense that its principal ingredient is the new housing bonus and new houses that are granted permission will qualify for it.

Q278 David Heyes: Secretary of State, you quite rightly reminded us that the abolition of the Regional Spatial Strategies was a manifesto commitment by both governing parties. To read it back to you, Conservative policy was: “Control over development will revert to local level, with no statutory planning documents between the national planning framework and local authorities’ new local plans.” The written evidence that the Department has provided seems to contradict that, because it reads: “We believe it would be helpful to offer authorities who want to work

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together more formally the option of developing strategic planning frameworks with statutory status.” What exactly is that about?

Eric Pickles: Mr Heyes, it is all about a coalition. You come together; you make compromise and come up with something slightly different.

Q279 Simon Danczuk: Better or worse, sir?

Eric Pickles: Oh, it is much better.

Q280 David Heyes: You have abolished the statutory framework. The document you have provided says that you will reintroduce a statutory framework. How will that work? What exactly is proposed?

Greg Clark: The key difference is that it is bottom up rather than top down. We have said, it is absolutely right, that where strategically adjacent authorities find it convenient—you had some evidence today from Manchester—to pool their sovereignty, as it were, and have a cross-city approach, particularly to economic development, obviously it makes sense to do so. Another example is my part of the world: Kent and Essex. There you clearly have infrastructural connections, common development needs and challenges around the Thames estuary. Through the local enterprise partnership they have decided to come together to pool their sovereignty, so what you have is a voluntary system that reflects a natural economic geography that is not only permitted but is part of the system rather than the imposition of a regional arrangement that, in the case of Kent and Essex, separated the natural interests between those regions.

Q281 David Heyes: How will these voluntary arrangements, which is how you describe them, have statutory status? How will you give them statutory status?

Greg Clark: They will enjoy the statutory status that the separate constituent bodies have; they can pool them. If they want they can have a joint plan.

Eric Pickles: We need to remember that it has always been possible for local planning authorities to do this. This just reaffirms the opportunity for them to do so. This puts them back on much more familiar territory.

Q282 David Heyes: To me, it feels like back-peddalling and that the abolition of RSSs was not fully thought out and this is an attempt to replace something that was abolished in haste.

Eric Pickles: No. I think it was necessary to move at a reasonable pace. It was a political decision, but we felt that the RSSs were not effective in delivering housing targets. If you like, we came to a decision that something was not working. I am sorry to put it in such extreme terms, but it is like deciding that we want to get rid of the death penalty and then executing everybody on death row in order to have a nice clean start. That did not seem to us to be a very sensible way to go about it.

Q283 David Heyes: It is a very colourful way to describe it. You talked about the importance of the duty to co-operate. How will that be of any value without any sanctions to enforce it?

Eric Pickles: I think we have a much more optimistic view with regard to local authorities. I pick out the Greater Manchester authorities. One of them is Conservative but the rest are Labour. There you have a number of authorities that have sensibly come together to work in harmony on strategic matters. I think that the decision of Kent, Essex and East Sussex to come together will be a force in which they can cooperate together. It is in their interest to cooperate. Much of the structure that was put in before the spatial strategies was predicated on cooperation and worked very well. I am confident that local authorities will rise to this challenge.

Q284 David Heyes: You are right to describe the quality of the cooperation that has gone on in Greater Manchester over the years, particularly through AGMA. I think that is a model.

Eric Pickles: It is the apple of my eye.

Q285 David Heyes: Incidentally, you were wrong about the political control of the 10 local authorities. I think that at least two are under Lib Dem or coalition control.

Eric Pickles: That is because I am blind to political bias.

Q286 David Heyes: It undermines my point, because even in those circumstances that level of co-operation has proved possible, but it is not typical. The reason AGMA stands out is because it is so atypical. The pattern elsewhere in the country is one of conflict and failure to agree. Will you need to look for reserve powers for yourself to intervene where the duty to co-operate, or the spirit of it, is not being followed?

Eric Pickles: I think the spatial strategies were mean in spirit and there was an assumption that things would always go wrong. What we offer is obviously a carrot or inducement with regard to the amount of money that comes in, but in addition to that, particularly through the LEPs, the more authorities co-operate the more power we will be prepared to push down to them.

Q287 David Heyes: Will there be a duty to co-operate between LEPs?

Eric Pickles: Yes.

David Heyes: That is the intention, is it?

Eric Pickles: Absolutely.

Q288 James Morris: I want to come on to local enterprise partnerships. A lot of the evidence presented to us is about the gap to which I referred earlier in relation to strategic planning. In the way you conceptualise local enterprise partnerships, I wonder how they would take on planning functions. Would you look more for non-statutory or voluntary co-operation by players? For example, in the Black Country, which I represent, the four local authorities would take on much more spatial planning decisions.

Eric Pickles: We quite deliberately tried to get different paces from LEPs and to encourage their ambition. I envisage that a number of LEPs will move towards this by way of co-operation with one another.

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But Greg has been actively involved with colleagues from BIS in looking at that.

Greg Clark: Mr Morris, the answer is that it is up to them. I am sure Members of the Committee have read some of the bid documents. It is part of their ambition and their purpose in coming together is to be able to have joint strategies, to favour economic development and say to outside investors that if they come to their areas they will have a planning regime and system for processing planning applications that is certain, dependable and professionally organised. That is one of the ways in which they will present themselves to the world. In some of the more rural areas they have different priorities, but it is open to all of them to pool sovereignty in that way.

Q289 James Morris: Is not one of the dangers of that approach that, because you do not have total national coverage for LEPs, you will have a patchwork quilt-type approach, with some areas having dependable and existing voluntary arrangements and other areas where there is a degree of vacuum? How do you think you may be able to overcome that?

Greg Clark: My expectation is that there will be comprehensive coverage. Having seen the enthusiasm behind the bids that have been approved and what is already happening—there will be further announcements quite shortly—I do not think it will be long before virtually the whole country is covered. That certainly was not a requirement and it is interesting that that ambition has been put forward, but they will look different. If you think about the regions that preceded them, in terms of economic coherence, some of them were barely coherent at all. Areas of Hertfordshire were linked to Great Yarmouth. That was an impediment to a sensible system of planning. I think you heard someone from Northamptonshire talking about natural economic communities coming together and resolving issues between them. It will be patchwork but in a positive way, because Britain is a patchwork of different focal points.

Eric Pickles: I think we were quite sensible in deciding to have a traffic light system that encouraged those green lights—the 20-odd that were first announced—because the ones that were quite close now have had an opportunity to see what is possible. I am very confident that we shall be making an announcement very soon with regard to the next tranche.

Q290 James Morris: To be clear, you do not see LEPs as having a statutory planning function in the traditional sense, but how will that be expressed? Do you conceptualise it as a pooling of sovereignty by local authorities?

Greg Clark: There are two things. First, they can pool their sovereignty, which can be considerable. If you bind together, the Manchester authorities being a good example, that will be a very powerful set of planning arrangements. The other thing we have said is that once these are set up, the initiative should come from the bottom up rather than the top down. We are not organising the system from Whitehall and saying they

can do this and only that. If a well-organised and highly performing LEP comes to us and says that the partners in it, the businesses and local authorities, really would like to do things in this way and take these powers, I think it is characteristic of our demeanour in government that we want to say yes to it and find a way to make it happen rather than constrain them to do only what is rather meanly conceded in advance.

Q291 Simon Danczuk: LEPs do not have any democratic accountability, but you are happy to give them the powers you have just talked about in terms of planning issues.

Greg Clark: They do have democratic accountability through the local authorities that make them up. Those authorities participate voluntarily; they are not coerced into doing it.

Q292 Simon Danczuk: But the people who sit on the LEPs are not democratically elected, are they?

Greg Clark: Yes; I expect a good proportion of them to be local authority members.

Q293 Simon Danczuk: But business people and others will not sit on it?

Greg Clark: Business people as well, absolutely.

Q294 Simon Danczuk: Will they be elected from chambers and things like that?

Greg Clark: It will be up to each local partnership how they put their board together. I would expect to see the voluntary sector represented as well.

Q295 Simon Danczuk: But they are not all elected.

Greg Clark: Not everyone is elected, but crucially, the local authority members will be voluntary participants in this, in complete contrast to the status quo ante where the regional arrangements under the RDAs were a required creature of central government, including the boundaries and their functions, without that degree of local democratic accountability.

Q296 Chair: To turn it round slightly, LEPs may not be on a statutory basis so there could be a pooling of powers voluntarily by local authorities. Could you see a situation where local authorities statutorily had to have regard to decisions taken by LEPs, which might deal with a situation where, say, eight of nine authorities had agreed where a waste disposal facility ought to be but the one authority where it was to be sited did not?

Greg Clark: It is a pooling of sovereignty, so it is for them voluntarily to decide what they want to do. If they were to request certain statutory powers we would have to think about it, but there is no assumption or provision that a particular authority could be overridden in that way.

Q297 Chair: I did not say “overridden” but that local authorities when forming their local plans had to have regard to arrangements which a LEP had formulated.

Greg Clark: The duty to co-operate will apply to local authorities and the relevant bodies including LEPs, as the Secretary of State says, so they would need to

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demonstrate that if the other authorities in the area working through a LEP had taken certain decisions they had co-operated with that. That is not to say they would be obliged to be dictated to by it, but they would need to show that they had not put their head in the sand about it.

Q298 George Hollingbery: This leads on very neatly to a question that arises for me. Post-Royal Assent of the localism and decentralisation Bill, presumably the Planning Inspectorate will look for authorities to have comprehensive waste strategies and so on and so forth. Presumably, they will have been agreed in one of these aggregated bodies where we have pooled sovereignty, or whatever it is we have done, and will have to rely upon the evidence that was gathered for the regional spatial strategy process, I would imagine, if they want something in place reasonably quickly. Presumably if that evidence was sensibly and reasonably collected it will be good evidence. It just makes me wonder why it was decided to abolish the RSSs in their entirety rather than just ditching the housing element.

Eric Pickles: That was something we did consider, but what we wanted to do, as Greg has put quite eloquently, was change from a top-down to a bottom-up planning system and a regional spatial strategy is incompatible with that concept. The idea is for localities, neighbourhoods and communities to be able to decide how their neighbourhood grows, working in conjunction with adjoining authorities where necessary. The system is predicated on conflict. What we are trying to do is take out that conflict. I am quite heartened by the number of planning applications coming out and the number of authorities now moving forward with a proper plan. A plan should not be owned by regional specialists; the plan should be owned by the community.

Q299 Stephen Gilbert: Secretary of State, picking up the point about moving away from a top-down approach to one where localities choose their own futures, that is not the case for waste or energy policies or policies relating to minerals, where the Government have accepted that there remains a strategic need. How do you square strategic direction through the major infrastructure planning unit proposed for those areas and the desire to move away from something that is top down?

Eric Pickles: Nothing is absolute; everything is a balance. Clearly, the nation has needs with regard to power, waste disposal and the like, but it doesn't mean to say that everything must be taken at the appropriate level. The Coalition believes it is important that particularly things like housing should be about a locality and what is reasonable. We believe that we are moving to a system where we will produce more houses because of the level of the incentives than previously where there was not really any incentive to build.

Q300 Stephen Gilbert: What you appear to be saying, Secretary of State, is that the aggregate of local need and local decision making in terms of housing policy will be sufficient to meet national

need, but that communities will not be able to make those same choices on energy, minerals and waste policies and therefore they have to be reserved. On the one hand, there appears to be trust in communities to come to a view on housing, which I think colleagues will explore in a minute, and on the other hand, a lack of trust in them to come to a view on those other issues.

Eric Pickles: Mr Gilbert, I am open to persuasion; I am very open to persuasion. I would hope that against the framework of what we are doing with housing—because this is a really big change—the kind of decisions that have to be made in the national interest will have much more local buy-in than they might otherwise have done.

Q301 Stephen Gilbert: So, it's not a concern that, for example, a wind farm project or incinerator project may not be delivered if the delivery was left to local decision making?

Eric Pickles: No. I think that under the old system we came close-ish to having planning policy decided by appeal. I think it is much more sensible to be able to deliver that with local consent. I don't accept the NIMBY argument. I believe that most communities recognise the needs of wider communities and would be willing, provided it was entered into transparently and sensitively, to accept community facilities.

Q302 George Hollingbery: I'm very sorry, Secretary of State, I forgot to ask something a little earlier. The White Paper on local growth talked about the creation of a major infrastructure planning unit and its responsibilities for minerals and waste management. I think there was some confusion in the Committee earlier. There was a rumour that this has been rescinded—what was said in the White Paper—and an email had been distributed.

Eric Pickles: No.

Q303 George Hollingbery: Is it correct that that still remains the property of the major infrastructure planning unit?

Eric Pickles: Yes.

Q304 Heidi Alexander: I would like to ask a few questions about housing supply. Secretary of State, time and time again today, you have said you want to see more homes built. So do I. Three weeks ago, the Committee took evidence from planning consultants. Having carried out a survey of local authorities, they found that 182,000 homes had been taken out of the planning pipeline since the first announcement of the revocation of the Regional Spatial Strategies. In light of evidence like that which the Committee has received, what makes you think that local authorities will build more homes and change their mind and stop taking homes out of the planning process?

Eric Pickles: I am sure the Committee doesn't need me to point out how iffy that evidence was. It was conducted on the basis of a telephone call in which the person at the other end might decide on various numbers. No formal decision has been taken by local authorities. The immensely important thing is that this was about a theoretical number put together; it was

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not about real houses. It was not about real permissions; it was about people thinking whether they were going to change their numbers. I found the actual numbers very unconvincing.

Q305 Heidi Alexander: Do you accept that the sum of local authority targets might not meet the overall national demand for housing?

Eric Pickles: Evidence suggests that those national targets have singularly failed to do so because there is no incentive to build. People are quite happy to put in various planning permissions but it's the market that determines what is actually built. What we tried to do was change from keeping people within my Department happy, because we could see the Prime Minister and say we had the numbers, to putting bricks and mortar on the ground and building homes for people. We cannot do that. As far as it concerns my Department, all we can do is to try to create conditions in the market to reward local authorities for building new homes.

Q306 Heidi Alexander: Do you have any concerns about public perception that planning permissions are being bought?

Eric Pickles: I think that's a ludicrous idea; it would be as ridiculous as to suggest that the old system was some kind of commissar imposing numbers on local authorities, although I confess that I might have been guilty of saying that in my less temperate moments.

Q307 Heidi Alexander: My last question, Chair. You talked, quite rightly, about taking conflict out of the planning process. Sadly, from my experience, I perhaps do not share your optimism, Secretary of State. My experience is that often communities, groups and individuals will act in their own short-term interest as opposed to the larger, wider interest. Whilst you may have had a different experience, does it concern you that sometimes people recognise that housing is needed but not at the end of their road or garden? What do you feel about that? How will the new system mitigate that?

Eric Pickles: Our predecessors—I am sure not you and certainly not me—turned up at various public meetings and said, "If you take this housing then we'll be able to divert some money to the local school or get that roundabout fixed". The truth is they were lying. This system enables local people to be rewarded. Local people will be better off, because we envisage in the New Homes Bonus and in CIL—you will have seen the statement yesterday—significant amounts going to the locality. We intend to ensure that future 106 agreements are tied very closely to a local community. People are not stupid; they have not wanted new development because they realise it will stretch local services, but now we have a way to ensure that local services are funded on the basis of new development. I move towards this with a song on my lips and an intense feeling of optimism that at last we have something which might work.

Q308 Bob Blackman: Clearly, there is a concern—I understand why you have acted in this way, Secretary of State—that the number of housing starts and

completions is at the lowest level since 1924. Do you have an estimate of how many properties would have been built if the New Homes Bonus had not been introduced?

Eric Pickles: I have estimates of what it might be worth just based on last year's figures, if the Committee is interested in that. Would that be helpful?

Q309 Bob Blackman: That would be helpful.

Eric Pickles: We are very clever people; we have prepared a magnificent pack which I read continuously over the weekend. We looked at a few authorities to get a mixture: Milton Keynes and Durham unitary authorities; the small district of North Dorset; and, on the periphery, Watford. Remember that the amount is over six years, so the amounts are quite impressive: it is £1.8 million for North Dorset, which is quite a big deal for a small authority; £3.6 million for Watford; £8.6 million for Durham, which would do very well; and Milton Keynes would be better off to the tune of £16.5 million. It is a fairly big chunk of money to encourage people to build.

Q310 Bob Blackman: Clearly, you have set an incentive but, to come back to my earlier question, do you have an estimate of how many properties would have been developed if the New Homes Bonus was not introduced?

Eric Pickles: When you move over to this system it intensely becomes one of local decisions and local housing needs. There would have been a time when I might have been asked—not particularly by you, Mr Blackman—about the number of Allegros coming off the production line at British Leyland; or you might want us to have a Regional Spatial Strategy for the number of iPhones available within a particular region. No doubt there would then be discussions about whether there were enough pink iPhones going out, or why they were all white, or all black or whatever. We believe this is something that belongs fundamentally to the local community, and for local communities to be able to meet their housing needs, not on the basis of serendipity but on the basis of working out a housing plan and making sure there is a five-year supply of housing, but we are pretty confident that the kinds of pressures that exist will bring the numbers.

Q311 Bob Blackman: Is it correct that it was your ambition to have 150,000 homes built in four years?

Eric Pickles: That is indeed what we intend to build in terms of affordable housing.

Q312 Bob Blackman: I think the issue before us, which has been the basis of evidence from witnesses who have come before us, is that the incentive is not sufficient to produce the properties.

Eric Pickles: I can only assume that the good people before you have not looked adequately at their abacus to realise. If you turn to Milton Keynes, and say over six years you can have an extra £16.5 million, and if you build more you can get additional sums of money. You are a very distinguished former leader of a local authority. If you will forgive me for saying so, you

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would have been jumping up and down with excitement at the prospect of that kind of money.

Q313 Bob Blackman: When you came before us previously together with the Housing Minister we sought to find out whether you would increase the incentives and what you would do if they did not work. I think his reaction was that you could increase it a little, but obviously there is a finite limit to how far you can go. What will you do if the bonus does not work and does not produce the volume of homes that you expect?

Eric Pickles: We are very confident that it will work. If you forgive me, I don't want to undermine the policy by suggesting an alternative. I think human nature and our consultation with local authorities suggest that, as part of an overall package, this is a considerable inducement to build. I suspect that at some stage you will want to talk to us about affordable housing and the like. We are trying to create conditions whereby housing associations would have an attractive package to build. We are trying to move with the market. There are limits to what government can do in terms of the supply side, but we have always tried to move with the flow of the market. I think these reforms have the advantage of doing that, whereas the old system merely ignored the market.

Q314 Bob Blackman: What will you do if the New Homes Bonus succeeds beyond your wildest expectations, it is tremendously successful and many more homes are built? Where does the money come from?

Eric Pickles: I would be very happy about that, Mr Blackman. We have put together a way in which we can encourage private capital to see housing as a good investment. This merely encourages local authorities to build. Our reforms with regard to affordable housing are about encouraging providers of affordable housing to have a system where it makes sense for them to build, not just manage. In addition, you are aware, because we have talked about this separately, that I am very keen to get some of the advantage that exists on the continent for social, affordable housing, to create a vehicle in which institutions can invest, because that is the one thing missing from what we are doing at the moment.

Q315 Chair: To bring you back to the point and the response to your last visit here, no Government wants to contemplate failure particularly at the beginning of its session in power, but the Housing Minister was very clear last time that if the level of the New Homes Bonus didn't generate more homes than were being built before the recession—because the aim of the Government is to build more homes—the alternative of increasing the size of the incentive and increasing the size of the bonus would be one for government at least to consider and probably would be the plan B, as we discussed. Do you now resile from that and move back from that position? I recognise you believe that your bonus will work, but if it doesn't what is the option?

Eric Pickles: I am a fervent believer, Mr Betts, that our new bonus system will work. If it doesn't work

that will be a matter for the Prime Minister, the Chancellor and whoever holds my particular office.

Q316 Chair: Because normally Secretaries of State have moved on by the time their policies come to work, or not.

Eric Pickles: I was thinking more in terms of summary execution. We have put together what we believe will work. The early indications from authorities in terms of them beginning to get into gear for producing plans are very encouraging. The Planning Inspectorate have never been busier in getting these things together. I would much rather the Planning Inspectorate took a lot of time on this kind of thing than having to act as a local planning authority themselves and produce development by a process of appeal, which I do not think is terribly helpful.

I recognise that people hold on to it. Some time ago in Birmingham, I attended a meeting of my own party's planning spokesmen in which a leader stood up and made an impassioned plea for the Regional Spatial Strategies. He said, "Eric, we must retain them." When I asked why he said they did not like passing things; they much preferred to turn it down and for me to pass it later on. It makes you wonder why they are in politics. I think this can invigorate planning and local ward members. There is something quite exciting about being able to determine your community. Pretty soon, when we produce the whole Bill, we will see how far we are prepared to go in terms of planning to work with local communities.

Q317 Simon Danczuk: You talked earlier about the need for a bottom-up approach and for local consent and local people to be rewarded. Does this mean that the community affected by the development will get the New Homes Bonus money directly? It will not go to the local authority into a non-ring-fenced pot; it will go directly to the community affected.

Eric Pickles: I think what you mean is "free of resource equalisation". Yes, it will go free of resource equalisation. My reference to local neighbourhoods related to CIL—the community infrastructure levy. This will be split between the district and the county. You have seen from the consultation document that we are looking at an 80–20 split. As to how local authorities apply that, they come to an arrangement with a community. If you as a Member of Parliament can broker a deal, as I am sure you are very capable of doing, then they have the flexibility to be able to deliver that.

Q318 Simon Danczuk: Is it right that you put the money down to the community that has the development?

Eric Pickles: Absolutely, yes.

Q319 Simon Danczuk: So, the local authority has the choice to do that?

Eric Pickles: Yes. I think it will become clearer once the Bill is produced. The Bill is an integral part of what we are doing.

Q320 Simon Danczuk: Local authorities already have targets to build so many homes in their local

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plans, in the development framework or whatever. Why give them the money now for what they have already promised to deliver?

Eric Pickles: I suppose that given my nature as a member of the Coalition I want to speak to them through their wallets.

Q321 Simon Danczuk: This is a very difficult time, Secretary of State.

Eric Pickles: But we need houses. The promises we got were not the kind you could take to the bank. Mr Blackman said that we simply haven't built many houses; 1924 was the last time we managed to put these kinds of houses together. I want to be clear that I do not think that is entirely the fault of the Government; it has a lot to do with the state of the market, availability of mortgages and the like. But I need to give them an incentive which says: "If you pass these plans and get them built you will get fairly substantial sums of money which is free of resource equalisation". Therefore, if you are a floor authority the money is not immediately siphoned away. I suppose the good news with regard to the settlement is that not all authorities are now floor authorities.

Q322 Chair: You say that local authority leaders ought to be jumping up and down with joy at the prospect of this money.

Eric Pickles: I may have used a little artistic licence, Mr Betts.

Q323 Chair: It is most unlike you, Secretary of State. One witness who came before us earlier, the Leader of Hampshire County Council, said that the amount of money for the county and all the districts in Hampshire from the New Homes Bonus was about £10 million a year. He suggested that it was not much of an incentive for anyone to do anything—that the problem was not really lack of planning permissions but lack of money in infrastructure and that this would make no contribution to that at all.

Eric Pickles: If my old friend Ken will forgive me for mentioning it, I think he forgot to multiply it by six, so it is £60 million, if indeed that is right. £10 million a year is not to be sniffed at. You will recall that there is now the possibility of TIF with regard to major infrastructure planning. By itself, it is just one small part of a whole series of things we are putting together, but in order for it to work properly we need to give notice to local authorities that dwellings they pass now qualify for this bonus. In a way, we are trying to get things ready for when the new system comes out to make a difference.

Greg Clark: Mr Betts, you refer to infrastructure. We made an announcement last week that we were consulting on an arrangement to confirm the CIL arrangements to make them more flexible so an explicit proportion of that money goes into neighbourhoods precisely to address the question that I understand Mr Thornber raised.

Q324 Bob Blackman: Obviously, one of the key concerns of witnesses who have come before us is that the effect on housing supply is more to do with the availability of mortgages than anything else and that

is affecting the market. What incentives are you thinking of to enable local authorities to get the houses built other than a financial incentive? All that does is give planning permission; it does not mean that the houses will be built.

Eric Pickles: They get nothing if they grant planning permission and do not build the houses. That is the beauty of it. You could meet your targets by granting planning permission but nothing much happened. What we are saying is, "Give permission and build the house and it's only on completion that it happens." You will be very well aware how difficult it is sometimes for that completion to go through, so there is a vested interest in ensuring those houses are built.

Q325 Bob Blackman: Do you contemplate potentially reducing the amount of time for which planning permission is extant before it must be applied for again?

Eric Pickles: I was a council leader. We were as keen as mustard, as I am sure was Mr Betts, to get through permissions for developments. The limits are meant to be about the maximum time. Certainly, in terms of new housing and bringing in new business a good planning authority should be able to change things round very quickly, and under this system they will have an incentive to do so.

Q326 Bob Blackman: But clearly a developer can apply for planning permission from a planning authority, get it and then sit on it for a number of years. Is there not a case for saying "Let's reduce the length of time they can do that"?

Eric Pickles: We are making some changes with regard to planning permissions, particularly with regard to retrospective planning permissions and the like. We are just a couple of weeks away from making those announcements and it is important that we inform the House as a whole about that, if you will forgive me. On the general point, this is about encouraging the system to deliver completions. You are quite right to say that the major factor is the availability of mortgages. I know that the Financial Services Authority have published a consultation document on mortgages. I believe that consultation closed last week. I shall look with great interest at what they say with regard to mortgages and their regulation.

Q327 Chair: When the NHBF came to see us last time they indicated that they expected some of their members, who had planning permissions round the country that were not being developed at present because of the economic climate, which we all understand, might well take steps to protect them by starting a little bit of work on site. They would not build any great number of homes but they would avoid the necessity to reapply under any newly-formed local plans, because they were concerned that local plans might be more restrictive on house building numbers than they are currently.

Eric Pickles: We would look at it very carefully if that was the case, but I am sure you understand that that kind of thing used to happen under the old system, under Regional Spatial Strategies, and might

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happen under what we are doing under the new system. We have tried to effect those things that we can effect. The changes in the markets are such that the availability of banks to lend is crucial, as you rightly pointed out in your introduction.

Q328 Chair: The current incentives to local authorities to get homes built, which really means giving planning permission—because that is all they can do in many cases, apart from looking at infrastructure issues—will not necessarily work because of the market climate. There are lots of extant planning permissions around the country that are not being taken up at present. Therefore, if government look to incentivise, given that local authorities do not build the houses, why were schemes like Kickstart abandoned? Why hasn't some money been put into that at present to get some houses built, because that is the only incentive that would really work in the current climate, is it not?

Eric Pickles: It comes back to the general economic position. I don't want to make petty political points, but we arrived with a £1.5 billion programme from the previous Government and there was nothing to pay for it. What we tried to do was put together a package that was worth £1.25 billion virtually on air to be able to do things. The whole question is: what is available and what's possible? We recognised that the old system with regard to building social housing simply wasn't working and would have cost an enormous investment beyond any government to produce. We tried to create something that would be attractive, in terms of the market, to attract private investment in order to expand affordable housing as I explained a little earlier, Mr Betts.

Q329 Chair: Is there any concrete evidence anywhere to demonstrate that the New Homes Bonus would deliver more homes, or the required amount of homes?

Eric Pickles: What evidence we have, Mr Betts, is unarguable: the present system was a failure; in the number of houses it produced the system was a mess. The present system was there purely to delude Members of Parliament and Ministers that they were actually doing something. The New Homes Bonus is at least an honest attempt to change that.

Q330 Chair: Is it evidentially based? Is there a document or some actual research you can present to the Committee which would convince all of us that this is the right way forward and it will work?

Eric Pickles: I hope my charm might have worked its magic on you, Mr Betts.

Chair: So, we are relying on your charm, Secretary of State? Okay.

Q331 George Hollingbery: Briefly, Secretary of State, leaders' boards were instructed to ensure that the data they collected to design the RSSs and the strategies within them was held by third parties or themselves; some arrangements were made. I think that at the same time it was left in the hands of local authorities to ensure that data was kept up to date. Is that still the position? If so, how can we guarantee

that strategic level data will be accumulated and used appropriately?

Eric Pickles: We are very content for local authorities to collect that information that is important to them. We will continue to produce national indices to help them in that process, but leaders' boards existed before and had the ability to bring authorities together to retain that information. We are confident that they will continue to do so.

Q332 George Hollingbery: We received evidence that some of the numbers produced by central government could be as much as two or three years out of date. Although it is slightly separate from this argument, for grant purposes that could make it very inconvenient for local authorities to encourage more housing in that they would end up with less grant for two or three years than they ought to have. Is that a factor?

Eric Pickles: That is why the New Homes Bonus is so important, because it is about actual dwellings that have been completed. We are very confident that local authorities will collate the information that is necessary for them to fulfil their function. We are trying to get away from prescribing, and over-prescribing, the kind of data that it is necessary to keep.

Q333 George Hollingbery: If local authorities do not do so presumably the sanction is that house providers or builders could produce their own data and have it assessed by the Planning Inspectorate, and the authorities would be found wanting in their evidence?

Eric Pickles: It is my experience of local authorities that they are very willing to collect and retain information that is important to them. The reason why they were mildly miffed with the previous Administration was that they felt they were being forced to keep information that was of no use to anybody. I have a certain degree of sympathy for them on that point.

Q334 Chair: Is it not good practice to try to ensure that where authorities make an assessment of need there is some consistency in the methodology used from one authority to another? Do the Government believe it is no part of their role to provide guidance in that regard to try to ensure that authorities have a common approach to this?

Eric Pickles: We are working very closely with the Local Government Association. I am very confident that without the need to legislate or bother them, local authorities between them will be able to put together this package in a sensible way. I do not think this is something that the Mother of Parliaments should prescribe.

Q335 David Heyes: To seek clarification of a particular point, the major infrastructure planning unit is to be located within the Planning Inspectorate. Is it the case that as part of its role it will have responsibility for the supply of aggregate minerals and planning for waste? Perhaps I may ask Katrine Sporle.

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Eric Pickles: I ask my colleague to give a political response and then Katrine can come in.

Greg Clark: In looking at the arrangement for the IPC we were pressed by some to change the remit. What we have decided to do in the interim is keep the present remit and limits, but we will keep an eye on that to see whether we want to change it. Katrine is in charge of making the transition, and she may want to add to that.

Katrine Sporle: My difficulty in answering this question is that I have not seen the clauses in the localism Bill. I am aware that the major infrastructure unit is something you want to transfer. I await the clauses in the localism Bill to see exactly what powers are transferred. It wasn't my understanding that minerals and waste would move from the current jurisdiction because they are covered under development plan work and are already in preparation by first tier authorities.

Q336 David Heyes: My understanding of the White Paper is that paragraph 322 and, in particular, paragraph 323 relate to minerals and planning for waste. It is clear that responsibility for that is intended to be located in the major infrastructure planning unit. Is that still the case?

Greg Clark: We have not taken a view on whether they will end up there. What we have said is that initially for the transitional arrangements while the Bill goes through, the new unit will operate on the basis of the present arrangements, but we will be looking at that and will review it.

Q337 David Heyes: I am a little concerned because in earlier evidence the Secretary of State said that no email had been issued to rescind any part of that proposal in the White Paper. That's not my understanding of the situation. Is that something you can clarify for us?

Eric Pickles: To err is human. Can I clarify that there was an error in the White Paper? We are very sorry. We will be seeking to clarify that. It is suggested in the White Paper that this would go to the inspectorate; it's not.

Q338 David Heyes: Secretary of State, is this the first time you are aware of that?

Eric Pickles: You have managed to drag it out of me. To tell you the truth, up to about 30 seconds ago I had no idea.

Q339 David Heyes: It's a bit disappointing, isn't it?

Eric Pickles: No.

David Heyes: You must be disappointed.

Q340 Chair: The Secretary of State is fallible.

Eric Pickles: I am fallible; I cannot apologise enough. I had not picked it up from my intensive reading of the White Paper. I am just so sorry.

Chair: The first of many mistakes. No. Obviously you won't admit to that. Secretary of State and Minister, thank you very much indeed for your time this afternoon; we appreciate it.

Written evidence

Written evidence from Roger Tym & Partners (RTP)

OUR EXPERTISE

1. This submission is being made by Roger Tym & Partners (RTP) in response to the press notice posted on www.parliament.uk on 28 July 2010. The document draws on the expertise and experience of the firm as a whole and the two principal authors, Bill Brisbane and Cristina Howick.

2. RTP is an independent consultancy founded in 1973, which works in planning, regeneration and economic development. In recent years we have been heavily involved in the development of Local Development Frameworks, Regional Spatial Strategies and spatial strategies for growth and regeneration areas. We also understand how these plans work in practice, through our work on development proposals, both for the private and public sectors.

3. Bill Brisbane is a planner, who was managing partner of RTP from 1987 to 2008 and was heavily involved in work on strategic and infrastructure planning. The many studies he directed include the *Milton Keynes and South Midlands Study*, which informed the MKSM Sub-Regional Strategy; *The Cost of Funding Growth in the South East*, for the South East Counties; *Augmenting the Evidence Base for the Examination in Public of the South East Plan*, for ODPM and GOSE; *Ashford's Growth Area: Funding and Implementation*. Bill also gave evidence at the ODPM Parliamentary Select Committee Inquiry into Sustainable Housing and Communities and was chair of the Large Sites and Infrastructure Sub-group of the RPG 9 Advisory Panel to Lord Rooker. He is now a consultant to RTP and a part-time director of Ashford's Future Delivery Company.

4. Cristina Howick is an economist and currently joint managing partner of RTP and has particular expertise in planning for sustainable economic growth. She has produced evidence base studies and policy advice on planning for the economy for around 50 local authorities and regional and sub-regional planning bodies, and pioneered the development of analytical methods in this area. Cristina also produced regional guidance on planning for the economy in four English regions and advised CLG on the new Planning Policy Statement (PPS)⁴ and supporting guidance. She has played a significant role in the national debate on planning for economic development, through many contributions to conferences and the specialist press.

WHAT WAS WRONG WITH RSSs?

5. Below, we will address in turn the questions asked in the Committee's terms of reference. But first, to set the context, we comment briefly on the planning system that was in force until recently. What has gone wrong over the last 13 years to provoke such a strong backlash against regional planning in? There are at least four important reasons:

(i) *The democratic deficit*

The Labour government originally intended that Regional Assemblies be elected. But a referendum in the North East (generally considered one of the most cohesive regions) rejected this principle, so it was abandoned in favour of appointing Assembly members, many of whom came from local government. Despite this veneer of democratic representation, many people felt that the Assemblies did not have full democratic authority.

(ii) *Government control of regional spatial strategies*

Although Regional Spatial Strategies were drafted by Regional Assemblies, they were ultimately controlled by central government, through Government Offices for the regions and the Secretary of State's powers to amend the draft RSS and EiP Panel proposals. In the South West and East of England, the Secretary of State intervened heavily, in effect dictating new housing targets, above those proposed by the Assemblies. The figures were legally challenged in both regions. It is in these same two regions that the revocation of RSSs was followed by the greatest immediate reduction in proposed housing numbers—around 60,000 and 20,000 dwellings respectively. RSS targets which did not reflect the views of counties were rapidly dismantled.

(iii) *Absence of strategic infrastructure planning*

The then government was slow to realise that local opposition to new housing was motivated by lack of adequate infrastructure to support that housing, such as roads, public transport and schools. Laterly RSS gave more attention to the issue, but still there was no certainty that the necessary funding would be forthcoming. It was this uncertainty which led Essex and Hertfordshire County Councils to seek a delay to the East of England EiP and then to request that government provide a commitment to fund the regional infrastructure supporting the "high" housing numbers.

It was not until the 2007 Sub-National Review that the Treasury paid detailed attention to the specific infrastructure needs and costs of different regions. Even then, no clear link was established between RSSs and infrastructure investment. The RSSs would have been more effective if they had been used as infrastructure investment plans, to be translated into public funding commitments in a reliable and transparent manner. France

provides a model for this approach, using “contracts” between central and regional governments as the basis of infrastructure funding.

(iv) *Absence of national spatial strategy*

An attempt was made in the early 2000s to promote a comprehensive strategy on the location of growth through the Sustainable Communities Plan, prepared under the auspices of the Deputy Prime Minister. But the Sustainable Communities Plan mainly covered southern and eastern England, focusing on the key growth areas identified in the earlier Regional Planning Guidance (RPG)⁹. For national guidance, the planning system relied—and still relies—on Planning Policy Statements, which contain general principles rather than geographically specific proposals. There was, and is, no national spatial guidance for England to set out the broad location of future new housing, jobs and strategic infrastructure investments such as roads, ports and power stations. The development of such guidance could have been the opportunity for an informed debate about the spatial distribution of long-term growth and the infrastructure that will support that growth.

6. In summary, the widespread dissatisfaction with regional planning in recent years does not demonstrate that the concept is faulty. Rather, there were major flaws in the application of the principle by previous governments. In particular, regional planning lacked democratic accountability, it was subject to excessive government interference, it had no broad national spatial strategy to guide it, and it was not linked to infrastructure investment. New arrangements for strategic planning, based on sub-regional co-operation rather than regional planning bodies, could potentially correct these flaws.

IMPLICATIONS OF THE ABOLITION OF REGIONAL HOUSEBUILDING TARGETS FOR THE LEVEL OF HOUSING DEVELOPMENT

7. The impact of abolishing targets, along with the other questions addressed in this submission, have already been much discussed in public. Below, we do not repeat earlier arguments, even when we agree with them, but rather try to add to the debate.

8. Leaving aside the New Homes Bonus for the moment, the evidence from local authorities and housebuilders strongly suggests that the total volume housebuilding—or, more precisely, the total planned supply of housing land—will be reduced by the abolition of the RSS targets. For example, of a sample of 70 local authorities surveyed by Roger Tym & Partners in July, just over half expected to review their housing targets, and their comments left us in no doubt that most of these revisions would be downwards. Press reports and our own experience, as well as our survey, suggest that many authorities are now aiming to fulfil “local need” only, and therefore reduced numbers are especially likely in those authorities that under the old regional targets were required to “import” demand from other areas. A typical example is Ashford, one of the Sustainable Communities Growth Areas, where in August the Council announced that:

“Over 5,000 homes have already been built in Ashford since 2001 as part of the area’s housing targets, agreed with the last Government administration, of 31,000 by 2031.

However, the new Government is giving councils more control over these targets to give them the opportunity to get the appropriate rate of growth and ensure that quality is not sacrificed for speed.

Ashford Borough Council will be reviewing its Core Strategy... and will be able to look at housing targets... based solely on local requirements, as opposed to targets set by central Government.

Paul Bartlett, Leader of Ashford Borough Council, said: ...‘Whilst the revision of our Core Strategy and the details within it is a council policy decision, I personally believe that we can deliver quality homes of better design with lower density by revising our targets downwards by around 10%–20%...This means that we would still be looking at around 25,000 new homes in the area by 2031—a significant number by anyone’s standards.’”

9. This approach is not surprising. A major objective of the RSS targets was to shift housing demand across local authority boundaries, from places that were constrained—whether by land availability, environmental limits or infrastructure—to places that had more capacity. These planned transfers were of two kinds: urban extensions where towns and cities were to spill over into adjoining districts, and Growth Areas, where demand was being shifted over longer distances, away from the most congested areas in southern England.

10. Such transfers, and more generally migration across local authority boundaries, provide much of the rationale for strategic planning. In a world where people never move house between local authority areas, there would be a strong case for extreme localism, in which the central government does nothing to influence housing land supply. In this world of immobile households, one might argue that local democracy will find the correct balance between housing need and other priorities, such as open space and freedom from congestion (it might still not produce enough houses to meet social priorities and provide for the poor and vulnerable, but that is another story).

11. But in real life very many people do move house across administrative boundaries or would like to do so. In this case, extreme localism will not produce the right answer, because potential migrants into the local area do not have a voice or a vote in the destination community. Under the old system, regional planning provided a mechanism (whether effective or not) to represent the interests of these potential migrants. The new system aims to achieve the same objective through a “quasi-market”, where the central Government buys

the consent of host communities through the New Homes bonus. Below, we look at the likely success of this approach.

EFFECTIVENESS OF THE GOVERNMENT'S PLAN TO INCENTIVISE LOCAL COMMUNITIES TO ACCEPT NEW HOUSING

12. In terms of the national total of housing development, we cannot tell yet how far the proposed New Homes Bonus will offset the impact of abolishing RSS targets. For a reliable verdict, we have to wait for full details of the bonus and for local authorities' response.

13. However, one thing is already clear: the new incentives will do little to put new housing in the right places—where the need is greatest and that need can be met most efficiently. This is because the bonus, as currently proposed, will be based solely on the value of houses, as reflected in Council Tax bands.

14. We mentioned earlier that the bonus is in effect a price—the price paid by the central government to local communities in exchange for their consent for housing development. But, unlike a real market price (say for tomatoes or personal computers), the bonus will be depend neither on the demand or need for the goods being bought or the cost of producing those goods. It will not be higher in those local authority areas where there is the highest need for extra housing land, for example to extend a congested urban area. Nor will it be higher in areas where development requires expensive infrastructure or spending on clear dereliction or decontaminate land.

15. In practice, this is a serious problem, because in our experience there are huge differences between places, both in the level of housing need and the cost of infrastructure and site reclamation required to meet that need. The New Homes Bonus will of course be higher in places where houses are more expensive, but these variations are likely to be modest, due to “capping”; and only weakly related to housing need and infrastructure costs. By contrast, in the old system RSS targets analysed large amounts of evidence and consulted widely, to try and match the location of housing sites to need and costs.

16. In summary, the abolition of RSS targets and the New Homes Bonus, taken together, seem likely to reduce total housing development; but it is too early to be definite about this. The bonus, considered on its own, should have a positive impact on the total amount of development. But it is a blunt instrument, which will do little or nothing to put new housing in the places where it is most needed and can be provided most efficiently. Nor can we think of an alternative pricing mechanism that would be less blunt. The factors that should be taken into account are too many and too complex.

ARRANGEMENTS THAT SHOULD BE PUT IN PLACE TO ENSURE APPROPRIATE COOPERATION BETWEEN LOCAL PLANNING AUTHORITIES ON MATTERS FORMERLY COVERED BY REGIONAL SPATIAL STRATEGIES

17. Below, we restrict our comments to planning for housing and economic land uses, which are our main areas of expertise. We do not comment on other areas of planning, such as waste, minerals or flooding.

18. The arguments demonstrating that we need strategic planning, covering areas larger than local authorities, are well-rehearsed and we do not repeat them here. Less obvious, but still familiar, is the argument that planning should cover “functional market areas”. Very briefly, the argument is that, if democracy is to work as it should, the spatial level at which decisions are taken should reflect the geography that is affected by these decisions. So the design of a local park, for example, should perhaps be controlled by residents of the immediate locality, because hardly anyone else will use it. At the other extreme, decisions about national airports should be taken by central government, because they affect the whole country.

19. Based on this principle, strategic land-use planning for housing, jobs and services should be done at the level of housing market areas, which contain the bulk of residential moves, or labour market areas, which contain the bulk of journeys to work. These two kinds of market area broadly coincide (because both reflect the extent of an acceptable commuting trip) and they are sub-regional in scale—larger than local authorities but smaller than regions. Some functional market areas are city regions; others are polycentric areas, not anchored by a single dominant settlement.

20. So co-operation between local authorities should be largely based on functional sub-regions (housing market areas, labour market areas). All RSSs included such sub-regions as important building blocks, and much time and effort was spent in defining their boundaries. In our experience, much of this time and effort was wasted, because the definitions can never be perfect. No geographical area is entirely self-contained, so regardless of how we draw boundaries there will be cross-boundary impacts. Moreover we do not have the necessary knowledge to draw boundaries so as to minimise these cross-boundary impacts, so the best we can do is try and keep them to a manageable level. Therefore sub-regional boundaries should be drawn pragmatically. For the sake of convenience, they should be groups of authorities (ie the sub-regional boundary should not cut across local authority areas) and the same sub-regions should be used throughout the plan, for all land uses or areas of policy.

21. It is also important that sub-regional groups of authorities be stable over long periods of time, so that they can be planned for effectively. Under the 2004 planning system, our experience suggests that stability was only achieved when the RSS made it compulsory. Otherwise sub-regional groups tended to form and dissolve

often, depending on the changing views of elected members, the vagaries of LDF timetables and the availability of resources at different times. This suggests that planning sub-regions should be set up for the whole of the plan period, perhaps 15 or 20 years (though they could of course be reconsidered as part of plan reviews).

ADEQUACY OF PROPOSALS ALREADY PUT FORWARD BY THE GOVERNMENT, INCLUDING THE SUGGESTION THAT LOCAL ENTERPRISE PARTNERSHIPS MAY FULFIL A PLANNING FUNCTION

22. The above discussion suggests that, in principle, it would be right for the LEPs to fulfil a planning function, because they are roughly the right order of magnitude to cover functional sub-regions.

23. However, if the LEPs are to work properly as the basis for sub-regional planning, their definition should consistently follow the principles we have outlined in the last section. The 56 bids received so far from councils wishing to create LEPs do not meet this condition. Many, such as Greater Manchester or the West of England for example, seem to be very good definitions of functional city regions. Others are far less so. Some authorities, such as Kent, are part of more than one proposed LEP.

24. It is not surprising that the LEP bids are so uneven. Authorities had only a few short weeks to put together bids, and were given no directions on how to define LEP areas. On the contrary, ministerial pronouncements have stressed that LEPs should be flexible, defined from the bottom up and potentially for different purposes:

“In some areas, there might be a focus on skills. In others, LEPs may help set priorities for planning and infrastructure decisions.... These partnerships are built from the bottom up and will have the flexibility to determine their own agenda, rather than have it handed down to them by Whitehall.”¹

25. This permissive approach to LEPs may be a good basis for creative economic development, but it seems ill-suited to statutory land-use planning. Therefore LEPs as currently proposed are not satisfactory vehicles for planning that rises above local authority boundaries.

September 2010

Written evidence from Baker Associates

INTRODUCTION

This submission on spatial planning without Regional Spatial Strategies is made by Baker Associates, consultants with a track record in making spatial planning work. Our experience in partnering planning authorities to prepare development plans of all types is second to none, we assemble evidence on all types of planning issue to inform choices, we facilitate many types of engagement activity, and we promote strategic and local residential and commercial development schemes. We have advised CLG and its predecessors on the form and use of the development plan system, and we support planning authorities as consultants to the Planning Advisory Service and in our own right.

We are committed to achieving worthwhile change through the positive use of development plans as the core of the planning system.

We set out in this submission our view of how the coalition government’s concern for localism should be developed and applied in the field of planning, maintaining this principle whilst local and central government carry out their essential roles. We use a live case study to illustrate what needs to happen. The submission begins as requested, with a bullet-point summary.

SUMMARY

- spatial planning needs to address the issues of the place; there are strategic issues and so plans have to be able to be strategic;
- “locally determined” means decisions being taken by the local planning authority, but cannot mean only taking the local area into account or handing decision making to limited-interest groups;
- there is no need to create new strategic planning areas; plans can be for existing districts which are understood and accepted, and having only one plan covering each area will make planning simpler and faster;
- housing is an issue that transcends administrative boundaries, and cannot be divorced from other issues such as economic development, movement and infrastructure;
- the housing provision within a plan must be determined according to evidence, the evidence must look at the functional area rather than the administrative area, and there must be a reciprocal relationship between plans that deal with the same functional area; and
- the planning system must work to create an unavoidable obligation on planning authorities to plan to address the situation that is demonstrable from independent evidence—*this is the fundamental requirement for a positive and successful planning system.*

¹ Vincent Cable, quoted on PublicPropertyUK.com, 7 Sep 2010.

BACKGROUND

There is a need for a strategic component to the development plan. Nobody who has any appreciation of planning, or cares for the issues planning deals with, has ever doubted the need for planning to have local and strategic components.

Definition of “strategic”

Strategic matters can be defined as matters that are very important, which concern more than one authority and topic, relate to extended timescales, and on which decisions need to be made in order to give priority and common purpose to the objectives for an area.

The development plan system had evolved to its most appropriate form so far in order to address the issues places and communities face. The strategic part of the two-part development plan was prepared at the regional level, and ultimately made by the Secretary of State, with the Government advised by regional assemblies comprising local government elected members and co-opted social, environmental and economic partners. A further stage of evolution of the two-part development plan system was needed, with a full cycle of plan preparation allowing a review of RSS to be informed by a round of LDF preparation. The bottom-up element of the process as well as the equally necessary top-down element would thereby be called into play. The two parts to the development plan should be developed alongside each other in a dialogue, with the necessary decisions being taken at the appropriate level. This is a fundamentally different approach to the hierarchical relationship objected to by supporters of good planning as well as by the opponents of development to meet other peoples' needs.

THE COALITION GOVERNMENT'S TASK

The coalition government is right that people should be involved in choices for their area, and this principle is embedded in the modern planning system. Whilst the need for involvement can never not be true, there are limitations to the matters that need to be addressed that can be resolved in this way. The wholesome model of people working amiably and creatively on the future of a patch of land within an established community to provide a desirable facility cannot be extrapolated to deal with the housing needs of the country or of less favoured groups in society, and it cannot deal with waste management, energy generation, transport infrastructure or major arts, sports or leisure facilities. There are some matters to be dealt with that arise from and affect wider areas and greater timeframes than are of interest to people “acting locally”.

There are essential checks and balances needed in any arrangements to empower people involved in making decisions on matters of such consequence. Any arrangement that transfers power to self-appointed bodies and away from elected and accountable politicians taking leadership responsibly is likely to have damaging implications. The coalition government must be mindful of these matters of governance when formulating an approach to fill the very real gap created by the removal of the most recent form of strategic planning.

Some matters that are capable of influence by spatial planning and which should be addressed can only be addressed through a strategic response. Climate change is acknowledged by most people to be the biggest issue facing the planet, and the connections with energy use and emissions means that how much and how people travel is an issue in tackling climate change. Travel demand is a consequence of the distribution of homes, jobs and shops, and health, education, leisure and cultural facilities, as well as social networks. These are all to do with the distribution and form of settlements and nothing at all to do with administrative boundaries. Shaping settlements and the relationship between settlements is a role of strategic spatial planning. Incidentally and ironically, green belt policy, a little understood and anachronistic favourite of many proponents of localism, was intended to perform this strategic settlement-shaping role before effective development plans were part of the planning system, but has been completely misused and has had perverse effects in its influence over travel demand.

Any form of planning system that confines itself to only local areas and to the short term will do nothing to address climate change and indeed will exacerbate the problem through the tendency under market influences for development to become more dispersed.

Economic development is generally seen as desirable in giving more people greater opportunity, and nurturing economic development in partnership with businesses and employers is seen as a vital activity of government at all levels. Neither people looking for work nor the investment decisions of employers respect administrative boundaries. There is a relationship between the number of people in employment and the number of homes required. If housing is not available, either potential economic development is stifled by the absence of a suitable workforce or long distance commuting increases, and probably both will occur to some degree.

Infrastructure is self evidently strategic. The collection, treatment and distribution of water for instance, is determined by natural systems (and gravity) and by the pattern of need. It cannot be dealt with by neighbourhood units, and administrative boundaries have no role to play.

Housing provision is the most sensitive issue for development plans and the controversy caused by housing numbers has led to the removal of regional planning. If nothing else happened the likelihood is that the same sized population as we have now would occupy about 10 percent more dwellings in 20 years time because of

the falling average household size. Without at least this level of provision the population of some settlements will fall. Areas that have the potential to make a useful contribution to the economy need to be assisted with greater levels of housing, but the same successful settlements cannot accommodate all of the growth required in the existing built up area whilst maintaining the levels of accessibility that urban areas should provide, or the quality of life that residents seek. The sustainable way to provide for further development is through well-planned development at the nearest available point on the urban edge. A consequence of historic boundaries is that this may be in a different administrative area.

The coalition government must now find a way for the very proper concern for genuine local involvement to be married with the need to address wider areas and the longer term.

INCENTIVES

Incentivisation is suggested by the coalition government as the preferred alternative to the imposition of targets to achieve the delivery of sufficient development. The idea is entirely unconvincing and will come to nothing. Payments to local authorities or direct to communities (who?) would not deal with the profound political objection to development rooted in members' expectations of strong objection from vocal groups of established residents. The mechanics of payment as suggested to date would in any case be unworkable and the likely consequences regressive. If there is money it should instead be directed to local authorities to fund the provision of strategic infrastructure that is identified as part of a locally made integrated strategy that addresses development requirements according to sound evidence.

HOW TO ACHIEVE LOCALLY DETERMINED STRATEGIC PLANNING

The form of spatial planning that we go forward with has to promote the coexistence of the small view and the big picture. "Localism" is right if its proper interpretation is essentially that of subsidiarity; that is, decisions being made at the most local scale at which they can properly be made.

The geography of the English regions is not very helpful as a basis on which to plan and the regions need not concern us further.

There is not across the country a readily identifiable administrative unit for which plans should now be prepared, and the coalition government should not specify "new" strategic planning areas.

Strategic planning has to deal with areas that present themselves as where functional relationships exist. The form of such areas will inevitably be fuzzy, because different considerations have different spatial relationships. Retailing, work, education, leisure and social networks have different geographies and these will vary for different groups in the community.

Plans should be prepared for the existing Districts, in that they are as good as anything, and they are known and understood. What the coalition government must do is establish beyond doubt the obligation for any plan to take account of what the evidence says about its place, and for the plans for each part of a functional area to have a reciprocal regard for the other parts. Evidence includes evidence of the implications of ignoring the evidence of need.

At the same time decision making must stay firmly within the democratic system, with elected leaders being responsible and accountable. Engagement is essential, with community groups (including communities of interest as well as of place) and stakeholders all having the opportunity to be involved through well designed and well understood programmes which involve both deliberative and inclusive activities. There should be a duty on planning authorities to assist participants to become informed. The weight that is attached to community and stakeholder views on planning matters should take account of:

- how representative of the community they profess to act for, the proponents seem to be; and
- the extent to which the views are informed, by for instance the evident issues and possible responses.

Local spatial plans must meet a standard before they can carry any weight. The standard must relate to the way the plan flows from the evidence, and from informed engagement. The means of testing that the standard is met must be rigorous. The test must be applied independently, and the findings of the examiner must be binding.

A very significant consequence of this way forward would be for the development plan for any area to be one plan. The tendency to wait for the "higher" level of plan has caused huge delays in putting plans in place, meaning they have rarely been topical and influential, and has led to a colossal waste of resources. A one-part development plan could be the flexible, dynamic and effective tool that has eluded the system for decades. Though the skills are currently not present in sufficient quantity amongst local authorities to make plans of the quality required, these skills can be brought to bear.

A CASE STUDY — THE WEST OF ENGLAND

The West of England (the former Avon County, comprising the cities of Bristol and Bath, the town of Weston-super-Mare, and their rural hinterland) demonstrates the need for strategic planning and provides a real

example of what can happen when authorities believe they are under no obligation to plan properly. This rapidly developing situation calls for a form of responsible localism and a process with bite that prevents authorities planning as though the world ends at their administrative boundary.

The West of England functional area can be delineated according to a range of statistical information relating to housing markets, travel to work areas, transport infrastructure and flows, retail catchment and spheres of influence, and clusters of industries. Bristol is a “Core City”, the eighth largest English city, and it has the third highest GDP of any urban area. There is an important interrelationship between Bristol and its surrounding areas, with very high work in-commuting as well as use of higher order retail culture and leisure facilities. A substantial part of the urban area of Bristol is in South Gloucestershire, and the immediate periphery of the urban area is within the areas administered by South Gloucestershire, Bath and North East Somerset and North Somerset Councils. These Councils administer areas that are seen as rural and have always turned away from Bristol.

Previous joint working for the greater Bristol area with the Joint Structure Plan did not lead to strategic decisions being made and implemented. The emerging South West RSS set out a spatial strategy with clear links made between development and infrastructure planning and delivery. With the RSS in place Unitary Councils could make their plans knowing what was required to be in the plans of neighbouring Districts. The RSS recognised that the city of Bristol has an essential role within the region, identified from (tested) evidence the level of development needed for the West of England, and determined how the need should be met from potential brown and green sources of supply according to the principles of sustainable development.

It is interesting that in some of their activities the four Unitary Authorities recognise a functional relationship across the West of England and the merit of a strategic and cooperative response. Multi Area Agreements exist which promote strategic relationships, and a submission has been made to the coalition Government for a West of England Local Enterprise Partnership which seeks to “lay the foundation for a long-term sustained, prosperous and productive West of England”. A LEP may provide the appropriate structure to address the strategic housing need that exists for an area, building on the economic functionality which exists, and coordinating the infrastructure requirements with housing delivery. This is not proposed in the West of England LEP submission.

The mutual feeling between the West of England Unitary Authorities does not extend to making provision through the LDFs for the delivery of essential homes required to support the economic strategy and the claims for achievable growth.

The table below indicates the level of housing need from a number of evidence sources, as required to be used by PPS3: Housing, and from the emerging RSS (which used evidence). It also shows what authorities are currently proposing to provide following the removal of the RSS, based on latest statements or consultations on their LDFs.

WEST OF ENGLAND HOUSING REQUIREMENT/PROVISION 2006–26

	<i>Latest National Household Projections (2006)</i>	<i>Draft RSS 2006</i>	<i>RSS Proposed Changes 2008</i>	<i>Affordable housing need (from published SHMAs)</i>	<i>Emerging Core Strategies 2010</i>
Bristol	63,000	28,000	36,500	30,520	26,400
South Glos	33,000	23,000	32,800	18,060	15,000
North Somerset	36,000	26,000	26,750	18,080	15,000
B&NES	19,000	15,500	21,300	16,940	15,500
West of England	151,000	92,500	117,350	83,600	78,400

There is clearly a large gap between evidence-based need and currently proposed planned provision. The opportunity to make their own decisions on the level of housing provision is encouraging the Unitary Authorities to get on with their LDFs, but there are clearly significant potential implications of every authority acting only on its own agenda, encouraged by its interpretation of localism. If left unchecked, the consequences will be felt in increased housing need, the inability to deliver infrastructure, and the constraint of economic development.

The Independent Examination of the Bristol Core Strategy is currently taking place. The Inspector has handled matters wisely so far, but recognises that his conclusion of the Examination may well turn on his interpretation of where the appropriate balance should lie “between evidence and localism”. There are general issues illustrated by the West of England situation, but there are particular circumstances too and how the Inspector finds on these will affect what messages emerge and influence other planning authorities. Bristol City Council cannot realistically plan for the level of housing that will be needed by the future population of the plan area to be met within the plan area. The Inspector could find that this is what the evidence shows and simply note that this leaves the need unmet—because he can do nothing else in the absence of a larger area strategic plan or any control over the neighbouring authorities. Alternatively he could report in a way that allowed others to draw the conclusion that it was “alright” for a planning authority to do what it wanted, by

reference to an inevitably selective set of local views, in spite of evidence indicating that the proper response should be something else. This would be a most unfortunate message.

This case study demonstrates that the obligation on plan-making authorities to follow the evidence, the test that plans have to meet, the way the test is carried out and how its findings are applied, will all be fundamental to the value the planning system can make to the social, economic and environmental needs of the country in the future.

CONCLUSION

Unwanted paternalism cannot be replaced by undesirable parochialism. Whilst local plans and their approach to housing provision have to be locally determined rather than imposed, there is an irrefutable need for strategic planning. Rather than strategic planning areas being prescribed by government, local authorities preparing plans for their areas should be placed under obligation to make plans that address what the evidence says about how their places work and what they need. Plans for districts that form part of an identifiable functional area should acknowledge and address their role as part of that area. Plans must still be subject to some form of independent testing, with the test defined in terms of the plan properly addressing evidence as well as the influence of informed engagement, and the findings from the test have to carry weight.

September 2010

Written evidence from the Planning Officers Society

The Planning Officers Society (POS) represents the most senior professionals and managers of planning functions in the English Local Authorities. We are rightly styled as “the credible voice of public sector planning”.

We set out to:

- enable public sector planners to work together with Government and partners;
- be a strong and united voice for public sector planners supporting and shaping planning policy and practice in local communities;
- be a preferred point of contact for public sector planners where they can access learning, support and networking opportunities;
- find common ground with other disciplines, organisations and the media to improve the planning process, policy and implementation; and
- broaden our membership and create a strong cohort of young planners, representative of the ethnic and gender diversity of the UK.

The Society’s aim is to make planning more effective in delivering sustainable development to support the well-being of our communities.

SUMMARY OF RESPONSE BY THE PLANNING OFFICER SOCIETY

- The needs of local people, as well as people outside the area with housing needs, should be taken into account in the local determination of housing targets.
- The replacement of regional house building targets by financial incentives is likely to be ineffective in terms of realising the house building rates needed to kick start and maintain economic recovery.
- The extraction of non energy minerals and provision for the management/disposal of waste are not generally welcome neighbours. In the absence of a strategic context, local authorities could well make uninformed decisions that disregard the wider consequences of their actions.
- At a time when local authority resources will be stretched as never before there may be more incentive to work sub-regionally if authorities recognise that to do so will better enable them to defend their plans.
- The evidence on which the abolished RSSs were based remains valid and should be taken into consideration, thus the extensive evidence base must be preserved and maintained; the solution to this predicament chosen by South West Councils is recommended.

The Committee inquiry into the revocation and abolition of regional spatial strategies is focussing on a number of identified matters (these are shown in *italics* below) together with the POS response.

1. *The implications of the abolition of regional house building targets for levels of housing development*

POS Response:

1.1 Although abolition has created uncertainty in terms of future housing development there is little evidence to suggest that housing delivery is currently constrained by a lack of land. Instead it appears to be constrained by a lack of mortgage finance and adverse market conditions caused by wider economic uncertainty. The removal of regional housing targets is, therefore, likely to have little impact on housing delivery but could well

lead to a reduction in supply in the long term if NIMBYism prevails. However, this situation could change rapidly once economic growth recovers.

1.2 There are significant fears that that the local determination of housing targets will turn into a NIMBY charter with local communities resisting anything other than their immediate needs. However, recent research by Colin Buchanan and University College London for DEFRA revealed that the predominant view of local communities was that the needs of local people, as well as people outside the area with housing needs, should be taken into account in the allocation of local affordable housing. If this proves to be widespread this bodes well for the local determination of housing targets.

1.3 We should not forget that RSS was wider than housing.

2. The likely effectiveness of the Government's plan to incentivise local communities to accept new housing development, and the nature and level of the incentives which will need to be put in place to ensure an adequate long-term supply of housing

POS Response:

2.1 We have some concern as to how effective the replacement of regional house building targets by financial incentives are likely to be.² We would highlight the incentive effect on public opinion of something like the Milton Keynes tariff, which involved: (a) a large sum of money fixed in advance paid up front, rather than over a six-year period after the development has taken place.

2.2 A more local approach could lead to more building in villages which could be in unsustainable locations or could lead to difficulties in gaining consensus for building in rural areas with the suggested 90% support via referendum being unlikely

2.3 Some local authorities such as green belt authorities may not want to take full advantage of incentives which could undermine green belt policy

3. the arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy, &c)

POS Response:

3.1 Among the targets affected by the abolition of the Regional Spatial Strategies (RSSs) are those for non energy minerals supply and the management/disposal of waste. Neither of these essential activities is particularly welcome neighbours and, in the absence of advice as to the strategic context could result in local authorities making uninformed decisions about the wider implications of local decisions.

3.2 It has been clearly recognised by successive governments that planning for minerals and waste is different from other forms of development. Both the supply of minerals and management of waste support the economic and social well being of the nation, and they are resources that need to be managed in a sustainable way that requires strategic planning. There are major geographical imbalances between provision of and demand for strategic waste facilities—landfill, energy from waste, mechanical-biological treatment—plant between conurbations and surrounding counties.

3.3 The implications of the Government's approach to planning generally suggests that in planning for waste communities should take responsibility for managing their own waste. This is an objective that should be supported in principle, but the technologies, economies of scale and sustainability issues involved in waste developments make planning for waste facilities a matter of more than local significance. In particular, this relates to energy production from waste, its connection to the wider infrastructure provision, links with household waste management and, the need to still provide for landfill for residual waste. Waste planning authorities cannot plan in isolation, particularly as so much of the waste stream—less than 25% is of municipal origin—is generated by business. Accordingly, local authorities are not in control of how waste should be managed let alone where. Nevertheless, waste planning authorities have to plan for all wastes.

3.4 Since the 1990s Waste Technical Advisory Bodies (TABs) have been used to inform regional planning bodies and in turn waste planning authorities with information, data and advice on the need for waste facilities. This strategic overview of provision has been essential in planning major facilities.

3.5 With the end of RSSs, which the TABs used to be an integral part in policy preparation process, the question does arise how planning authorities will have available strategic advice for making planning decisions for waste development. It is recognised that local decision making is paramount and that "top down" targets do not have the role to play they had hitherto. However, it is essential planning authorities do have available strategic advice based on up to date information to make fully informed decisions about the provision of waste facilities. Without a strategic context to aid decision making for waste infrastructure, national aspirations for recycling and diversion from landfill are in jeopardy. Accordingly some arrangement needs to be made to reconcile the principles of localism with the need to achieve these national aspirations.

² See POS media release at <http://www.planningofficers.org.uk/file/7b1a7f1f1e556caa59cd4608cc120e32/pos-responds-to-suggested-new-homes-bonus.html>

3.6 In due course the Local Enterprise Partnership could provide this role, but these will not be in place until 2012 and it is unclear what their remit will be regarding planning. What is important that some strategic planning arrangements are put in place in the near future so that planning for minerals and waste does not go into a hiatus. There are a number of possible “joint working” models to do this. Examples are the use of lead authorities providing services to others as in Greater Manchester or sub regional arrangements as in the West Midlands.

3.7 However, the simplest arrangement would be to continue with the TAB system with reporting lines directed to the constituent planning authorities for the following reasons:

- economies of scale—it would clearly be cheaper, for example, to commission and maintain a single data base to serving many local authority areas than each local authority doing the work;
- ease of administration—the more fragmented the arrangements becomes, the more time is spent in liaison and duplication of activity;
- better interaction with the industry—the key players function beyond local authority level and would find it beneficial to have a single point of contact and a common approach to dealing with strategic matters;
- more scope for sharing expertise—a larger area offers a wider pool of expertise on which to draw, and reduces the possibility of unreasonable burdens falling on individual people or authorities; and
- continuity—minerals and waste data sets and planning for minerals and waste has been based on existing TAB ie regional areas for many years and there obvious advantages to build on this.

3.8 The planning for minerals and waste are issues of more than local importance and a strategic input needs to be incorporated into decision making by local authorities.

3.9 It is recommended that the strategic role of TABs, which have been crucial to promoting a strategic distribution of waste facilities, should be maintained. Moreover, national policy should endorse this role as part of a duty on local authorities to co-operate.

4. The adequacy of proposals already put forward by the Government, including a proposed duty to co-operate and the suggestion that Local Enterprise Partnerships may fulfil a planning function

POS Response:

4.1 At a time when local authority resources will be stretched as never before, joint strategic planning arrangements will involve a considerable investment of staff time and other resources, not to mention political capital. However, there are strong incentives to produce voluntary sub-regional strategic context statements, in being able to show a logical context for core strategies, and at examination in being able to show the Inspector that the impacts upon adjoining authority areas have been taken into account. POS is of the view voluntary sub-regional work should be a key aspect of the way forward in planning post RSS abolition.

4.2 The emphasis might be on:

- identifying those strategic issues that impact across a sub-region;
- jointly commissioning the production of an evidence base that could inform policy on them (cheaper done jointly than individually); and
- suggesting a basis for policy derived from this evidence, which individual authorities could either choose to enshrine in their statutory local plans, or make a reasoned case for departing from (given that the joint evidence base would be in the public realm).

POS is of the view that authorities should adopt an expedient approach to put something in place, with a view to its agreement with relevant neighbours in due course.

4.3 If LEPs were to perform a planning function, this could be either as a statutory consultee to the plan-making authorities; or, alternatively, it could imply some sort of plan-making role. In that scenario LEPs will need to recognise that meaningful policy areas do not always coincide with administrative boundaries. Sensible policy areas might even need to be defined on a policy-by-policy basis, and local authorities will need to hone skills in working across porous boundaries (and engaging with the different populations potentially affected by particular policies).

4.4 Whilst LEPs will have interests other than planning and their main thrust will be on the economy, they offer significant attractions in that they will be voluntary groupings incorporating local authorities, and will have a statutory basis, a ready-made secretariat and governance arrangements, and a strategic view. Given that any sub-regional strategy will not be statutory, and its content will only take on statutory status through incorporation in development plans, the issue of democratic deficit is not significant.

4.5 It would be for the local authorities to decide the appropriate scope and detail of strategic policy. Strategic policy would only be developed where it could be demonstrated that there was a genuine need for issues to be addressed at above the level of the individual authority. Strategic policy documents would therefore be more limited in scope than their predecessors.

4.6 The one planning role (but not a duty) proposed in the Green Paper to be allocated to upper-tier authorities is producing an infrastructure plan. The same resource issues apply to this area of work, and the concern must be that authorities either will not do it at all, or will only produce a plan for those items of infrastructure they are responsible for delivering (as a means of strengthening their hand in any bidding war for scarce resources). Currently the main function of infrastructure delivery plans is to underpin development plans; thus, it is suggested there should remain a strong link between infrastructure planning and the spatial planning of the area, so that a more holistic view of infrastructure needs is taken. Given that the spatial planning principles will emerge at a very local level, there would need to be an iterative process, involving districts, upper-tier authorities and other infrastructure providers.

5. How the data and research collated by the now-abolished Regional Local Authority Leaders' Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries

POS Response:

5.1 With the abolition of RSSs POS is of the opinion that the evidence on which they are based remains valid and should be taken into consideration.³

5.2 The solution to this predicament chosen by South West Councils is recommended. SW Councils have taken steps to ensure that the evidence base behind the draft RSS, for which the Assembly (as Regional Planning Body) and South West Leaders' Board/SW Councils was responsible, is preserved. Both the Assembly and South West Councils' websites have had a snapshot taken of them by the British Library/National Web Archive.⁴ This ensures that the pages and their content are preserved for future use.

September 2010

Written evidence from the Association of Directors of Environment, Economy, Planning and Transport (ADEPT)

The Association of Directors of Environment, Economy, Planning and Transport (ADEPT) represent local authority Strategic Directors who manage some of the most pressing issues facing the UK today. ADEPT membership is drawn from County, Unitary and Metropolitan authorities from all four corners of the United Kingdom. The expertise of ADEPT members and their vision is fundamental in the handling of issues that affect all our lives. Operating at the strategic tier of local government they are responsible for delivering public services that relate to the physical environment and the economy.

SUMMARY

- Revocation of Regional Spatial Strategies has wider implications than simply removing targets for new homes.
- New arrangements need to be put in place to enable local authorities and the house building/development industry to move forward with confidence.
- Strategic planning recognises the need to address issues that cross boundaries. It should form part of a reformed planning system.
- A robust Sub-regional partnership approach, taking Local Enterprise Partnerships as a starting point for planning at the strategic level, is supported.
- New homes and other development requires infrastructure to deliver sustainable communities. Further debate is needed to ensure the infrastructure required for sustainable communities is funded.
- New Homes Bonus—concerns about take-up by councils/communities and the ability of the tool to influence new homes completions.
- Community engagement, however effective, is unlikely to bring consensus. Strong local leadership is needed to make the difficult decisions.
- Suitable arrangements can be made for updating data and research.

1. Implications of the abolition of regional house building targets for levels of housing development

1.1 It is important to note at the outset that the revocation of, and the eventual abolition, of Regional Spatial Strategies will have implications for a wide range of issues not just house building targets. Regional Spatial Strategies also set regional priorities for where new development should go, economic growth, transport and

³ See <http://www.planningofficers.org.uk/file/a947d3927cacfdb3c88bd1a3dbdd19e9/pos-expresses-great-disappointment-at-abolition-of-regional-strategies.html>

⁴ The South West Councils website is at: <http://www.webarchive.org.uk/ukwa/target/55148544/source/search>. The RSS evidence can be found at: http://www.webarchive.org.uk/wayback/archive/20100811113549/http://www.swcouncils.gov.uk/nqcontent.cfm?a_id=538&tt=swra

other infrastructure and the natural environment. There is a continued need to plan for these issues in a co-ordinated way at a level that is wider than local.

1.2 The revocation of Regional Spatial Strategies has brought a number of immediate implications in terms of uncertainty for local authorities, the development industry and local communities. These include: withdrawal of Local Development Framework documents by councils, uncertainty about appropriate policies on which to base decisions on planning applications, and disruption of ongoing work on infrastructure planning, due to a lack of clarity on the development levels for which infrastructure is required..

1.3 It will take time for local authorities to establish a robust position from which to go forward. Currently, this process is being hindered by a drip feed of new policy changes for planning and other areas, proposals for new responsibilities and working arrangements and public sector funding cuts. Clarity on these issues is needed to enable local authorities and their partners as well as investors to move forward with confidence.

1.4 Progress on national planning issues and solutions to the strategic planning vacuum will be key in helping local authorities to deliver positive outcomes for communities. These are considered in turn, as follows.

1.5 Work needs to be completed as soon as possible on the National Planning Framework and National Infrastructure Plan. These will help guide local areas on national priorities. National guidance should include the government's position on meeting the nation's housing needs and aspirations.

1.6 There must be recognition of the strong case for carrying out strategic planning at a level between national and local levels. ADEPT strongly supports the case for strategic planning and is a signatory to the letter to the Communities and Local Government Secretary, Rt Hon Eric Pickles MP on "Larger than local planning".

1.7 Strategic planning is needed because local needs cannot be addressed in isolation. Many issues cut across local authority boundaries or have a national or international context. These matters include:

- Ensuring that housing provision is based on a sound understanding of housing markets and their interrelationships with economic and social factors (demographic change, overall supply, mix, type and tenure of housing, economic growth levels and labour supply).
- Making provision for economic growth based on an understanding of functional economic geography (skills levels, employment land supply, promotion of key sectors, etc).
- Meeting Gypsy and Traveller needs.
- Ensuring the sustainable, efficient and effective movement of people and goods through integrated transport strategies.
- Providing other strategic infrastructure (eg flood management, water supply and disposal, health, education).
- Taking account of the cumulative impacts of development, such as those upon sensitive environmental assets or the transport network (trip generation, commuting patterns, etc).
- Moving towards a low carbon future, which will rely in part upon an integrated approach to matters such as renewable energy opportunities, climate change adaptation, and reducing the need to travel.
- Understanding future needs of communities (i.e. dealing with the need to plan responsibly for future residents, including the children of existing communities and possible migration patterns, in the face of political tensions arising from existing residents who are fearful of new development pressures).

2. Likely effectiveness of the Government's plan to incentivise local communities to accept new housing development, and the nature and level of the incentives which will need to be put in place to ensure an adequate long-term supply of housing

2.1 The delivery of new homes is a key issue. New and affordable homes must be built in the right places to support economic growth, population change and address existing unmet housing needs—particularly for affordable housing. New homes and economic growth must be supported by appropriate infrastructure. Local councils have a key role in enabling this to happen.

2.2 The low levels of house building over the last two years reflect the economic situation. The rate of house building is strongly linked to the state of the economy and less in the hands of local communities or councils. However, planning for housing is necessary to provide greater certainty for developers in terms of the supply of housing land in the longer term. Local councils can enable new housing development by developing local policy and granting planning permission but have little power in terms of when the development is built.

2.3 Three key issues are relevant to the Government's incentives proposals for new homes:

- Determining what is an adequate supply of new homes.
- Gaining the support of local communities for the building of new homes.
- Infrastructure to support housing development.

2.4 Robust assessments of local housing need and the opportunities to meet that need will be required to inform discussions on how much housing there should be and where it should go. These assessments will need

to take account of demographic, economic and housing market factors, as well as supply-side issues, taking account of the effect of environmental considerations. With regard to the latter, there must be consistency of approach with the emerging Government policy on the natural environment, as promised in a forthcoming White Paper. It is recommended that best practice guidance on making local assessments for housing is prepared.

2.5 New ways need to be found to improve democratic involvement and community engagement at all levels of government in terms of how and where new housing should go. Community engagement is important but it costs time and money, so a balance needs to be found to avoid excessive delay. A key issue is that those who tend to get involved are those who are least likely to benefit directly from new development and most likely to oppose change. The challenge lies in finding ways to engage those who are least likely to get involved but are more likely to benefit such as younger people and disadvantaged groups. At the same time, it must be recognised that community engagement, however effective, is unlikely to bring consensus. Strong local leadership is needed. Difficult decisions will still have to be made by democratically elected members in the light of the evidence and differing community views.

2.6 Along with developing greenfield land, infrastructure to support new development, particularly new homes is a key concern of existing local communities in terms of accepting new development. To build sustainable communities new housing must be supported by transport, social, community and green infrastructure. This should be funded as far as possible by development and user charges, but it must be recognised that there are limits to this source of funding. Whilst alternative infrastructure models are sought, there is great concern about the continuing lack of investment in infrastructure particularly at the strategic level. Further debate is needed about this issue.

2.7 In terms of the government proposals, at this stage the information on the New Homes Bonus scheme gives little detail on which to gauge its potential effectiveness. It is understood that the level of funding will not exceed that previously provided through the Housing and Planning Delivery Grant.

- 2.8 The incentive scheme (proposed in the green paper) of council tax match funding for house building may not be sufficient to encourage local residents and councillors to endorse housing growth. The following are issues to consider for the New Homes Bonus:
- The Bonus will need to be significant to incentivise local communities to see a benefit from new housing but this will have to be balanced against overall cost. Given that we do not have the full picture in terms of the spending review, developer contributions arrangements etc, it is difficult to determine the level of incentive that will encourage local communities to take it up.
- The Bonus needs to be set up in a way that is open and transparent so it does not appear that planning permission is being bought. Linkages to community benefits must be realistic—for example, robust assessments should be made and published of development levels needed to retain schools, shops and other community facilities.
- The Bonus will need to be long-term to build trust and certainty for local councils, local communities and the development industry.
- There may need to be restrictions in terms of the amount of Bonus given to each local authority. This could be linked to growth rates above a threshold level.
- The Bonus is billed to ensure that communities who go for growth will reap the benefits. It is questionable that the potential option open to councils to cut council tax levels will bring wider community benefits for the long term.
- A direct link, such as a link to Council Tax, between the granting of planning permission for new homes and the Bonus appears to make sense. However, there is no guarantee that these homes will be built. There is a balance to be made in terms of recognising what local authorities can enable and getting new homes built.
- In two tier areas, arrangements will need to be in place for both tiers of local government to benefit from the Bonus.
- A clearer picture of the arrangements for the Bonus, successor Community Infrastructure Levy and section 106 agreements is urgently needed to enable local authorities to make informed decisions about infrastructure funding and to mitigate impacts of new development.

3. Arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy, &c)

3.1 As explained earlier, strategic planning at larger than local level is necessary to prevent a haphazard approach between new housing, economic priorities and supporting infrastructure. County and unitary councils should lead working on strategic spatial plans working through robust sub-regional partnerships.

3.2 Minerals and waste planning are currently undertaken by county and unitary authorities. In many areas a partnership approach to preparing joint local development frameworks takes place. Over many years, planning authorities have worked together through Regional Aggregates Working Parties to determine the scale of mineral aggregates. This arrangement is set to continue. Similar arrangements exist for waste planning.

4. Adequacy of proposals already put forward by the Government, including a proposed duty to co-operate and the suggestion that Local Enterprise Partnerships may fulfil a planning function

4.1 The “duty to co-operate”, proposed in the green paper, was proposed as a way to encourage councils and other service providers to work together in terms of infrastructure planning. Whilst partnership working at the sub-regional level is supported it is necessary to develop robust partnerships arrangements. Voluntary agreements may be relevant for some aspects but not all. Sub-regional partnerships need strong legitimacy and the necessary freedoms, flexibilities and resources. Local authorities taking a leading role will provide the necessary democratic accountability. There should not be a plethora of local partnerships.

4.2 ADEPT supports the creation of Local Enterprise Partnerships—joint local authority-business bodies brought forward to promote economic development. These should normally operate at the sub-regional scale.

4.3 The government recognises that to create the right environment for business growth in their areas, LEPs will want to tackle issues such as planning and housing, local transport and infrastructure priorities, employment and enterprise and the transition to the low carbon economy. LEPs have the potential to provide leadership for these and other cross boundary issues that would benefit from a strategic approach. However, their primary role is an economic one. Further clarity is needed as to whether LEPs are to take on a wider remit and how the wider issues will be balanced against the economic role. Clarity will also be needed with regard to democratic accountability, with the balance of power in LEPs residing in the private sector, but delivery of many of the potential outcomes being the responsibility of the public sector and, in particular, local authorities.

4.4 LEPs offer an opportunity to address the strategic planning gap, although much will depend on the scale and geographies of the final set of LEPs. If they are large sub-regional entities, then the danger is that strategic planning at this scale will attract the same criticism as attached to RSSs. However, smaller-scale entities would be able to marry wider strategic considerations with local aspirations, and come to more acceptable solutions.

5. How the data and research collated by the now-abolished Regional Local Authority Leaders’ Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries

5.1 The existing data and research collated by the abolished Leader’s Boards can be made available by placing in convenient and secure place on the internet and other relevant archives. For example, South West Councils Leaders’ Board/South West Councils have made arrangements with the British Library/National Web Archive to preserve the evidence base behind the draft RSS for the South West to ensure that the pages and their content are preserved for future use.

5.2 At the sub-regional level, data collection and further research concerning cross boundary issues can be co-ordinated by the relevant sub-regional partnership, which may be the LEP, or a sub-regional partnership of upper tier authorities, building on their existing capability and capacity. This data and research will provide a common and consistent evidence base for the preparation of development plans, as well as informing any future strategic planning activity. Also, the data should be collected in a way that can be useful at the local level but can be aggregated for use at larger levels.

September 2010

Written evidence from the Royal Town Planning Institute (RTPI)

INTRODUCTION

1. The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, with over 23,000 members who serve in the public service and as advisors in the private sector. It is a charity with the purpose to develop the art and science of town planning for the benefit of the public as a whole. As well as promoting spatial planning, RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

2. The RTPI has noted the terms of reference of the Inquiry and the topics in which the Committee is particularly interested. In this evidence we deal with all the specific questions posed by the Select Committee following an initial statement on the RTPI’s overall view on the revocation and proposed abolition of RSSs.

THE RTPI’S POSITION

3. The RTPI welcomes the fact that the CLG Select Committee has chosen to hold an Inquiry into the abolition of Regional Spatial Strategies (RSSs). The RTPI has already undertaken significant work and thinking on this issue and this evidence reflects that work and reflects the views of RTPI members through discussions at our Executive Board and a call for member comments through our website

4. The RTPI clearly sees the abolition of RSSs within the context of the Coalition Government’s “localism” agenda. Whilst we find aspects of this overall agenda challenging we feel that the essence of a properly considered and implemented localist approach to be a key component of effective and inclusive planning and

spatial investment system and we have already been working with the Government to discuss and inform the issues that this approach raises and to suggest ways in which its implementation may be improved.

5. Within this overall stance, the RTPI is very concerned about the policy vacuum that has been created by the revocation and promised abolition of RSSs and the institutional support structures, such as Regional Development Agencies and Regional Partnership and Leaders Boards. This is exacerbated but the DCLG's stated antipathy to issuing any guidance on strategic planning.

6. We wish to make to absolutely clear, however, that we are not calling for the *status quo* pre the Election as we have already expressed a concern in our 2010 *Manifesto for Planning*⁵ that:

We need plans above the local level to deliver development and infrastructure that crosses administrative boundaries, but there is a lack of faith in the current system of regional planning.

7. The RTPI recognises that the Government is putting into place a range of structures and initiatives to enable a degree of strategic planning at this level and we will be working with the Government and with local authorities and other interested parties to help to inform, evaluate and support or challenge these proposals as they emerge.

THE IMPLICATIONS OF THE ABOLITION OF REGIONAL HOUSE BUILDING TARGETS FOR LEVELS OF HOUSING DEVELOPMENT

8. There have already been a number of reactions to the revocation of RSSs and their proposed abolition. It appears from work undertaken by the National Housing Federation that some 100,000 homes have been taken out of the planning process as a result of the removal of housing targets. The figure includes: 9,600 cut by Bristol City Council, 3,000 cut by Exeter, 10,750 by North Somerset, and 9,200 by North Hertfordshire and Stevenage.⁶

9. This study follows on from earlier indications that removal of housing targets followed by the revocation of RSSs had led to a slowing down in overall planning activity. The following situation applied to LDF progress in June 2010:

- South Oxfordshire: abandoned work on its core planning strategy.
- West Oxfordshire: abandoned work on its core planning strategy.
- Surrey Heath: abandoned work on its core planning strategy.
- Vale of Whitehorse: abandoned work on its core planning strategy.
- Bristol: housing part of public examination of core strategy delayed.
- Castlepoint: housing part of public examination of core strategy delayed.
- Bury St Edmunds: public examination of core strategy delayed to re-consult.
- South Wiltshire: public examination of core strategy delayed to re-consult.
- Forest Heath: suspended work on local development documents.
- Cotswold: cut annual housing target from 345 to 300.
- South Northants: deferring all applications submitted on basis of unidentified five-year land supply.⁷

10. It needs to be noted that, as with the discussion on the New Homes Bonus, below, the position is not universal across England. Indeed, it can be seen from the examples given above that the slowing down of planning activity and of major housing schemes is concentrated in the South West and wider South East. In other areas, it may well be that the opposite position is found, with those local authorities that see the benefits of housing growth and which felt constrained by an RSS which allowed for less growth than they would have wished for.

11. Amongst other things, there is a current legal challenge to the revocation of RSSs⁸ on the basis that the revocation goes against the overall purpose in the rest of the Act and that the environmental and other impacts of this have not been assessed.

12. Additionally, on 29 July 2010, a grouping of some thirty organisations from a range of sectors including housing, transport, infrastructure, the environment and the economy wrote to the Secretary of State expressing their desire to work with the Government to try to ensure that the revocation and abolition and the systems that were put in their place did not hamper the ability of Government to achieve its own key objectives in the fields represented by this grouping. This initiative was co-ordinated by the RTPI.

⁵ <http://www.rtpi.org.uk/download/9076/RTPI-Manifesto-for-Planning-2010-full.pdf>

⁶ Channel 4 News: Faisal Islam: 2 Sept 2010 Councils Axe 100,000 Planned Homes in England
<http://blogs.channel4.com/faisal-islam-on-economics/councils-axe-100000-planned-homes-in-england/13133>

⁷ Source: House Builders Association.

⁸ Planning 3 September 2010.

The likely effectiveness of the Government's plan to incentivise local communities to accept new housing development

13. It is relevant to note at the outset that the Minister for Decentralisation has stated in a speech to the Local Government Association⁹ on 6 July:

Those housing incentives are the other side of the ending of the regional spatial strategies. Ideally, I would have liked to announce them together.

14. As at the date of the preparation of this evidence, the Government have not spelt out any details of the incentive scheme beyond that contained in the Conservative Party Housing Green Paper¹⁰—*Strong Foundations*. This stated that:

we will match the additional council tax raised by each council for each new house built for each of the six years after that house is built.

15. In fact, the latest letter sent to local authorities in August¹¹ went into less detail about the scheme than previously announced. Instead it promised to *publish a formal consultation after the outcome of the Spending Review*. Despite this, it is worth examining this proposal in a little more detail to see whether it really does provide the incentive to match the choice.

16. The average Band D council tax set by local authorities in England for 2010–11 is £1,439.¹² Taking this band as an example, local authorities will gain £8,643 over the six years of the scheme for market homes and £9,318 (125%) for affordable homes. Opinion seems to be divided as to whether such amounts will be sufficient to sway electorates who previously resisted housing development.

17. It needs to be borne in mind that the funding for this will come initially from savings from the abandoned Housing and Planning Delivery Grant and, thereafter, from top-slicing a proportion of annual increases in formula grant for councils. This will not, therefore, be new money for communities but will be a re-distribution of grant. *Strong Foundations* states that:

This policy is a cost-neutral reallocation of existing government funding,

18. First, it should be noted that the resistance to development which this incentive is designed to overcome is not universal in all parts of England. Some areas will welcome such development as supporting the vitality of communities and providing much needed accommodation.

19. In other areas, however, some communities and local authorities may well feel that, for example, the gain from a small infill development of, say, seven market and three affordable homes (£88,455) does not compensate for real or perceived loss of amenity—but they may feel that the gain from a scheme ten times that size is worth serious consideration.

20. However, one of the major hurdles could be the overall cost of the scheme. For example, in 2008, 150,580 new market homes were built and 32,100 affordable homes.¹³ This was an historically low figure but even this would cost more than the £146 million allocated to the Housing and Planning Delivery Grant in the current financial year. It may be, therefore, that the New homes Bonus may have to be capped—thus proving even less of an incentive.

21. An important consideration for effective and transparent planning decision making is whether the existence of the New Homes Bonus is a material consideration in making that decision. If a development is deemed unacceptable in planning terms, for example through its impact on the local environment, then should the planning process “balance” this with the knowledge that the development will bring in extra resources for communities. This does appear to be a potential dangerous path to follow in a system that has been wrongly accused in the past of “selling” planning permissions through the process of making Section 106 agreements.

22. The second form of incentive is that of obtaining approval to build some housing without the need for planning permission. The proposed Government scheme for this is the Community Right to Build.¹⁴ Once again, the scheme is not fully explained by the Government as yet but appears to schemes of around ten homes and where the great majority (80 or 90 per cent of the local electorate in a referendum) of the local community vote for it.

23. The RTPI believes that local plans, developed by elected members in partnership with local people and businesses are the most democratic way to deliver the aspirations of local communities for housing provision. In the first three months of this year (2010), 71% of minor housing applications (10 homes or less) were approved through the planning system and that 83% of decisions were made within three months.¹⁵

⁹ <http://www.communities.gov.uk/speeches/corporate/lgaconference2010>

¹⁰ Conservative Party (2009) *Strong Foundations*: Building Homes And Communities, Policy Green Paper 10.

¹¹ www.parliament.uk/deposits/depositedpapers/2010/DEP2010-1688.doc

¹² <http://www.communities.gov.uk/publications/corporate/statistics/counciltax201011>

¹³ DCLG live tables.

¹⁴ <http://www.communities.gov.uk/documents/housing/pdf/1648333.pdf>

¹⁵ DCLG Live tables: P103.

The arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies;

24. The RTPI believes that this issue has not been considered adequately by Government in the revocation of RSSs. There has been too much emphasis placed, by the Government and others, on the role of RSSs in setting housing numbers and not enough on the implications of their revocation and abolition on the other policy areas that they were designed to deal with.

25. Planning Policy Statement (PPS) 11 on Regional Planning (now revoked and no longer available on the DCLG website) states that, in addition to *the identification of the scale and distribution of provision for new housing*, and RSS shall contain:

- priorities for the environment, such as countryside and biodiversity protection;
- transport, infrastructure, economic development, agriculture, minerals extraction; and
- waste treatment and disposal.

26. There is also the misguided perception that policies in the former RSSs were always imposed on local authorities and local communities. The RTPI has a number of examples of where local authorities themselves worked to have policies included in an RSS which would benefit their local areas. Such policies include examples on renewable energy, on sub-regional sport and recreation, on biodiversity and on regional parks.

27. The revocation and abolition of RSS has left these vital issues un-catered for at the regional level. Clearly some of the initiatives that the Government has already announced, including the establishment of LEPs and a duty to co-operate, covered below, will fill some gaps but the RTPI fears that these arrangements will lead to an ad hoc approach to environmental, economic and social policy. The RTPI feels that it is most useful at this stage to set out the criteria against which Government proposals should be judged rather than trying to design a new system in abstract. The RTPI believes that the following criteria must be addressed.

- Are areas or communities adversely affected if they are not covered by one or more of the new initiatives?
- Do structures and policy vehicles have statutory definition where this is required?
- Have the proposals made necessary linkages to the existing planning system and to proposals at both national and neighbourhood levels?
- Are new bodies and structures enabled and encouraged (and, if necessary, required) to adopt a spatial planning approach as part of their responsibilities?
- Are the suggested structures and policy vehicles enabled and encouraged (and, if necessary, required) to engage with and be influenced by local and other communities in exercising their functions?
- Given that the new system is community led, will the suggested structures and policy vehicles form a comprehensive, transparent and inter-related whole if all communities opt to adopt these proposals?
- Do the suggested structures and policy vehicles explicitly link planning with investment?
- Will relevant clauses of legislation give equal weight to the economic, environmental and social remit of spatial planning?
- Will the suggested structures AND policy vehicles provide a framework of certainty within which development beneficial to local communities can take place?
- Will they serve to retain and develop the expertise, skills and information that exists to undertake this type of planning?

The adequacy of proposals already put forward by the Government, including a proposed duty to co-operate and the suggestion that Local Enterprise Partnerships may fulfill a planning function

28. In this section, the RTPI evidence comments on the adequacy of four current Government proposals; proposals at the national level, Local Enterprise Partnerships (LEPs), the duty to co-operate and joint working.

NATIONAL PLANNING

29. The Royal Town Planning Institute has long advocated—and campaigned for—some form of English national spatial framework. The RTPI, therefore, welcomes the Coalition’s thinking on this level of planning and is keen to work with the Government on developing all these initiatives.

30. However, we feel that there is currently uncertainty as to the nature of the National Planning Framework. Is it, as *Open Source Planning* states, a *simple and consolidated* bringing together of all national planning policies (PPSs and PPGs) or will it go further, as the Coalition Agreement states, *set out national economic and environmental priorities*? This implies that there would be sections on aspects which are not covered by existing DCLG guidance. In this case, what is its relationship with; the existing and proposed National Policy Statements, other Government policies and the National Infrastructure Plan?

31. Equally importantly, what will its relationship be with Government spending decisions, including the Regional Growth Fund, which will impact in different ways in different parts of the country? Additionally, will it act as a material consideration (in practice or in statute) for neighbourhood and local planning?

32. The RTPI believes that the current thinking and plans of the Coalition Government could provide the opportunity to achieve an integrated approach to planning and investment at national level which has not been previously achieved in England. However, there is the equal risk that the plethora of different plans, policies and proposals set out in this Briefing Note could lead to a fragmentation of policy making and to inefficient investment which would impact adversely on the abilities of the Government to achieve its own bold objectives.

LOCAL ENTERPRISE PARTNERSHIPS (LEPs)

33. The RTPI has submitted general evidence to the BIS Select Committee's inquiry into LEPs. Specifically on planning, however, the RTPI very much welcomes the encouragement to those putting forward outline proposals to include some form of planning function in those proposals. Now that the proposals have been submitted, we trust that one of the assessment criteria for them—criteria which have not been published—will be how they propose undertaking this function.

34. We cannot see how LEPs can fulfil their main stated function without a clear understanding of the role of spatial planning in achieving economic renewal and development.

35. However, the RTPI looks in vain for any encouragement for those proposing LEPs to demonstrate how they will work within an existing planning and investment system or relate to the Government other proposals and, importantly, how they will add value to that system.

36. The vacuum left by the revocation of Regional Spatial Strategies (RSSs) and intended abolition of them and of the Regional Development Agencies, Regional Partnership and Leaders' Boards and Government Offices for the Regions has not been filled by Local Enterprise Partnerships and it is disingenuous for Government to suggest that LEPs in some way "replace" RDAs.

37. It may be desirable in some places for LEP plans to have a statutory basis in forming a joint LDF core strategy leaving individual Local Planning Authorities to produce neighbourhood or Area Action Plans. Additionally, overall, it would be prudent for the statutory basis for LEPs to include their purpose.

38. Finally, but importantly, if the LEPs are to become involved in the development of a long-term vision, then there is a need to ensure that the community have an opportunity to comment on and shape the future of planning policy within their areas.

A DUTY TO CO-OPERATE

39. There is already a limited duty co-operate in the Local Government and Public Involvement in Health Act 2007. This refers only to the preparation of Local Area Agreements (LAAs).

40. The RTPI will be looking to the wording of a similar duty embodied in the Decentralisation and Localism Bill with the following questions:

- Will this duty apply at all local authorities, or to all statutory bodies or will it only be applied to Local Economic Partnerships?
- Will it apply to all activities including local development planning, local infrastructure planning, sub-national working and the preparation of the national planning framework?
- Is co-operation defined? In effect, the duty in the 2007 Act was discharged by taking part in the process of drawing together an LAA whatever the outcome was.
- Will, therefore, failure to co-operate be defined?
- Will there be any sanctions specified for failure to co-operate and which may be responsible for encouraging, monitoring and taking action on co-operation?

JOINT WORKING

41. There are already numerous examples of joint working in spatial planning including the preparation of joint Local Development Framework core strategies; Sub-regional working and sub-regional strategies and the RTPI would be pleased to provide details of examples of these should the Committee feel that this would be useful. This is very much to be encouraged and the RTPI accepts that it has a role in working with others, notably the Local Government Group and the Planning Officers Society to provide guidance and examples of effective practice and will be looking to Government to endorse this activity.

42. The RTPI will be evaluating the Bill to see whether it strengthens the opportunities for voluntary joint working already embodied in the 2004 Act—or whether it introduces a degree of coercion into the process.

How the data and research collated by the now-abolished Regional Local Authority Leaders' Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries

43. The RTPI considers that the retention and development of the evidence base that informs strategic planning is vital. We note that the letter sent to Chief Planning Officers on 6 July announcing the revocation of RSSs stated that:

the planning data and research that they [Leaders' Boards] currently hold will still be available to local authorities ... whilst they put in place their own alternative arrangements for the collection and analysis of evidence.

44. This implied that regional level data and evidence may not be held in the longer term and, certainly, that it will not be updated and developed. This is unacceptable and will seriously compromise the abilities of sub-regional groupings and LEPs to have an informed wider view of the dynamics of the area and the overall context within which they are making policy.

45. There are already regional based "Observatories" and it would seem sensible to make best use of the expertise that they represent in tackling this issue.

46. The RTPI would be pleased to add to and elucidate any of the points made in this evidence, either in writing or in oral evidence to the Select Committee.

September 2010

Written evidence from Town and Country Planning Association (TCPA)

1.0 ABOUT THE TCPA

1.1 The Town and Country Planning Association (TCPA) is an independent charity working to improve the art and science of town and country planning. Representing the views of our membership organisations and individuals from local authorities, planning academics and practitioners under the policy guidance of the Policy Council, the TCPA puts social justice and the environment at the heart of policy debate and inspires government, industry and campaigners to take a fresh perspective on major issues, including planning policy, housing, regeneration and climate change. Our objectives are to:

- Secure a decent, well designed home for everyone, in a human-scale environment combining the best features of town and country.
- Empower people and communities to influence decisions that affect them.
- Improve the planning system in accordance with the principles of sustainable development.

1.2 The TCPA welcomes the Communities and Local Government Select Committee's inquiry into the impact of the recent changes to the planning system and in particular the revocation of Regional Strategies (RS). The TCPA has been actively engaged in examining the proposals set out in the Conservative Party Policy Paper, "*Open Source Planning*"¹⁶ which laid the foundations for the new Government's reform package. Drawing on feedback from over 100 participants in five cross-sector roundtable debates held this autumn, the TCPA's latest publication "*The Future of Planning Report*"¹⁷ presents a series of solution-focused recommendations.. The report can be downloaded from our website at <http://www.tcpa.org.uk/pages/the-future-of-planning.html>.

1.3 The TCPA statement *Making Planning Work: A peaceful path to real reform*, also informed by the roundtable debates, sets out the four principles the TCPA believes need to be considered in future planning reform. The statement can be downloaded from our website at .

2.0 THE CASE FOR STRATEGIC PLANNING

2.1 A planning system which is truly fit for purpose must offer a strong narrative of strategic spatial policy, from national through sub-national and city-regional to local and neighbourhood levels. This is simply because the challenges we are confronted with in infrastructure investment, housing, climate change, biodiversity and social inclusion are played out at differing spatial scales. This narrative is not about a simplistic top-down imposition. Instead, it must recognise the need to integrate the differing spatial challenges into a coherent framework which can help guide decision making in all sectors. *A position where there is no linkage between high-level national policy and localised planning strategies is neither practical nor in the best interest of the sustainable development of the nation.*

¹⁶ "*Open Source Planning*" (February 2010), Conservative Policy Green Paper No. 14.

¹⁷ TCPA (2010) *The Future of Planning Report—distilling the roundtable debates*. TCPA, London http://www.tcpa.org.uk/data/files/tcpa_futureplanning_report.pdf.

2.2 The TCPA is a strong believer in the need for a national spatial framework, and made the case for such policy in its 2006 report, *Connecting England*¹⁸, and in a subsequent report, *Connecting Local Economies*¹⁹, published in February 2010. “*The Future of Planning*” also offered evidence of the need for effective strategic sub-national planning. While strong criticism of the value of current regional strategies was expressed, particularly regarding their lack of accountability, a very powerful case was made for a strategic tier. This case is based on the conclusion that many planning issues are most efficiently and effectively dealt with at the sub-national and sub-regional rather than local level. *This is partly because of spatial reality that catchment areas and functional economic areas which are critical to effective planning do not respect local authority boundaries. There is also a strong efficiency case for the pooling of expertise and data to deliver a cost-effective planning process.*

2.3 The TCPA believes that on the whole the regional planning approach established in 2004 had substantial benefits to the delivery of sustainable development in England. However, the boundaries of these regional plans, particularly in southern England, were sometimes unhelpful and their connection to the community and business sectors, as well their democratic accountability, needed urgent reform.

2.4 The overall TCPA conclusion is that while change was necessary the outright revocation of RS was not in the public interest. This conclusion is based both on the process of how RS were removed without adequate transitional arrangements and on the substantive impact that the removal of the regional tier will have on addressing important issues such as housing and climate change. Our evidence seeks to explore both of these issues.

3.0 THE PROCESS OF REVOKING REGIONAL STRATEGIES (RS)

3.1 The Secretary of State for Communities and Local Government (CLG) effectively revoked RS in a letter dated 27 May 2010. The letter stated that local authorities were no longer required to have regard to regional housing figures. It was made clear that RS would be abolished in the forthcoming Decentralisation and Localism Bill, but that in the interim RS have ceased to be an effective part of the English planning framework outside London. The regional planning bodies responsible for RS have been quickly disbanded.

3.2 Since the letter on 27 May 2010 was issued there is not yet an effective transition plan in place to deal with the uncertainty inevitably caused by the removal of the RS. Under the 2004 Planning Act, RS and the Local Development Framework (LDF) are two parts of the same development plan (see section 38(3) of the 2004 Planning and Compulsory Purchase Act). The RS sets much of strategic context for the LDF and LDFs should not, according to Government guidance in PPS 12, repeat RS content. In reality much of this strategic context comprised research, data sets and strategic allocations on housing and energy which formed both the evidence base and shaped the direction of LDF policy. The revocation of RS, therefore, not only removed one half of the legally defined development plan, but it compromised the basis for much of the remaining LDF policy. Adopted LDFs are now subject to potential challenge and those in preparation will require urgent review. It is unsurprising, therefore, that both legally and pragmatically the letter of 27 May 2010 created uncertainty for those preparing and implementing LDFs. We are aware that the preparation of some LDF frameworks has been halted until there is greater clarity on the detail of the reform package. The scale of this delay is illustrated in the TCPA and Cushman and Wakefield’s recent sample of local authority opinion, where approximately 46% of respondents said they expected the revocation to result in delays adopting their core strategy.²⁰

3.3 We believe the uncertainty created for communities and for business after the letter of 27 May 2010 has been damaging to the achievement of plan coverage and to processes of systematic evidence gathering.

3.4 There is a secondary legal concern to the revocation of RS around the need for an adequate equalities impact assessment (required under the 2010 Equalities Act), of the consequences of implementing the “*Open Source Planning*” policy document, which may lead to legal challenge. Legal challenges are already under way by private sector interests seeking to defend RS development allocations²¹.

3.5 Regional planning bodies held immensely important data sets which need to be kept to inform the LDF process. While CLG has since made clear the need to make this data available in a letter from the Government’s Chief Planner to all Local Authority Chief Planning Officers on the 6 July 2010²² it would have been helpful to agree common approaches *before* the 27 May 2010 letter. As a result, different regions are taking differing approaches (For example the East Midlands RS evidence base will be held by Nottingham Trent University, the South West data will be held by the British Library). While existing data may be saved through these ad hoc agreements there is no compulsion for any local authority to have regard to it in formulating new plans.

¹⁸ TCPA (2006) *Connecting England. A Framework for Regional Development*. Final Report of the TCPA-Appointed Hetherington Commission on the Future Development Needs and Priorities of England. TCPA, London <http://www.tcpa.org.uk/pages/connecting-england-connecting-england-76.html>.

¹⁹ TCPA (2010) *Connecting Local Economies—the transport implications*. TCPA, London http://www.tcpa.org.uk/data/files/connecting_local_economies_final.pdf.

²⁰ TCPA and Cushman and Wakefield national planning survey (August 2010).

²¹ Planning Resource (10 August 2010) *Pickles faces legal challenge over regional strategies* www.planningresource.co.uk/news/ByDiscipline/Housing/1021293/Pickles-faces-legal-challenge-regional-strategies/.

²² CLG (6 July 2010) Letter to local authorities announcing the revocation of Regional Strategies. www.communities.gov.uk/documents/planningandbuilding/pdf/1631904.pdf.

Neither is the existing data always available in a form which is disaggregated and therefore useful to a local authority. Most importantly, there are no arrangements for this information to be periodically refreshed and therefore its usefulness to local planning is limited.

3.6 The loss of planning expertise is also a significant issue. The TCPA does not argue for planning jobs for their own sake, but it is important to note that some of most able strategic planners with key expertise on issues such as climate change were working at the regional level.

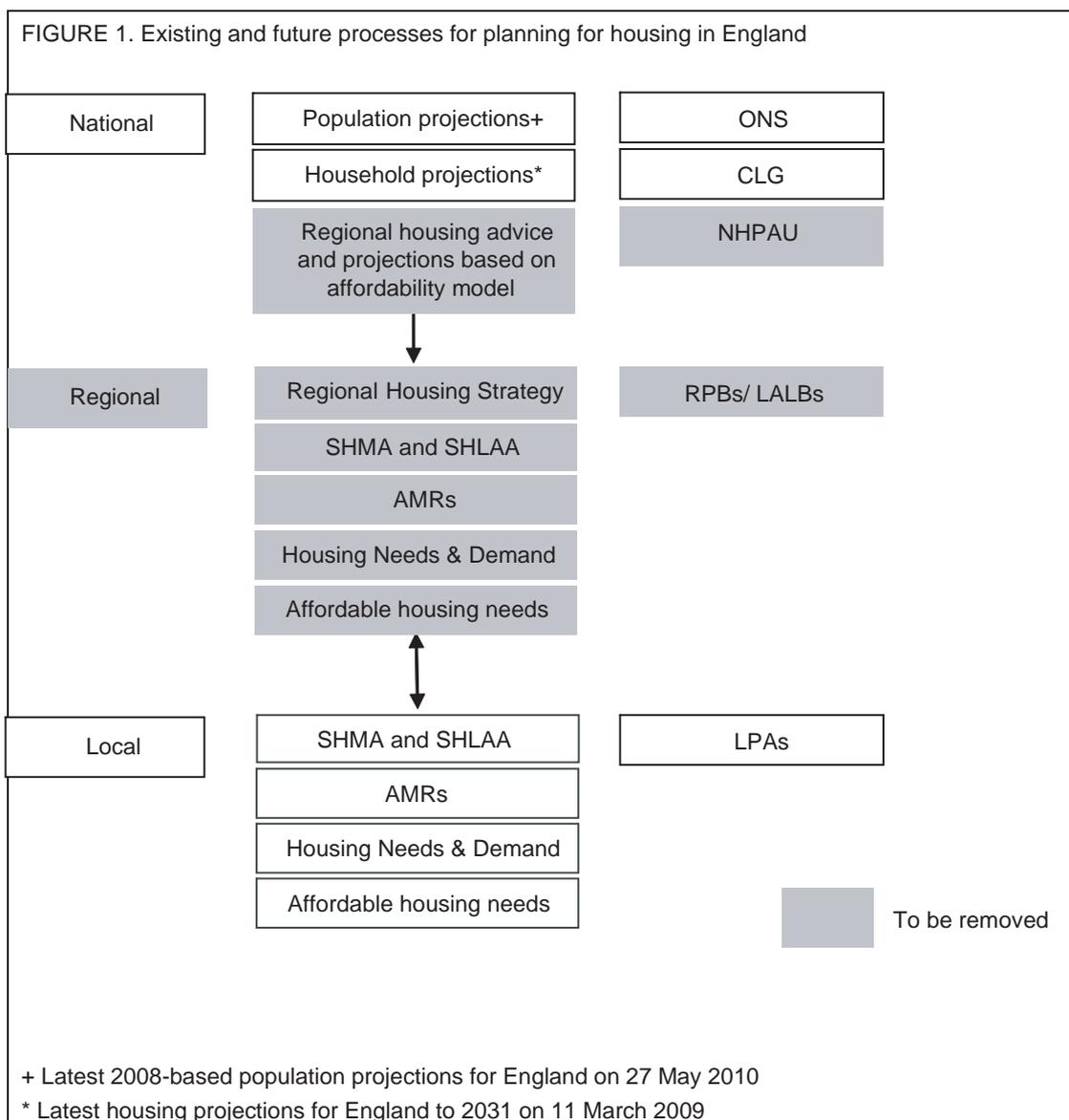
3.7 There does not appear to have been inter-department cooperation and understanding of the consequences of the revocation of RS and regional planning bodies. For example, the Department for Energy and Climate Change (DECC) are continuing to fund regional energy capacity studies despite the fact that there are no regional planning bodies to implement them. While it is true that local authorities have access to this data it is not clear that DECC were fully aware of likely negative impacts of revoking RS on the delivery of renewable energy.

3.8 It is important to highlight that historically the normal approach to planning reform (for example in relation to the 2004 Planning Act) is to leave current arrangements in place while a transition is made to new system. In the interim clear timescales are set for the changes in order that a measure of certainty is created for all parties.

4.0 THE SUBSTANTIVE IMPACTS OF THE REVOCATION OF RS

4.1 *Housing*

4.1.1 The removal of RS and the associated abolition of the National Housing Planning Advice Unit (NHPAU) will have a substantial impact on the way housing needs are forecast and provided for through the planning system. In short, a nationally organised and regionally and locally expressed housing regime based on targets has been replaced by exclusively local consideration of housing needs. “*The Future of Planning Report*” concluded that the consequences of these measures would be a significant “under provision” of housing because local housing needs assessments may not adequately consider international, national and regional housing pressures.



4.1.2 The impact of the removal of the regional tier contained in the Secretary of States letter of 27 May 2010 and the subsequent abolition of the NHPAU means there will be the following uncertainties until further detail is given on how local housing need will be assessed:

1. There is uncertainty about the linkage between nationally collated demographic data sets and local authority housing needs assessments.
2. There is no national derived target mechanism to deal with overall housing needs or particular social housing needs.
3. There is no mechanism for dealing with needs of particular ethnic groups who have distinctive housing needs such as travellers.
4. There is no mechanism for apportionment of international, national or inter regional demographic change.
5. There is no mechanism for the relocation of housing pressures from areas of high demand and limited capacity to areas of greater opportunity.

4.1.3 The Government has suggested a range of solutions based around financial incentives to deliver more housing which are discussed in section 6. However there is clear evidence not only that the system will not meet future housing needs but that existing planned provision is being taken out of the system. Research carried out by Tetlow King Planning, found that the revocation of RS had a “very significant impact” on reducing local authority house building targets. The research commissioned by the National Housing Federation (NHF)

found that the Government's decision to allow councils to no longer consider the regional targets has resulted directly or indirectly in plans to build 84,150 homes being dropped²³.

4.1.4 While only a short time has elapsed since the revocation of RS there is now little doubt that the measure has had a significant short term impact on our ability to understand, plan for and deliver the housing vital to the well being of our communities.

4.2 CLIMATE CHANGE

4.2.1 Spatial planning has a major role to play in dealing with climate change. The regional tier set carbon dioxide reduction targets, renewable energy generation targets and climate change adaptation objectives. It allowed for a strategic approach to flood risk which inevitably has cross border impacts. In some regions such as the East Midlands and East of England it was the key forum for data collection and a strategic response to sea level rise.

Strategic planning and climate change in the east midlands

The East Midlands RSS Partial Review (Lincolnshire Coastal Strategy see pages 33 to 39 <http://www.emra.gov.uk/files/revised-draft-emrp-march2010.pdf>) was an excellent example of strategic planning which successfully brought together all of the key players at regional and local levels. The fact that the RSS Partial Review will not now proceed leaves this piece of work in limbo. It is to be hoped that the consensus will hold together and it can be used to inform LDFs but there is no guarantee that this will be the case.

Lincolnshire's coastline boasts some of the country's most versatile agricultural land, a successful tourism industry and internationally-renowned nature conservation sites and its residents can feel justly proud. Unfortunately, with large areas at or below sea level, this is not immune from the impacts of climate change, like rises in sea level and more frequent storms. The government asked for more research about the implications for sustainable development in the face of sea level rises, as a consequence of climate change. This was used to help prepare for a review of the Regional Spatial Strategy (RSS), which guides future development in the East Midlands.

The Lincolnshire Coastal Study Group was formed to look at this and consists of:

- Lincolnshire County Council.
- the three coastal local authorities (East Lindsey District Council, Boston Borough Council and South Holland District Council).
- Government Office for the East Midlands (GOEM).
- East Midlands Development Agency (emda).
- Environment Agency.
- Natural England.
- East Midlands Regional Assembly (EMRA).
- Internal Drainage Boards.

The key conclusion of the group aimed to shape development that was resilient to climate change across a whole coastal area. It is unlikely that such a project would have taken place in absence of strategic planning body with eh resources to do so. The future of the project is now uncertain.

4.2.2 Planning for renewable energy also illustrates the potential challenges with the revocation of RS, particularly in terms of linking our EU obligations which flow out of the Renewable Energy Directive²⁴ with the detailed implementation at the local level. Local authorities and the town and county planning regime have responsibility for all energy projects under 50 megawatts. Regardless of market incentives to invest in renewable energy no project can take place until final development consent has been provided through the planning process. The planning system is therefore the final gateway and as a result the key enabler in achieving a low carbon energy future.

4.2.3 The diagram below provides a comparison of the old RS process and the "*Open Source Planning*" regime. At present, there is a gap between EU and national aspirations and local delivery which raises some important issues:

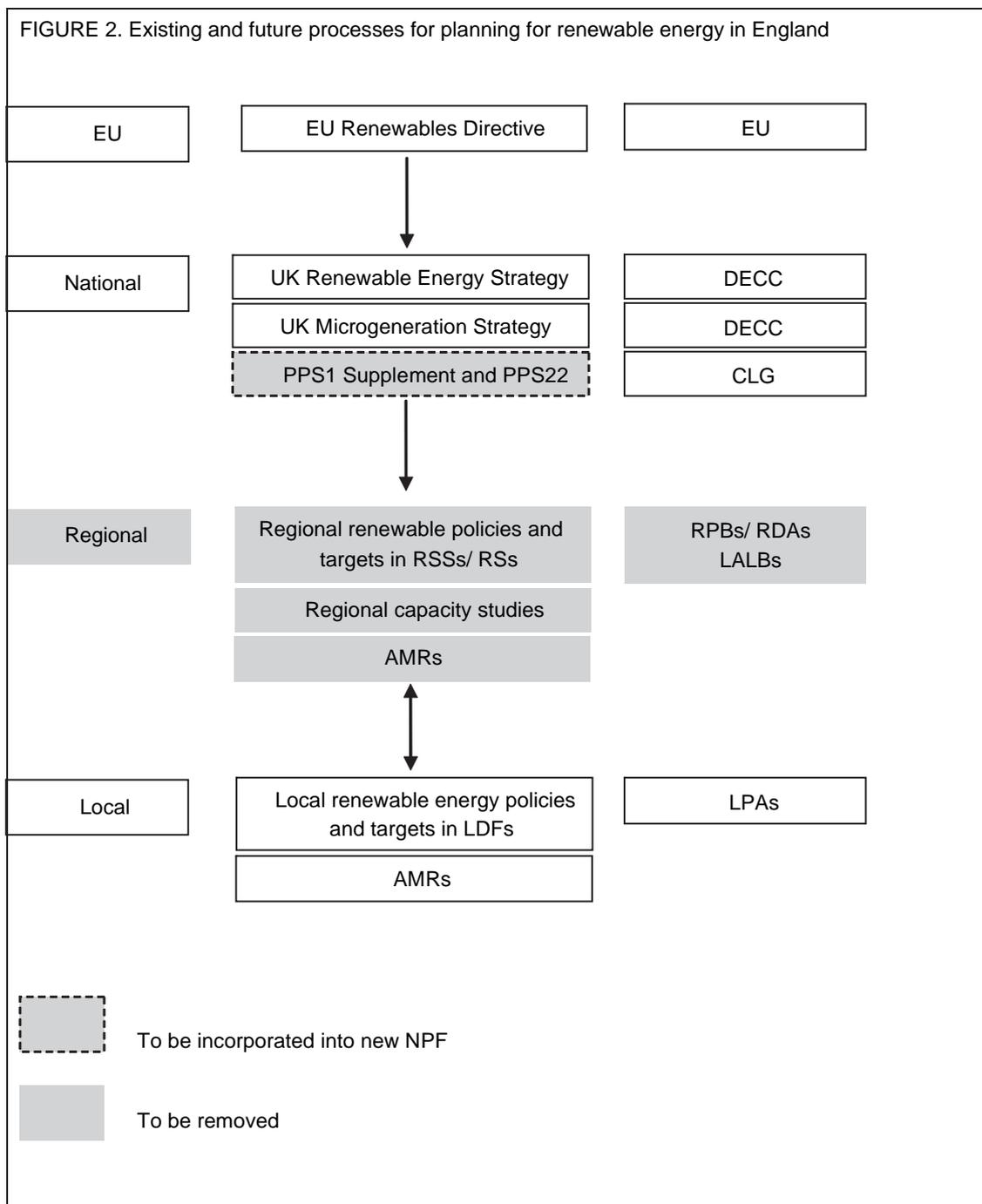
- What will be the mechanism to ensure local authorities meet the Renewable Directive target regime?
- How will local authorities respond to the obligations of the Directive if they have significant environmental constraints?
- Local authorities will have different constraints and capacity for approaching renewable energy and will need to cooperate with each other in order to overcome their different positions.

²³ Planning Resource (19 July 2010) *Report: Councils scrap plans for 85,000 homes* <http://www.planningresource.co.uk/news/ByDiscipline/Housing/1017012/Report-Councils-scrap-plans-85000-homes/>.

²⁴ EU Renewable Energy Directive (2009) Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

4.2.4 While the potential of the “duty to cooperate” to solve these issues is dealt with below it is important to note that onshore wind is both vital to our achievement of a low carbon economy and locally very controversial. It is unlikely that many district councils would, unsupported, have the planning skills base or political will to respond to the pressing need for the expansion of renewable energy.

5.0 SOLUTIONS



5.1 The Coalition Government has put forward two principle solutions to the problems created by the abolition of RS. The first is a new “duty to cooperate” which will be contained in the forthcoming Decentralisation and Localism Bill due to be published in November 2010. The second is the proposed incentives regime.

5.2 Duty to cooperate

5.2.1 There is as yet little detail on what the “duty to cooperate” will contain but “Open Source Planning” argued that it would ensure effective working relations between neighbouring authorities who share cross border issues. There was also the suggestion that such cooperation may lead to joint infrastructure plans. Joint

infrastructure plans would, however, be voluntary and their legal status in the planning system has not yet been made clear.

The legal status of the Development Plan and why it matters

Section 38(6) of the 2004 Planning and Compulsory Purchase Act continued the plan led regime established in 1991. The 2004 Act defined the development plan as consisting of RS and the Development Plan component of LDF. Decisions must be made “in accordance with the plan unless material considerations indicate otherwise.” This gives the development clear primacy over other strategies in planning decisions. The vital issue is that while voluntary infrastructure plans or REP strategies might be desirable we have to be very clear about what relationship they have to legally defined development plan for an area if their policy is to be effectively translated into real outcomes. The RS regime was clear on this point but much greater clarity is needed on the Open Source planning proposals.

5.2.2 More clarity is required on how the “duty to cooperate” would work in detail. A broad brush duty would allow very wide interpretation as to what cooperation might mean and would need to overcome the likely tensions which already exist between authorities in areas of high development pressure. The duty would have to deal with the very tough decisions currently made through RS as to the allocation of profoundly unpopular development such as waste recycling, minerals development and onshore wind farms.

5.2.3 The “duty to cooperate” would need therefore to be accompanied with detailed guidance to issues which it would deal with, for example to ensure climate change and flood risk were not ignored. It would also need to be prescriptive as to what cooperation means in terms of the production of a joint strategy with defined review periods and a clear commitment to resource the process. It would need to ensure that cooperation meant taking responsibility for deciding on unpopular forms of development.

5.2.4 The Government has also stressed that the preparation of Local Enterprise Partnerships (LEP) provides an opportunity for enhanced cross border cooperation. On the 29 June 2010 the Secretaries of State for Department for Business, Innovation & Skills (BIS) and CLG wrote to Local Authority Leaders, Business Leaders and Local Authority Chief Executives inviting them to submit proposals for LEPs which would replace Regional Development Agencies²⁵. LEPs will have responsibility for economic development, but it is not yet clear whether they will have precise planning powers. The Rt Hon Vince Cable MP, Secretary of State (BIS), suggested at a select committee appearance on 21 July 2010 that the Government was open to suggestions, but did not wish to be prescriptive. Some proposals for LEPs do assume planning powers will be part of the package. If the LEPs were to assume planning powers then a whole series of further questions need to be dealt with. For example LEPs have an economic growth focus rather than a sustainable development remit. Careful consideration would need to be given to the match between the 56 area bids for LEPs received by Government and the reality of the economic and environmental geography of these localities.

5.2.5 Overall the measures proposed to compensate for the loss of RS are currently hard to evaluate without the details of how they might fit with the statutory planning system. To be effective the “duty to cooperate” would have to be defined in detail as to what cooperation might mean. If the LEPs are to assume strategic planning powers then what status would any plan or strategy they prepare have in law?

5.3 *The Incentives regime*

5.3.1 The Coalition Government has placed considerable emphasis on the power of financial incentives to replace top down target setting. The TCPA welcomes the initial proposals that local authorities gain directly from bonuses for housing approvals based on council tax values. However, we remain concerned as to the effectiveness of this regime in meeting the current housing crisis. We are surprised that a more detailed feasibility of such incentives was not carried out to evaluate the degree to which they may meet overall needs or how such revenue is to be split in two tier authorities. It is also unclear that such incentives paid to local authorities will be sufficient to overcome local opposition.

5.3.2 The stated level of incentive (for example 125% of the value of council tax for six years for affordable housing) now also seems to be under review. The Housing Minister, the Rt Hon Grant Shapps MP, wrote to councils on 9 August reiterating the Government’s commitment to a new homes bonus scheme. However, his letter made no reference to the intended level of subsidy. CLG has previously made clear that the first year of the tax matching scheme would be funded from the scrapped £200 million housing and planning delivery grant. However, if output remained level the Chartered Institute of Housing estimates the proposed housing subsidy would cost much more, reaching £1.2 billion a year from year six. If, as seems probable, the level of incentive is further reduced then the need for a robust plan-led target driven regime should be re-examined. In fact both effective planning and new financial models are necessary to meet social housing needs.

5.3.3 In taking new models forward at a time of economic constraints and uncertainty, the TCPA believes that the incentive regime should be considered within the wider context of the Coalition Government’s review of how local government is financed, including reforms to Housing Revenue Accounts.

²⁵ BIS and CLG Letter (29 June 2010) <http://www.communities.gov.uk/documents/localgovernment/pdf/1626854.pdf>.

6.0 CONCLUSION: THE NEED FOR A LONG TERM SOLUTION

6.1 The removal of forums and mechanisms for dealing with controversial cross border issues such as housing growth or energy production does not remove the underlying pressures which drive these challenges. The proposed new measures to replace the function of RS require careful examination and require more detail to understand how they will meet housing and climate change challenges. As a society we need, both in the medium to long term, to put in place flexible and democratic strategic planning.

6.2 The TCPA believes that a revised planning system must offer a strong system which can deal with strategic issues which are too big in scale or timeframe to be resolved within one local planning authority area. Some might be whole city-regions, some might be parts of conurbations, and others might be among clusters of towns.

6.3 Democratic strategic planning is not top-down imposition, but about integrating local plans into coherent frameworks. Effective strategic planning can reduce costs to both public and private sectors, secure efficiency savings, and protect the environment. It can:

- provide certainty and generate confidence for private investors;
- set clear priorities for public expenditure;
- make best use of resources and specialist skills in plan-making; and
- align public and private investment, and national and local spending plans.

Suggested tests for a new framework

To avoid the mistakes of the past any new framework should be guided by a set of clear tests, including the following:

- *Functionality*: The idea of using functional economic and social characteristics to define planning areas is well established and is best expressed by the city-region, based on factors such as travel to work areas. In fact there can be competing functional areas, requiring a flexible and holistic approach to defining boundaries. However, pragmatically we already have models of city-regions in places like Manchester and Leeds, which are actively defining functional areas and seeking joint working arrangements. Manchester has moved further to establish a joint authority for some planning functions. There are, however, holes in the city-region approach, both for deep rural areas and in areas of competing city influence (Leeds-Bradford and Manchester, for example). There is therefore a need for flexibility to deal with the diversity of needs and aspirations, rather than a one-size-fits-all approach. An effective national spatial framework would provide a measure of coherence between this mosaic of strategic plans.
- *The Future of Planning Report* identified some very serious unintended potential consequences of the city region approach—particularly the prospect of an all-powerful Greater South East mega-region which, while functionally coherent, might reinforce already acute regional disparities between the North and South unless it were set within a strong national spatial framework.
- *Accountability*: The chapter on people and planning in Section 4.4 of the *Future of Planning Report* provides more detail on rebuilding trust in the planning system. It is, however, vital that regional planning units resonate with communities in a way that the standard regions do not, and that direct democratic accountability is provided through the partner local authorities.
- *Effectiveness*: There are two major lessons to be learnt from previous methods of regional planning. The first is that voluntary collaboration between local authorities can be hard to achieve and can disintegrate following a change of political leadership. Second, the Regional Planning Guidance (RPG) system in place prior to 2004 created plans whose uncertain status as “guidance and advice” limited their effectiveness. These problems were not universal, but they were particularly acute in areas of high development pressure and competing demands.

These lessons imply that if a voluntary approach to forming functional planning regions is adopted, there must be safeguards to ensure effectiveness and coherence and to make sure that peripheral communities are not left out.

6.4 The new system must address the issue of the evidence and expertise required to inform strategic planning decisions. As regional planning structures are abolished, it is vital that respected, independent technical advice bodies provide information and support on issues such as housing, waste and climate change. The abolition of bodies such as the NHPAU, the Sustainable Development Commission and the Royal Commission on Environmental Pollution could hinder local authorities and communities’ ability to achievement sustainable development; to ensure they are able to deliver on the dual challenges of housing and climate change they must have access to transparent data and advice.

Written evidence from Shortwood Green Belt Campaign

EXECUTIVE SUMMARY

We need a fair system of checks and balances in the planning system, for we do not have one at the moment. This means:

- The right of third party appeals on all planning issues is a pre-requisite. The existing one sided right of appeal, for planning applicants only—not objectors under any circumstances—is surely a breach of European Law?
- Green Belt protection has got to go back to first principles. It is not a Land Bank to be drip-fed to developers. The existing rules are adequate as written but have now to be rigorously enforced, particularly along the inner edge. Abuse of the “Exceptional” argument has become mere routine and must be checked.
- The scandals of empty houses, “buy to leave” schemes, empty flats above retail spaces, under-occupation by singletons, double counting of social housing applicants etc. etc. have all got to be addressed if an accurate picture of the need for any new house building is to be assessed.
- In Twenty-first Century Britain it should not be beyond the wit of government to service a national website database of all land owned or under the control of developers, such that concerned individuals can check out their own neighbourhoods for potential development risks prior to applications being submitted.
- The re-development of previously used sites has got to be made attractive to developers, either by carrot or stick, such that re-generation becomes feasible as opposed to constant urban sprawl.
- Local planners should be allowed to adopt a sequential approach to planning, ie previously developed sites before green fields.
- The involvement of communities as equal stakeholders from the outset.
- Section 106 funding for “Parish Plans” to define local wishes and underpin local planners’ work on Development Plans.
- Section 106 funding also for independent, professional, community-initiated archaeological and environmental surveys undertaken before developers desecrate proposed development sites.
- Access to comprehensible government statistical digests and briefs (such as those now lost with the demise of the GOSW website) to underpin local communities’ input into the planning process.

SHORTWOOD

Shortwood is a socially diverse, green belt hamlet of 80 or so modest Victorian dwellings built for colliery and quarry workers, now blighted by SW RSS proposals for urban extensions to Bristol, which would result in an additional 1,000 dwellings swamping the village, swallowing us into the city’s urban sprawl and resulting in the loss of all community cohesion & identity.

OUR EXPERIENCE OF THE DRAFT SW RSS

The draft South West Regional Spatial Strategy was never actually finalised, let alone ratified. The furthest it got was to formal public consultation. It ground to a halt when 35,000 people objected at the first opportunity for input by ordinary local people across the region. On the usually accepted industry standard ratio of one objector to 100 like minded people, this represents 3.5 million people, out of the region’s 5 million population. Clearly something was intrinsically wrong with the SW RSS, though neither of these caveats prevented unscrupulous speculative developers quoting the SW RSS requirements to justify their green belt development schemes. During this fraught period of public consultation the Government Office for the South West undertook to publish all consultation submissions on their website. Needless to say this government commitment has never been honoured.

The incoming coalition government’s abolition of Regional Spatial Strategies is a welcome move towards local democracy, since the RSS process was shamelessly abused as a mechanism for unilaterally imposing central party dogma on dissenting communities who could clearly see the nonsense at its heart, a clear case of The Emperor’s New Clothes. There was never any justification or evidence underpinning the level of housing to be imposed around Bristol by the SW RSS. It was simply figures plucked out of the air. Figures that one local MP, Don Foster MP for Bath, was to discover mysteriously increased each time one objected. Yet the ghost of the SW RSS still exists, developers still quote its provisions and the South Gloucestershire Council has automatically reverted to the penultimate draft SW RSS level of build for the authority’s Core Strategy, despite the lack of any evidential base for that figure.

The South West RSS covered at least three distinct and disparate economic regions. The economic and social arguments used by GOSW to justify the SW RSS may indeed apply to the “far south west” but certainly do not apply to the already prosperous West of England. Yet the bulk of SW RSS growth was to enhance the position of Bristol as a “European City”, principally by building urban extensions on green belt land. None of the statistics used by GOSW to justify the SW RSS in the media actually apply to local authorities in the West of England, whether “affordability,” “social housing need” or “economic growth”. This was blatantly clear in

the GOSW's own Statistical Brief for each of the authorities in the region. At the end of the SW RSS plan, 20 years down the line, the social and economic disadvantage of the far south west would in fact have been made far worse by their proposals, due to the bulk of available development resources having been allocated to prosperous Bristol.

The only beneficiaries from the housing proposals of the SW RSS would have been speculative mass housing builders and strangely this group had been involved as stakeholders in the whole RSS process from in its very inception—the regional working parties leading up to the Treasury driven Kate Barker Report. Indeed locally, on-line via the internet, we can even trace one speculative developer's presence at those meetings, subsequent Regional Assembly consultations, then working with regional land holding Quangos and finally as an individual land holder in Oldland Common—one of Bristol's RSS identified green belt, urban extension, housing areas of search. A second consultant appears producing technical reports for the Regional Assembly on housing capacity within the region and subsequently as a planning consultant for two major planning developments within the urban extensions required due to the high levels of housing evidenced by his report. No "Glass Ceilings" here in the planning industry then!

OUR LOCAL EXPERIENCE OF THE DEVELOPMENT PLANNING PROCESS

Local authority planning departments are quite capable of unilaterally producing evidenced-based spatial plans to deliver sufficient housing to meet local needs, including legitimate levels of growth, over a 20 year period. However, stake-holder developers will never unanimously agree to any such plan, because said plans are unlikely to cover all the land into which they have invested significant amounts of time and money to wrest control. Each developer wants all their land designated for development to the exclusion of all other developers. It begs the question of whether the role of local authority planners is to deliver the schemes that commercial speculative developers dream up, or whether the role of builders is to deliver the community development plans required by each local authority.

Local communities however feel excluded by the whole process and, worse, have no right of appeal when things go badly wrong and developers produce inappropriate plans, which they then try to bulldoze through planning committees and planning inquiries. One can only appeal to the Local Government Ombudsman once the whole process has been completed, by which time the fields have been concreted over! Yet given the parlous state of all local and national government communications, and not being considered true stakeholders, often the first that local people on the ground know of building plans is when surveyors turn up in fields next to their home—even when the local authority thinks it has consulted with the relevant parish council or town council. This was the problem in Thornbury with the Park Farm development. Even such lower tier councils may still not properly represent the views of communities, if indeed they have even informed local residents, let alone truly consulted them.

Additional problems can occur when planning officers themselves seem to be not entirely open with their own planning committees, often appearing to outsiders to be hand in glove with developers. Officers sometimes even try to keep projects alive even when councillors think they have been turned down, burying "get out clauses" deep in the small print of technical subsidiary paperwork, as has happened in Shortwood with the draft Core Strategy's Strategic Housing Availability Assessment, in Mangotsfield over the technical interpretation of the traffic survey and in Keynsham, over the mis-handling of the K2 project paperwork. Sometimes the whole panoply of local government, media and business "stakeholders" appear to act arbitrarily, with complete disregard to "due process" in order to achieve their self-serving objectives, over the heads of the local community most affected by the planning outcome. Such an exemplar would be the disgraceful farce around the proposed new stadium for Bristol City Football Club (on green belt land) wherein both the Council's Chief Executive and the Council Leader were extolling the use of the new stadium for the 2018 World Cup even before the initial application went before their own planning committee.

And always in the background the murky world of developers secretly securing "options" from land owning farmers, often with threats where outright invitations to greed have proved unsuccessful. This is currently happening in Whitchurch where a farmer unwilling to sell (initially for £2,000 per acre and subsequently rising to £50,000 per acre) is now openly threatened by increasingly frantic speculators that unless they sell, Compulsory Purchase Orders will be sought by developers and they will then only get peanuts. Apparently one no longer has any control over one's own property in the face of scheming developers' plans for land they do not legitimately own or control, to build houses that the local community neither wants nor needs. Perfectly viable agricultural infrastructure is thus destroyed and fleets of lorries drive across Europe to replace their output on the English breakfast table.

This local background is necessary to understand our stance on your consultation, for all such exemplars demonstrate the low regard to which the current planning process has been allowed by Parliament to sink, illustrated from just one small corner of England. The nation currently has a planning system totally under stranglehold from ruthless, speculative mass-housing developers and their cohorts in the financial sector.

It is simply not a fair system

It is not a system of checks and balances because there is no balance.

Communities cannot appeal unfair decisions, are marginalised as NIMBYs if they speak out, are denied the information to mount effective challenges and are denied any meaningful input until plans are too far advanced to allow for any amendment or rejection. “Why are they only speaking up now?” said one senior South Gloucestershire planning official, when Thornbury residents spoke up only days after surveyors appeared in fields next to their homes. It was because no one had told them!

IN RESPONSE TO THE DIRECT QUESTIONS POSED IN YOUR RELEASE:

1. Local housing numbers should be determined by a proper, evidence-based, local assessment of *housing need* within the planning authority. The whole RSS process was flawed because it was based not upon need but upon assessments of “capacity” and “market” ie how many dwellings can you squeeze on to any given plot to feed the housing market. It was also based on a wildly exaggerated guesstimate of economic growth. It would be perverse in the extreme to assume that local authorities would deliberately under-estimate local demand for housing, not wanting to build themselves into successful and vibrant communities. If local authorities wanted lower housing figures for their area than those imposed by the RSS, it was for legitimate local reasons that national planners chose to ignore for political reasons.
2. If local housing targets are based on a proper assessment of local need, then the existing Core Strategy process is a more than adequate mechanism for defining housing numbers. If the Development Plan is genuinely and openly built from the bottom up, inclusive rather than exclusive, not a dictatorial top down system, not imposed by outsiders with no awareness of local conditions, then it will be accepted as honest and fair even by those adversely affected. It is the current subterfuge and unfairness that is at the root of the current hiatus.
3. Financial incentives to local councils will not work because such a policy assumes councils cannot be trusted to produce fair and balanced proposals that meet the needs of their local communities. It might work in the private sector to promote the knocking out of yet more widgets, but such a crude strategy abrogates the whole public sector ethos of professionalism and service on behalf of the community. It might even be seen as subverting “due process” by inducing authorities to accept otherwise unsound development projects simply for financial gain.
4. The national compact with developers for securing “social housing” has broken down as a result of the recession and needs re-assessing. One would assume that a recession would create greater need for social housing, but the mechanism for securing social housing has failed because of the recession. Fewer “open market” houses are required temporarily so, since the one is a percentage of the other, fewer social housing units can be secured from developers at a discount. Some creative thinking is required in the medium term.
5. The country needs a codified set of entitlements with respect to room space per person. The nation is currently way down the European league for space per person in new-build dwellings. The quality of build and green rating may now be higher, but is there enough space for meaningful family life, eg to eat together as a family, do homework, work a kitchen safely, enjoy outside space? Have committee members been in a modern, high density housing development? I will gladly introduce them to the Siston Hill development locally, a high density, green belt built project opposed again and again by our local council, but eventually imposed by national government.
6. By their very nature, Local Enterprise Partnerships cannot fulfil a planning function, unless the assumption is that the purpose of the planning regime is solely to deliver unrestricted planning approvals to greedy developers. It would be not so much “poachers turning gamekeeper” as “putting the fox in the hen-house.” During the Evidence in Partnership phase of the SW RSS, the representatives of The Shortwood Land Owners Group put it succinctly when they argued that since South Gloucestershire Council would not meet their timetable expectations for building on the green belt fields around Shortwood, the developers should campaign for an Elected Mayor for the Bristol Region with planning powers, since such a person would automatically deliver their build permissions to build at a much quicker pace. What price democracy, justice and fairness in the planning process there?

TO SUMMARISE

The current mess in the planning system has reached the level of “The Augean Stables”.

The public will welcome any honest attempt by Members of Parliament to begin to clear it up, but any further disempowerment of the individual or communities cannot be countenanced.

I would welcome the opportunity to address the committee on behalf of residents of Shortwood, to present our community perspective on the neglect of individual and community stakeholders, disempowered and blighted by the intricacies and one-sidedness of the current development planning process.

September 2010

Written evidence from Ringwood Town Council

SUMMARY

Ringwood Town Council's summary and expanded comments address the three particular questions and the three subsequent matters for further consideration:

- We believe there will be a marked loss of impetus in the development of housing, particularly amongst the “developer community” as it comes to terms with the new regime.
- We believe that plans to incentivise local communities will be singularly ineffective as it misunderstands human nature and that alleged community gain will not outweigh perceived personal loss.
- We reserve our position as to the relevance and effectiveness of plans for incentives but are extremely sceptical as to the hoped for impact on overcoming private “regret or loss” by the offering of wider community benefits.
- We believe that there is need for a higher-level view of strategic issues. However, whatever organisation is considered, it must meet certain criteria of a “sense of place”.
- We believe that there needs to be both rewards and sanctions for whatever successor planning authority otherwise a “duty to co-operate” is worthy but worthless.
- We believe that, firstly, such information should be passed to Counties and Unitaries, and, secondly, that larger, task specific or even *ad hoc* structures be considered, subject to the nature of the specific task. Is there a possible role for the Local Government Association?

MAIN COMMENTS

The implications of the abolition of regional house building targets for levels of housing development

Ringwood Town Council believes there will be a marked loss of impetus in new build housing whilst new criteria are developed and implemented. The effect will be most marked on the “developer community” as they had come to terms with rules and vagaries of the previous hierarchical planning regime. Until the certainty is established and understood by all parties there will be a reduced rate of new house building.

The likely effectiveness of the Government's plan to incentivise local communities to accept new housing development, and the nature and level of incentives which will need to be put in place to ensure an adequate long-term supply of housing

Ringwood Town Council believes that the concept is, for most communities, fundamentally flawed. It misreads human nature of which there is extensive theoretical and empirical evidence that demonstrates clearly the vast difference a perceived personal loss (a building or buildings next to me equals loss of amenity (define and value), and the possible loss of value in my property and the diffuse gain (quantify) that might benefit a local community. The bulk of the community will see no personal gain, therefore, no motivation to champion an “external good”. It might just work at the very smallest Parish level but even there will be immense inertia to overcome a change to the status quo. There is also the very real issue in forming a robust case for new housing—who is to do this, what will be the quality and robustness of the housing case and who will pay—sponsors or the community?

As an example and to put such initiatives in context Ringwood is a small market town, bisected by the A31, on the edge of the New Forest with a population of approximately 14,000. We have currently a waiting list of some 15 years for affordable housing and an approved new build rate under the current core strategy of 20 units per annum to 2026. We feel that the current long-term supply is neither adequate nor that the above proposals will make any material difference.

The Committee understands that the Government intends to announce further details of its plans for incentives “shortly” and would welcome comments on the adequacy and appropriateness of those incentives when the details are available

Ringwood Town Council maintains a watching brief but strongly believes that the devising of incentives that achieve acceptance of a public good by the community against the strongly held and articulated opinions of a few affected persons who only perceive loss or regret will be very hard to achieve. Blanket solutions will not be appropriate, as the local circumstance should dictate whatever incentive package is devised. That said any solution must be sustainable and not add to the existing burden on the Council Tax payers at large. Lastly, to be an effective local solution, recognition must be taken in any overall calculus that tailored solutions will be administratively costly to implement. Unless it can be shown that there are overall savings then this route should not be pursued.

The arrangements which should be put in place to ensure that cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy etc)

Ringwood Town Council believes that a critical, higher level is required as the view and incentive for wider co-ordination had been subsumed in the now abolished regional strategies. There is an excellent case to review the level at which such overarching viewpoints are formulated and implemented, previously the concept of most regional bodies strained all the criteria of economic geography, a sense of place and history and political comprehensibility. The strongest consideration should be given to more compact structures that address the above issues. What coherence was there ever in an entity called SE region that spanned from the Isle of Thanet (E), Milton Keynes (N), having skirted around almost three quarters of London, to the conurbation of Southampton/Eastleigh/Portsmouth (SW) with part of the region, New Forest western edge, strongly linked with the other conurbation (Christchurch/Bournemouth/Poole) in SW Region.

The adequacy of proposals put forward by the government, including a duty to co-operate and the suggestion that Local Enterprise Partnerships (LEPs) may fulfil a planning function

Ringwood Town Council believes that a duty to co-operate unless backed up by a system of rewards and sanctions will be worthy but worthless, which in turn requires some overarching authority. At this stage no comment of substance can be made on the suitability of a LEP fulfilling a planning function—detail is scant, but see previous comments in that such a body must have a sense of place if its decisions are to materially effect either a community or an area.

How the data and research collated by the now abolished Regional Local Authority Leaders' Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research crossing on matters crossing local authority boundaries

Ringwood Town Council believes an essential first step is to ensure that such information is passed to Counties and Unitaries, and secondly there needs to be created a “research and analysis” capability that reflects what ever intermediate structure is created to deal with these larger issues. Once again careful thought needs to be given to the scope of such an organisation be it a LEP or something else such that there is a sense of place in its coverage. Communities must feel some natural affinity with decisions affecting their larger, longer-term interests, without some form of overarching but sufficiently local identity there will be myopia and short-term thinking.

Maybe we need to consider more Ad Hoc structures of the willing to address issues that dictate the scale of investigation and coordination—flooding may have one focus, economic growth another, with rural deprivation being part of a wider community but once again reflecting the concept of a sense of place.

Lastly, is there a possible role for the Local Government Association to complement its existing support, coordination and representation functions which undertakes on behalf of all tiers of Local Government?

September 2010

Written evidence from Save the Countryside, Cheltenham

SUMMARY

We have considered the first topic:

— *the implications of the abolition of regional house building targets for levels of housing development;*

with particular reference to the Cheltenham area.

We conclude that the revocation of the draft South West Regional Spatial Strategy has given our local community the welcome opportunity to set local housing targets according to need and in sustainable locations which will enhance our towns and villages and cause least damage to the countryside.

OUR CAMPAIGN GROUP

Save the Countryside is based in Cheltenham and is a member of Save Our Green Spaces, a south-west-wide affiliation of 40 or so groups with a main aim of preserving Green Belt, Greenfield sites and farmland from being paved over by unnecessary built development.

EFFECTS OF REVOCATION OF DRAFT SOUTH WEST REGIONAL SPATIAL STRATEGY

1. *Loss of certainty*

We acknowledge that the revocation of the draft South West Regional Strategy and of its predecessor, RPG 10, has removed future certainty about housing numbers and allocations.

Our campaign group Save the Countryside was nevertheless relieved when the draft South West Regional Strategy was revoked as it meant that the unreasonable housing targets that had been imposed via the RSS by the previous Government would cease to have any weight in deciding housing allocations.

2. Removal of potential deleterious effects of draft SWRRSS housing targets on Cheltenham and its Green Belt: proposed North West Urban Extension

2.1 Our particular concern was the potential deleterious effect of the draft RSS requirement for a square mile of mixed development, a so-say “sustainable urban extension” (we would say, “urban sprawl”) *in a Green Belt “Area of Search”* north west of Cheltenham, comprising 5,000 houses on the Cheltenham/Tewkesbury Borough border, bringing in say 15,000 new residents, 10,000 of them likely to seek employment in our historic Regency town of only 120,000 population.

2.2 This is all in the context of:

- some of our main businesses currently leaving Cheltenham;
- when nationally we are trying to ensure that people do not have to travel out for work by car;
- when the new residents might own say 7,500 cars debouching on to an already at-capacity road system at rush hour; and
- when our existing infrastructure and services could not meet this increase in population and traffic without crippling investment.

2.3 Not to mention a square mile of agricultural Grade 2 smallholdings and Grade 3A farmland being lost to development at a time when national food security is at last being recognised as a vital necessity.

2.4 There were also the areas of search and housing numbers added unjustifiably in our area in Gloucestershire by the RSS “Panel” without the proper EC environmental studies. Once again these additions were on Greenfield/Green Belt sites, at Leckhampton (1,300 houses) and Bishops Cleeve (1,000 houses), just, we believe, to make up pro rata the 3,000,000 houses desired by the last Prime Minister.

3. Questioning of NEED for bulk new build housing

3.1 We have all along questioned the NEED for this number of houses which appears to have been based on a ridiculous 20-year growth forecast of 3.2% per annum and on sweeping Central Government statistics rather than on local population trends and job forecasts.

3.2 We also query the “waiting list” figures which we think are currently being used to frighten us into more new-build development: we should like to recommend that all Local Authorities should state EXACTLY how many people on each waiting list ARE in need and cannot be accommodated in existing housing stock, and how many are already in adequate accommodation but have put themselves on the list hoping from something better from their Local Authority.

3.3 There are better ways of providing houses for those in need than allowing 70% of unneeded open market houses to be built to fund the 30% of new build “affordable” homes which MAY prove to be needed.

3.4 We have also noted that there are currently more houses for sale nationwide than there is demand for them. We suspect members of the Committee will be aware like us of their local newspaper’s pages and pages of properties each week, for sale or to let, at “affordable” prices or to meet the needs of wealthier people—without imposing more new build on Greenfield or Green Belt sites.

3.5 We note too that in our area, and countryside, there are significant numbers of homes empty for the last six months or longer which could be brought back into use, using Local Authority powers if necessary, before any more of our countryside and food producing land is lost to construction.

3.6 We are aware of our construction industry being the biggest in Europe, the second biggest employer in England and also a big net contributor to GDP. Nevertheless we think this circumstance should not lead the Government or Local Authorities blindly to permit unnecessary new build open market housing schemes just to support the industry, whose skills ought better to be applied to refurbishing and “greening” our existing housing stock or to “Obama” style infrastructure projects during this time of recession.

4. Post-RSS opportunity for genuinely sustainable rates of house building

Our Districts, Cheltenham Borough Council, together with Gloucester City and Tewkesbury Borough Council, are at the moment engaged in preparing a Joint Core Strategy and have conducted various public consultations. We feel that now these Local Authorities, under the aegis of the Coalition’s Localism and Decentralisation proposals, will be able to listen to their communities’ wishes in designing the future of the area including housing provision as, and where, NEEDED—for instance to ensure the viability of the rural villages ignored by the SWRSS.

5. Conclusion

The revocation of the draft South West Regional Spatial Strategy although admittedly a blow to volume housebuilders, has given our local community a breathing space in which to set local housing targets in sustainable locations which will actually enhance our towns and villages and cause least damage to the countryside.

RECOMMENDATIONS:

- We recommend that a fresh assessment of genuine housing NEED and availability of existing housing stock (both social and private) is carried out by each Local Authority, taking into account the points we raise under 3 (Questioning of need for new-build housing). This will prove where there is genuine NEED for bulk new build housing.
- We realise at this time of cutback a new Government initiative is unlikely, but we see that it would be valuable to redirect the construction force either on to bringing existing housing stock up to current energy efficient standards or on to upgrading elderly infrastructure.

September 2010

Memorandum from the Woodland Trust

The Woodland Trust welcomes the opportunity to respond to this consultation. The Trust is the UK's leading woodland conservation charity. We have three aims: to enable the creation of more native woods and places rich in trees; to protect native woods, trees and their wildlife for the future; to inspire everyone to enjoy and value woods and trees. We own over 1,000 sites and have 300,000 members and supporters.

SUMMARY

- Coalition Government plans to incentivise local communities to accept new housing development should reflect appropriate mechanisms to ensure that the planning process still provides protection for irreplaceable natural habitats like ancient woodland, and also to support new native woodland creation in order to contribute to a net increase in trees and woods in local areas.
- Local community housebuilding incentives should be coupled with similar local incentives to improve peoples' quality of life, such as creating new native woods. Environmental improvements should be planned and coordinated at a "landscape scale".
- The positive benefits of sub national level environmental planning and delivery should be carried forward into the new localism model.
- The Local Enterprise Partnerships should not be given any planning powers once held by regional and local government as it risks undermining the notion of a planning system that is democratically accountable and able to integrate environmental, social and economic concerns.
- Sub national data and information on the natural environment should be "banked" and made available to local authorities to aid continuance of "landscape scale" environmental planning and delivery.

The implications of the abolition of regional house building targets for levels of housing development

N/a.

The likely effectiveness of the Government's plan to incentivise local communities to accept new housing development, and the nature and level of the incentives which will need to be put in place to ensure an adequate long-term supply of housing

1. Whilst we support in principle the wider thrust of the Government's new localism drive as a key plank of the "Big Society" approach, the Woodland Trust has concerns in respect of house building incentive proposals such as *The Community Right to Build*,¹ which risk bypassing the professional integrity of the planning process and thus resulting in inappropriate development. We would prefer to see enhanced engagement of local communities through the existing local development plan process, scrutinised transparently by democratically elected councillors, rather than an advocacy model potentially open to manipulation by powerful single issue pressure groups rather than genuine local opinion.

2. For instance, local opinion may inevitably not be fully aware of the wider implications for adjacent ancient woodland, a complex and irreplaceable semi-natural habitat constantly under direct and indirect threat from inappropriate land use.² Between 1930 and the production of the ancient woodland inventories in the 1980s, 7% of the remaining ancient woodland in England and Wales was permanently cleared and 38% converted to plantation.³ Ancient woodland has yet to benefit from full statutory protection: for example 85% of ancient woodland in the UK still has no legal designation.⁴ This is particularly relevant as ancient woodland, especially the large amount contained in small fragmented pockets, is still facing considerable threats from development

and the effects of climate change. Some protection for ancient woodland is, however, provided by Planning Policy Statement 9⁵ which states:

“Ancient woodland is a valuable biodiversity resource both for the diversity of species and for its longevity as woodland. Once lost it cannot be recreated. Local planning authorities should identify any areas of ancient woodland in their areas that do not have statutory protection (eg as an SSSI). They should not grant planning permission for any developments that would result in its loss or deterioration....”

It is important that the new local incentive mechanisms continue to be consistent with such national planning policy guidance.

The Committee understands that the Government intends to announce further details of its plans for incentives “shortly”, and would welcome comments on the adequacy and appropriateness of those incentives when the details are available

3. The Woodland Trust is concerned that local community house building incentives should be coupled with equivalent local incentives for other key policy priorities relating to land use development for placemaking and peoples’ quality of life. Incentives should reward broader stewardship of the public realm, environment and natural resources rather than simply housing quantity. It is important that the new emphasis on localism does not lose the wider policy and delivery perspective available at a sub national level. For instance the Trust believes that creating new native woods and planting trees is not a luxury. Instead tree planting is an essential action in developing green infrastructure that can deliver a wide range of benefits by mitigating and adapting to the effects of climate change, reducing flood risk and improving water quality, aiding productive agriculture, halting wildlife loss, enhancing public health and shaping places where people want to live, work and spend their leisure time. This is supported by Government policy—the National Tree Planting Campaign⁶ and the Low Carbon Transition Plan.⁷

4. Woodland creation can also bring a range of other direct benefits. The Mersey Forest project showed that for every £1 invested in woods and trees there was a return of £10.⁸ The Trust’s policy briefing *Greening the Concrete Jungle* illuminates the compelling economic rationale for expanding the UK’s native wood and tree cover.⁹ For example trees and woods could save millions in healthcare costs. Around £110 billion is spent each year in the UK on healthcare, equal to 8.5% of all income. It has been estimated that if every household in England had good access to quality green spaces such as woodland it could save around £2.1 billion annually.¹⁰ Trees and woods therefore offer genuine value for money at a time of enormous pressure on the public finances. Moreover, assuming that the new Local Enterprise Partnerships are going to be empowered to deliver long term prosperity and regeneration, they need to have an appreciation of the important place of environmental and social concerns in the wider regeneration agenda, alongside their more obvious role in securing economic growth.

5. Delivery of this much needed woodland creation is increasingly planned at a landscape scale that often transcends local district or neighbourhood boundaries, following instead natural landscape, geological and biodiversity delineations. Government policy has responded to this: *Many of the ecosystem services we seek from trees, woods and forests in the future will require us to look outwards from individual woodland sites and think about the impact they will have on surrounding land uses and resources (and the effect of these on the woodland too). This is called, for want of a better term, the “landscape-scale” approach, but it is not just about visual impact, it is about groundwater and flood management, shelter, air pollution, soil conservation, adaptation of woodland ecosystems, and providing green spaces in and around built-up areas.*¹¹

6. It is therefore important that woodland creation policy and delivery continues to be planned at a landscape scale, and we have concerns about the practicality of this in terms of a local incentive model without guidance from some sort of a sub national planning or governance structure.

The arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg. waste, minerals, flooding, the natural environment, renewable energy, &c)

7. The Woodland Trust believes that the natural environment (for instance landscape and biodiversity or green infrastructure) benefits from planning and delivery at a sub national or “landscape” scale. We would therefore like to see the positive benefits of this sub national approach carried forward in the change of emphasis to local level planning through local authority cooperation.

8. A good example of emerging best practice with regard to environmental planning at a sub national level is illustrated by the work previously undertaken for the now aborted *West Midlands Spatial Strategy Phase Three Revision to 2026*. This has been archived as *Interim Policy Statements and Policy Recommendations*.¹² The *Integrated Approach to Management of Environmental Resources* section of the document makes this point, and references its relationship to green infrastructure planning: *The WMRSS aims to reflect the interrelationships between environmental assets by ensuring that all assets are conserved and enhanced together, rather than individually. This approach responds to the new emphasis on ecosystems, landscape scale planning, place making and green infrastructure planning.* The *Update of Policy Q8—Trees, Woods and Forestry* similarly proposes: *Seek to take forward the major contributions trees and woodlands can provide for delivery of related work on identifying regional natural environment priorities and other initiatives, including*

ecosystem services delivery at a landscape scale. This best practice is being successfully delivered on the ground at a sub national level through initiatives such as the West Midlands Biodiversity Partnership's *Landscapes for Living* opportunity mapping project¹³ and the Forestry Commission's Woodland Opportunity Mapping initiative.¹⁴

The adequacy of proposals already put forward by the Government, including a proposed duty to co-operate and the suggestion that Local Enterprise Partnerships may fulfil a planning function

9. The Woodland Trust is pleased to see the proposed duty to cooperate but—as highlighted above—we have concerns that sub regional liaison may lose the wider “landscape scale” planning perspective that the natural environment needs to maximise delivery of its economic and social benefits.

10. The Trust is very concerned at the press coverage from the seminar between business leaders and Local Authorities where it is suggested that the LEPs may assume planning functions.¹⁵ We believe that this would contradict the spirit and detail of the Coalition agreement which aimed to herald an era of localism by returning planning powers to Local Authorities. Indeed, the letter of the 29 June 2010 from the Secretaries of State for Business Innovation and Skills, Vince Cable, and Communities and Local Government, Eric Pickles, failed to mention any transfer of planning powers to the LEPs.¹⁶ The Trust believes that it would be inappropriate to give LEPs planning powers as they have neither the democratic legitimacy nor the skills set needed to integrate environmental, social and economic objectives.

11. We also have concerns about the ability of LEPs to engage with—and provide funding for—the environmental agenda given their likely focus on economic growth. Understandably LEPs will come under pressure to secure private sector growth and as such are expected to be led by prominent members of the business community. However, if these bodies are destined to enact decisions that affect social and environmental aspirations they should incorporate expertise from these sectors. Without this type of inclusive partnership there is a risk of marginalising the environmental agenda at a time when there is widespread recognition that the environment and prosperity are not in competition but intertwined and the Coalition government rightly aspires to be the “greenest government ever”. In the foreword to the consultation on the Natural Environment White Paper, the Defra Secretary Caroline Spelman, rightly points out that “our natural environment has a broader national value. It underpins our economic prosperity, our food security, our health, our ability to adapt to a changing climate and to reduce the greenhouse gases which cause this change”, and highlights that “degradation of our planet’s ecosystems is costing us €50 billion each year—a figure that could rise to the equivalent of 7% of global GDP by 2050”.¹⁷ A healthy natural environment is crucial to our continued economic prosperity and should not be considered an optional luxury. It should therefore be a key element of the LEP’s remit.

How the data and research collated by the now-abolished Regional Local Authority Leaders’ Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries

12. Many regions through their regional assemblies and/or leaders boards have developed extensive libraries of evidence on environmental and indeed other key issues and it is important that all sub national data and information is retained as a resource for future policy development, whether at the local or sub regional level. Similarly the Regional Development Agencies will also have accumulated substantial evidence banks to inform the environmental proofing of their Regional Economic Strategies. For instance the *Interim Policy Statements and Policy Recommendations* archived as part of the now aborted *West Midlands Spatial Strategy Phase Three Revision to 2026* are underpinned by detailed background papers on key environmental topics including an Integrated Approach to Management of Environmental Resources, Green Infrastructure, Conservation, Enhancement & Restoration of the Region’s Landscape, Protecting, Managing & Enhancing Region’s Biodiversity and Geodiversity and Trees, Woods and Forestry.¹⁸ It is important that this sub national environmental information and data is archived in a “library” that is easily accessible to all local authorities, with arrangements for updating over time.

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³ Spencer and Kirby (1992), *An inventory of ancient woodland in England and Wales*, Biological Conservation 62 (p77–93).

⁴ Woodland Trust—<http://www.woodlandtrust.org.uk/en/why-woods-matter/protection/ancient-woods/Pages/ancient-woods.aspx>.

⁵ Office of the Deputy Prime Minister, *Planning Policy Statement 9: Biodiversity and Geological Conservation* (August 2005), p6.

⁶ HM Government, *The Coalition—our programme for government*, (May 2010), p17.

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¹³ http://www.wmbp.org/landscapes_for_living/opportunity_mapping

¹⁴ <http://www.growingourfuture.org/wmfff/taskgroups/wom.htm>

¹⁵ Department for Business, Innovation and Skills, *Business Leaders and Local Authorities gather to discuss Local Enterprise Partnerships* (Departmental Press Release, 28 July 2010).

¹⁶ Letter from the RT Hon Dr Vince Cable MP Secretary of State for Business, Innovation and Skills and President of the Board of Trade and the RT Hon Eric Pickles MP Secretary of State for Communities and Local Government to Local Authority Leaders and Business Leaders (29 June 2010).

¹⁷ Defra, *An invitation to shape the Nature of England*, p2.

¹⁸ See note 12 above.

September 2010

Written evidence from the Campaign to Protect Rural England

EXECUTIVE SUMMARY

1. The Campaign to Protect Rural England (CPRE) welcomed the abolition of top-down housing targets and the Government's commitment to empowering local communities through greater involvement in the planning system. We believe there is a need for some form of strategic planning, however, in order to tackle cross boundary issues, including protecting the Green Belt and promoting urban regeneration, and to co-ordinate transport, development, service delivery, landscape management and conservation of the natural, historic and cultural environment.

2. In making recommendations to the Government following the revocation of regional plans we propose that the Committee consider the following key points:

- If incentives are to be used to encourage housing delivery they should not be a blunt instrument that focuses solely on how many new homes are granted planning permission. An incentives scheme needs to reward the development of high quality new homes that are in line with the local development plan. It should also be acknowledged that not all development that receives planning permission gets built and so incentives should only be payable once homes have been built and are occupied.
- Bringing empty homes back into use is vital, especially in deprived areas, and often more environmentally sustainable than building new homes. This should be encouraged by the incentives scheme.
- We believe there is a need for some form of strategic planning, which sits between the national and local level and sets a framework for, but does not dictate targets to, local authorities. This will help ensure that neighbouring plans set out a coherent vision for future development, including transport infrastructure, and environmental protection and enhancement.
- Further clarity is needed on how the proposed duty to cooperate will work in practice. CPRE is concerned that it will not be sufficiently strong to resolve areas of conflict if there is no ability to enforce outcomes.
- Current proposals suggest that Local Enterprise Partnerships will be focused on delivering economic growth. We do not believe, therefore, that they will be suitable mechanisms to undertake a planning function. While economic development may be an important goal for strategic planning, environmental and social factors should be given equal weight to ensure that the approach is sustainable, and delivers a better quality of life for communities.

INTRODUCTION

3. CPRE welcomes the opportunity to submit evidence to the Communities and Local Government Committee on the abolition of Regional Spatial Strategies (RSSs). As a leading environmental charity, we have worked to promote and protect the beauty, tranquillity and diversity of rural England by encouraging the sustainable use of land and other natural resources since our formation in 1926. In the recent past an important part of our work has been undertaken at the regional level, in particular by helping to shape regional plans.

4. We welcomed the revocation of the top-down housing targets and support the Government's aspiration to empower local people to play a more active and influential role in shaping the futures of the areas in which they live and work. We still believe, however, that some form of strategic planning is necessary in order to ensure spatially coherent development, which protects and enhances communities and the environment.

DETAILED COMMENTS

The implications of the abolition of regional house building targets for levels of housing development

5. CPRE accepts the need to provide sufficient housing, and particularly affordable housing in rural areas. Based on our involvement with the development and implementation of regional plans, however, we believe there was an over-emphasis on housing numbers in RSSs. This was illustrated back in early January 2008 when the then Parliamentary Under Secretary of State for Communities and Local Government wrote to the West Midlands Regional Assembly, on the day the draft RSS Phase 2 Revision was published for consultation, stating that the Government did not feel the housing numbers in the draft were sufficiently high. The Government asked the Government Office for the West Midlands, therefore, to commission research to look at options for delivering higher housing numbers. The over-emphasis on housing numbers within regional plans resulted in them becoming less and less deliverable. At the same time, the high housing targets, which were translated into local targets, led to more greenfield land being allocated for housing unnecessarily. When these sites were 'cherry-picked' by developers, regeneration of previously developed land was often undermined.

6. We believe it is too soon to fully understand the implications of the abolition of housing targets on levels of housing development. Anecdotal evidence from CPRE's county branches suggests that while some local authorities have decided to review their housing targets, with a view to reducing them, others, such as Stevenage Borough Council, continue to push for high levels of growth in their Core Strategy. Whether the targets in local plans are met is of course unknown, but it is likely that low levels of housing development are attributable mainly to the prevailing economic climate, rather than changes to regional planning.

7. CPRE is concerned about the implications of the loss of a strategic approach to planning for housing. While we did not support the imposition of housing targets on local authorities, we do believe there is a need for a framework which helps ensure authorities take account of both their own housing needs and that in neighbouring authorities. This is particularly problematic in areas such as the South West, where brownfield land and regeneration opportunities are distributed unevenly between local authorities. Following the revocation of RSSs there is a need to consider how local authorities can address such cross-boundary issues.

The likely effectiveness of the Government's plan to incentivise local communities to accept new housing development, and the nature and level of the incentives which will need to be put in place to ensure an adequate long-term supply of housing

8. CPRE believes that the Government's housing strategy should recognise that the origins of the current crisis of housing affordability and supply are too complex to be attributed solely to the claimed failure of the planning system to maintain a sufficient supply of land for housing. The Conservative Green Paper *Strong Foundations* pointed out that the present crisis of housing affordability and supply is due in significant part to the sustained availability of cheap credit, which fuelled the 1998–2007 housing boom.

9. Ultimately the Government must consider how it can help to establish a more stable housing model that is resilient under a wide range of economic and geographic circumstances. This includes recognising the role that developers play in determining actual levels of house building, as well as local authorities. The role of developers is evidenced by analysis of data contained in the seven largest house builders' (by volume completed) 2009 interim and annual reports. This shows that between them they owned and had at least outline planning permission for housing development on 271,947 plots in 2008–09. In spite of this Communities and Local Government statistics show that in the same period construction began on only 80,360 homes.²⁶ We recommend, therefore, that the new incentives scheme is designed to ensure that these are only paid if properties are built and occupied within a set period of time following completion.

10. The proposed new incentives scheme should also reward quality of outcomes, rather than the quantity of outputs. CPRE believes that housing should not be seen in isolation, but in the context of broader objectives. Incentives should not be encouraging the development of more housing estates—whether executive or social housing estates. To avoid this, financial incentives should reward planning authorities for delivery of their local development plan. This should hopefully ensure the delivery of development that fosters sustainable neighbourhoods and safeguards scarce resources, such as land, energy and water. In some communities it is a lack of jobs and services or a poor quality public realm rather than housing that is the main issue. We believe,

²⁶ CLG Housing Live Table 208, as accessed on 10 August 2010.

therefore, that the Government needs to consider how incentives can reward provision of jobs and services, stewardship of the public realm, environment and natural resources, as well as housing.

11. It is also critical that incentives do not only reward the development of new market housing. Communities that take action to bring empty properties back into use should also be rewarded through the incentives scheme. Incentivising simply the quantity of houses delivered will do little to help local authorities whose main problem is the quality of existing homes. This is often the case in the most deprived communities.

12. Without a focus on outcomes, there is a risk that incentives could damage the countryside and communities, by promoting spatially incoherent development. Especially given current financial circumstances, local authorities may be tempted to approve proposals that otherwise would be unacceptable to guarantee receipt of extra funds. If incentives are not linked to encouraging development that is set out in the local plan the scheme could undermine the effectiveness of community-led neighbourhood plans.

13. The abolition of the regional tier means that responsibility now falls to local authorities to establish a robust evidence base on which to base its own targets for house building. CPRE encourages the Government to consider offering incentives only where the existence of sound evidence of local housing need can be demonstrated. In particular, we believe further guidance is needed to ensure that Strategic Housing Market Assessments (SHMAs) provide a more accurate and responsible account of housing need. Especially crucial is the way in which SHMAs use statistics such as population projections. In 2009 a CPRE study, *Housing the Future*, examined how the direct equation of population projections with housing demand, as tends to be the current practice, can lead to wholly inaccurate targets for new housing development. CPRE recommends that the Government works with local authorities to develop a more sophisticated approach to determining housing targets.

14. Incentives could play a part in the implementation of a housing model which delivers sustainable planning and housing outcomes. CPRE is urging the Government to consider carefully how incentives can fulfil this wider role, rather than being a blunt instrument to deliver housing numbers alone.

The arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy, &c)

16. Following the revocation of regional plans CPRE believes there is a need for some form of strategic planning to deal with a wide range of environmental cross boundary issues, including the promotion of Green Belt protection and urban regeneration, and to co-ordinate development, transport issues, service delivery, landscape management and conservation of the natural, historic and cultural environment. Although we recognise the Government does not want to be prescriptive to local authorities, there is a need for some form of spatial planning, which is undertaken at a level between local authority and national level.

17. Strategic planning can also play an important role in dealing with and mediating conflict between local authorities. If the regional supply of minerals, for example, has traditionally been mined in one county (as is the case in Staffordshire), there needs to be a mechanism whereby other local authorities are required to consider their provision if this is not the most sustainable option. Without coordination, there is likely to be a continuation of the status quo, based on the lobbying of existing minerals interests and a defensive position from adjoining authorities, even if it is not the most sustainable option.

18. In our recently published briefing, *The Bigger Picture: the case for strategic planning*, we set out a number of criteria that we believe will need to be addressed. These include the requirement that future strategic planning should:

- Set out a flexible framework for local plans—Strategic planning should not impose targets on the local level, but rather provide a vehicle for local authorities to discuss, and reach agreement on, issues that have impacts across boundaries.
- Achieve a balanced focus—While economic development will be an important goal for strategic planning, environmental and social factors should be given equal weight so that the approach is sustainable, and delivers a better quality of life for communities.
- Be transparent and accessible to the public—The transparency of structures, so that local people understand what bodies are doing and how they can feed in, will be essential. Equally, those involved in strategic planning must place significant emphasis on enabling local people to participate fully in planning processes.
- Be inclusive so that local expertise is fed into the process—Locally elected members should take the lead in strategic planning to ensure that it is democratic, but this should not prevent them from recognising the importance of, and need for, expert advice and direct engagement on environmental, social and economic issues.

The adequacy of proposals already put forward by the Government, including a proposed duty to co-operate and the suggestion that Local Enterprise Partnerships may fulfil a planning function

19. A duty to co-operate could help ensure local authorities work with their neighbouring authorities. It is currently unclear, however, how such a duty will work in practice. For example, we do not think it would be sufficient for local authorities to simply have to consult neighbours on draft local plans. Where local authorities have common goals and outlooks co-operation may add benefit but it will not resolve areas of conflict where there is no clear basis for discussion or an ability to enforce outcomes.

20. It is also not clear how the proposed duty would help tackle a situation where the aspirations for development of neighbouring local authorities could undermine each other. This could be a problem, for example, where a rural authority abuts an urban authority and the former includes proposals for housing and employment land development on greenfield land in its area. Such plans could undermine plans for urban regeneration in the urban authority.

21. We recognise that the Government has suggested that Local Enterprise Partnerships (LEPs) could have a planning function. Strategic planning must consider economic, social and environmental issues in an integrated way. So, if LEPs are to play a significant role in enabling cross-boundary discussions, it is essential that their remit is widened beyond the current proposal that they should be mechanisms for delivering economic growth. If LEPs are to undertake strategic planning successfully they will need clear, detailed objectives that are guided by principles of sustainable development, including protecting, and where possible, improving, the environment and social cohesion.

22. The need for a wider remit can be illustrated by recent changes in strategic planning for transport. In some regions there has been a move away from legacy schemes that increase road capacity, towards public transport schemes and wider packages that seek to reduce the need to travel, particularly by car. The need to reduce carbon emissions from transport had a major influence, for example the research carried out for the Yorkshire and Humber RDA on the measures needed to create a low carbon and sustainable transport system showed that a fundamental change in priorities was needed.

23. There are dangers not just that the skills being developed in relation to planning for sustainable transport systems will not only be lost but also the LEPs will take time to get up to speed with the new agenda. Moves to develop local carbon budgets, such as CLG's Local Carbon Framework pilots, would be complicated by transferring some powers to LEPs, particularly where LEP boundaries differ from those for Local Transport Plans.

24. The ability of the RSS process to objectively address tensions between local authorities has been limited, especially given that some local authorities are clearly much more economically powerful than others. The RSS approach did, however, allow proper scrutiny and comparison, including via the Examination in Public process, which involved adjoining local authorities as well as other interested parties. We are concerned that the current proposals for LEPs are not sufficiently transparent to ensure they gain public confidence and the lack of any independent scrutiny could mean that the concerns raised by adjoining authorities will not be given sufficient weight.

25. To ensure LEPs are able adequately to address social and environmental issues within their areas, and to ensure they are seen as legitimate, relevant voluntary sector groups should be able to play an active role in their operations. We were disappointed that the Government originally proposed that LEP boards should be made up of local authority and local business leaders. This did not seem consistent with the thinking behind the "Big Society". We welcome, therefore, the recent confirmation from the Minister for Decentralisation that voluntary organisations and social enterprises can play a key part in the new Partnerships.

26. We note that some proposals being put forward to Government are for LEPs which cover a fairly small geographical area, such as a county. Consequently, further consideration should be given to what additional co-operation and coordination is needed across neighbouring LEPs to ensure there is an adequate strategic overview. As is emerging in some areas, such as the North West, one possibility could be through the retention of small regional bodies. If such bodies are to be retained they will need to have clear remits and broad support from local authorities and relevant stakeholders.

How the data and research collated by the now-abolished Regional Local Authority Leaders' Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries

27. The data and research collated by Leaders' Boards, and Regional Assemblies before them, has traditionally been held on their websites. These should be archived and kept available for the foreseeable future, not just to local authorities but also to other parties. It is likely that Panels and Inspectors, whether testing the soundness of Core Strategies or deciding whether to give approval to development, will use the evidence base for some time to come and it needs to be available to everyone involved. This was the case, for example, at the recent Black Country Core Strategy where parties were specifically asked to say what would need to be transferred from the RSS to the Core Strategy to make it sound.

28. It is unlikely, however, that this existing data will remain valid over time, although the length of its validity will vary between regions, topics and issues. There will be a need for on-going cross-boundary

assessment of issues such as the availability of previously developed land (not least because of the recent change of definition to exclude gardens) and such work will need to be organised at least sub-regionally. The priorities for any new monitoring will depend on who commissions it and this relates to our concerns about the breadth of the role of LEPs when they decide what new technical work is progressed and how.

September 2010

Written evidence from South East Forum for Sustainability (SEFS)

This submission is from the South East Forum for Sustainability. See below⁽ⁱ⁾ for an explanation of who we are.

SUMMARY POINTS

1. While some reform is necessary, in the rush to localism a vacuum has been created and important and necessary policies and strategy lost. A clear illustration of the baby being thrown out with the bathwater.
2. The South East Plan was much more than housing quotas. A strategic policy void now exists on a range of issues which has led to uncertainty and delays in local plan making.
3. A plethora of new and, as yet, ill defined sub regional organisations are likely to emerge as a result of the abolition of regional spatial strategies which will make it difficult for local communities to engage in decision making on issues that matter to them.
4. We are concerned that strategic planning and economic policies may be made without input from stakeholders with relevant expertise.
5. The process which led to the South East Plan enabled all stakeholders to participate in an iterative way and as such the policies in it provide a good basis for future strategic guidance to those responsible for local plans.
6. There is a clear need for more affordable housing in the South East region and local policies must aim to meet these needs within local and regional environmental limits. There is currently no strategy or monitoring in place to ensure that this happens.

RECOMMENDATIONS

7. The Government should consider retaining all policies in the South East Plan that are not related to the housing quotas, in order to provide certainty and continuity of decision making in the region.
8. Any duty to co-operate among local authorities must ensure that interested stakeholders are allowed to participate in decision making. Legislation to bring about new bodies with planning functions should ensure that good mechanisms are established for stakeholders to be involved in developing new policies.
9. Local Enterprise Partnerships should not be given planning functions. These will be bodies that are business driven and do not appear to have any sustainable development function.
10. A central body should be established to ensure adequate regional monitoring of activities and data. Proper funding and structures must be established to ensure good quality, publicly available monitoring occurs.

BACKGROUND

1. The South East Forum for Sustainability (SEFS) was formed in 1999 partly as a response to emerging regional governance structures. It was the first time that environmental non-governmental, local regional and national individuals had come together across the South East region to share information, network and develop common positions on key issues. The key regional bodies—the Government Office of the South East (GOSE), South East England Regional Assembly (SEERA) and South East England Development Agency (SEEDA) were able to use the network as an effective conduit for consultation and advice on regional issues. Thus SEFS has more than a decade's experience as the lead environmental stakeholder consortium working to influence regional policy in the South East. We therefore believe that our views provide a useful insight for the Select Committee.

2. The structure and workings of the Regional Assembly enabled the voluntary sector to have a voice in influencing planning policies at a strategic level for the first time. Previously SERPLAN excluded non-local authority members. Individuals and organisations with an interest and expertise on environmental matters were only able to influence local policies and specific planning applications. Whilst SERPLAN did consult on Regional Planning Guidance, the development of the policies was not a transparent or inclusive process. One of our main concerns is that the removal of the relatively open and iterative process of developing regional spatial strategies (and other strategic policies) will result in a return to more policy made behind closed doors and in ways which are difficult for people to engage with. Indeed, even before the change of Government this year, the replacement of SEERA by the South East England Partnership Board saw many of these open processes and opportunities for stakeholder engagement in decision making closed down.

3. SEFS was involved in shaping the content of early drafts of the RSS. We achieved this through our positions (as full voting members) on the SEERA Executive Committee, the Regional Planning Committee and on the Sustainability Appraisal Sounding Board. We also input to the Regional Sustainable Development Framework and the Regional Economic Strategy. Our expertise in environmental issues,—from sustainable transport, ecological footprint and climate change to biodiversity and protected landscapes—and our non-parochial approach, benefited policy and decision makers by providing a good depth to discussions and debates and rigour to the policies that eventually emerged in the South East Plan.

4. Whilst the process of enabling stakeholders like SEFS to be involved in development of policies was not always perfect, it was as inclusive a process as could have been expected. The involvement in relevant working groups of the Assembly, and the Examination in Public, allowed stakeholders to have a reasonable input to key strategic issues. The RSS was the product of many years of hard work by Assembly officers, local authority members and officers and many stakeholders. It would be a poor use of resources and implicit criticism of the contribution of all involved, to dismiss the results of this work out of hand

5. It is essential that the most relevant elements are retained and incorporated into future strategic planning, much of which cannot be done at a local or even sub-regional level (eg waste and minerals). The policies devised to deal with strategic issues such as climate change, renewable energy needs and environmental protection and enhancement remain valid even though the regional structures and mechanisms through which they were developed are being removed.

6. The policy void left by the abolition of RSSs is likely to encourage a plethora of new bodies at sub-national and local levels which will have to work hard to ensure they are inclusive, accessible, transparent, and capable of involving people. Although we welcome the recent decision to allow the voluntary sector to be part of LEPs, there will need to be substantial reinvention of the stakeholder engagement processes, which had evolved and operated reasonably well among the regional governance institutions, in order to meet the aspirations of the new localism agenda.

7. It is our experience that local authorities do not always engage with stakeholders unless required to do so. Certainly since the abolition of Regional Assemblies, Third Sector organisations have been almost completely excluded from regional policy debates. Also, whilst local authority umbrella bodies such as the South East Councils comprise democratically elected members, sometimes such members push parochial, geographic-based interests, rather than the wider strategic needs of the region. An example of this was the pressure from Isle of Wight local authority members to press for a special sub-regional policy for their area. This policy persisted in the draft South East Plan until the evidence available through the Examination in Public clearly indicated that this was inappropriate. Only stakeholders had commented that inclusion of the Isle of Wight sub-regional policy was inconsistent with the guidance in Planning Policy Statement 11.

CURRENT SITUATION

8. We agree that the imposition of top-down housing quotas is not the most appropriate approach. But while district housing targets were clearly a predominant driver of the regional spatial strategies, it is equally clear that the South East Plan comprises so much more than housing numbers and distributions. It incorporates a much-needed sub-national strategic overview of issues affecting the South East, and, perhaps most importantly, involves a process of sustainability-testing. This has identified how well economic, social and environmental issues will be addressed through implementation, and indicates where future effort should be put to deliver sustainable development. It appears that the new Government has solely focussed on the housing numbers part of RSSs (and their impact on the Green Belt). In so doing, the wholesale abolition of RSSs is in serious danger of throwing out the proverbial baby with the bathwater.

9. It is apparent that many local authorities have put their local plan making work on hold whilst they await further developments from the Government. The void has led to delays in local plans and a sense of confusion as to what should happen next.

10. Since housing policies appear to have been the main contentious issue, it would be rational to ensure that key non-housing policies in the South East Plan should be developed into sub-national guidance for local development plans. Such an approach should help to ensure consistency in meeting national policy aspirations and commitments on aspects such as reducing waste and emissions (as areas in which all local authorities have a role and responsibility).

IMPLICATIONS OF ABOLITION OF REGIONAL HOUSE BUILDING TARGETS FOR LEVELS OF HOUSING DEVELOPMENT (AND LIKELY EFFECTIVENESS OF GOVERNMENT'S PLAN TO INCENTIVISE LOCAL COMMUNITIES TO ACCEPT NEW HOUSING DEVELOPMENT...)

11. We have always argued for housing development within sustainable limits whilst recognising the need for affordable homes. It is clear that the method of delivering affordable homes through the planning system has not worked, and another method is required. A defined number of affordable homes for the region should have been set for the Plan period, distributed according to need, and independent of the final level of housing development agreed for the region. We cannot comment on incentive plans as we have not seen these.

ARRANGEMENTS FOR COOPERATION BETWEEN LOCAL AUTHORITIES ON ISSUES FORMERLY COVERED BY RSS

12. We have seen attempts to bring local authorities together on key issue previously. Without strong leadership and adequate resources these can flounder. For example SERTAB, whilst providing a good technical information sharing network among authorities and companies working on waste issues, has not been a place where policy development and implementation has occurred. In relation to issues such as safeguarding biodiversity and managing our flood defences, we are extremely concerned that these will be left by the wayside. The anticipated cuts that will affect Government departments and agencies, including Natural England and the Environment Agency, will mean that these bodies are unlikely to have the resources to spearhead appropriate cooperation and action on these issues. Monitoring of how the region is performing in relation to these issues is likely to be at risk with existing and future structural changes and budget cuts. Renewable energy plans are likely to suffer with the lack of certainty in policy and no clear regional or sub-national targets to drive action.

13. Any duty to co-operate among local authorities must ensure that interested stakeholders—either relevant to the geographic area covered or relevant to the issues under discussion—are allowed to participate in decision making. Legislation to bring about new bodies with planning functions should ensure that good mechanisms are established for stakeholders to be fully engaged in developing new policies.

PROPOSED PLANNING FUNCTIONS FOR LOCAL ENTERPRISE PARTNERSHIPS

14. We are very concerned about Local Enterprise Partnerships (LEPs) taking on planning functions. Local authorities already have this remit and we are unclear why any new bodies should have these if there is no sub-national level of strategic planning. Local communities already find the local planning system a minefield with core strategies supplementary planning documents, sustainability appraisals, etc. Then there are many other local policy documents to navigate such as local transport plans and sustainable community strategies. There risks being greater confusion about levels of authority between LEPs, Local Authorities, Local Strategic Partnerships, etc.

15. Our experience of the Regional Development Agency was that it did not have the structures and expertise to enable good quality input from interested stakeholders. Local Enterprise Partnerships need to be formed in such a way to allow adequate opportunities for stakeholders to be involved in policy development. However, there will be a big capacity issue for many stakeholders who will not find it easy to input to the number of new organisations setting up.

16. It does not seem appropriate for business led Local Enterprise Partnerships to be involved in development of planning policies and actions. Whilst there is a need for sub-national strategic planning, any bodies set up to deal with this should be required to involve economic, social and environmental partners equitably to ensure that strategic plans bring about sustainable development. Measures will be necessary to avoid the risk of development being driven by vested interests.

ARRANGEMENTS FOR COLLATION AND UPDATING OF RESEARCH ON MATTERS CROSSING LOCAL AUTHORITY BOUNDARIES

17. Sub-national data collection and publication is important in enabling proper monitoring of progress on national policies. Proper funding and structures must be established to ensure good quality monitoring occurs in future.

18. It would be helpful if one central body had responsibility to ensure appropriate and consistent standards for the acquisition, management, analysis and reporting of relevant sub-national data. Annual monitoring reports published by the Regional Assembly were an excellent way of tracking progress and outcomes against national and regional policies and targets. There is now a vacuum here. However the fact that data was also published separately by the Regional Development Agency and other bodies such as the Regional Health Observatory meant that relevant, accessible data on the range of issues affecting the region were not easily accessible in one place. Ensuring consistency and a rationalisation of data collection, management and reporting (including access to all data) would be a valuable contribution to sub-national strategic planning in the future.

CONCLUSION

19. It is our view that the regional policies in the South East Plan which were developed in conjunction with many stakeholders represent quality work, the vast majority of which should be retained. We accept entirely that the housing development and distribution section should be subject to a review, based on local need and robust sustainability tests. Much of the South East RSS remains valid, notwithstanding the shift to localism and the desire to release local authorities from top down targets. It would certainly be value for money to retain these policies as sub-national guidance rather than find that planning bodies are creating new policies from scratch. Stakeholders and public bodies would avoid spending more resources to restate their cases if relevant, uncontested policies from the South East Plan could be re-assembled into sub-national guidance. This would provide the triple benefits of certainty, continuity (in very unstable times) and a saving of public funds.

REFERENCES

(i) SEFS is a network of environmental non-governmental organisations in South East England. Our membership is made up of the main environmental NGOs—RSPB, National Trust, CPRE, Wildlife Trusts, Friends of the Earth, WWF, Woodland Trust, CTC, Groundwork, Railfuture, Association of Preservation Trusts—along with smaller more local organisations such as Friends of the Brede Valley, Chiltern Society and Guildford Environment Forum etc.

SEFS broad aim is to help to promote and to achieve sustainable development in South East England. We have worked with regional bodies to ensure that environmental issues are central in all decision making processes. To this end, we engaged fully with the development of the South East Plan, the Regional Economic Strategy and the Sustainable Development Framework. Our Members have engaged with regional and sub-regional debates at both technical and policy levels, and we made significant contributions to the consultation process, both collectively and as individual organisations.

SEFS has around 40–50 Members (each “Member” is an organisation; we do not have individual memberships). Our estimated constituency—the combined membership of all our Member organisations in the Region—is around 1.2 million people.

We are governed by a Constitution, adopted by the Members. We convene general meetings for our Members to debate sustainable development issues, to develop our approach to key issues such as regional strategies, and to inform and engage our members in the wider regional issues. Our day-to-day business is managed by a Policy and Executive Committee comprising representatives from 12 Member organisations, and we have one part-time employee providing Secretariat functions. SEFS previously elected three individuals to represent the environment sector as Regional Assembly members, and we provide representatives to other strategic regional fora. Further details are available on our website.

Written evidence from Catesby Property Group

SUMMARY

Revocation of Regional Strategies: Planning is essential at every geographical level. The removal of regional planning has created a gap which will need to be filled, either from the top down or the bottom up. Without some form of strategic planning it will need to be re-invented.

Lack of transitional arrangements: The loss of regional planning, although damaging in its own right has been exaggerated through the lack of any proper planning for the change. The absence of transitional arrangements has led to a dangerous vacuum whereby confidence in the system has been lost and vital investment is being undermined.

Lack of co-ordination: Planning is important to bind policies together. Without co-ordination there is a strong likelihood that there will be a waste of resources, overlapping roles, gaps in provision and chaos in implementation. In housing, the sum total of housing provision has to fit together to form a jigsaw, otherwise peoples needs will remain unmet and younger people and those in need will be priced out of the market.

A stimulus for investment: The private sector also needs a clear framework within which to operate. The public sector needs to work to a plan to deliver infrastructure. Without proper planning there will be insufficient confidence for business to invest. Recent changes have created chaos and confusion which has totally undermined business confidence and lost vital income for businesses and the Exchequer.

Incentives for development: The “jury is out” over whether the New Homes Bonus will be a stimulus or a restraint on growth. Essentially, the impact will only be felt when the effect of the cutbacks from the Comprehensive Spending Review are realised. However, there is no guarantee that homes will be provided where they are needed under the proposed regime. There must therefore be a twin track approach based on a needs based as well as an incentive based method for determining housing targets.

1. BACKGROUND

The Government originally signalled its intention to abolish Regional Spatial Strategies in the Conservative Party “Open Source Planning” Green Paper No 14, issued early in 2010. This ambition was carried through to the Conservative Party Manifesto in April 2010 which then formed part of the Coalition Agreement reached between the Conservative and Liberal Democrat Parties after the General Election in May 2010. The Green Paper justified the change on the grounds that the previous planning system was “broken” and undemocratic. I believe that the changes were based on a false premise and that the planning system—although complex, bureaucratic and long-winded—was not fundamentally flawed and could have been streamlined through evolution rather than revolution.

The abolition of the “regional tier” was intended to be consistent with a “localist” approach where decisions are made from the ‘bottom up’ (based on the decisions of local communities) rather than from the “top down” by what were perceived to be unelected and unaccountable regional bodies. This change underlies the new Government’s philosophy of community-led planning. This is a laudable aim, but not an original one. Local participation has been a basic element of the planning process for at least 40 years. In truth, planning must be

a combination of “top down” advice and “bottom up” aspiration if the system is to work efficiently and effectively.

Following the formation of the Coalition Government in early May, the Secretary of State announced on 6 July 2010 that all RSS’s had been revoked. The statement was backed by advice from the DCLG posing (and then answering) various questions about the implications of the revocation of RSS’s. The Planning Inspectorate also issued advice to Inspectors indicating how cases should be handled in the light of the Government’s new approach. However, this left a huge vacuum caused by the absence of any transitional arrangements and hence created confusion and chaos. Contrary to normal practice, there was no prior consultation or discussion about the merits or the implications of abandoning Regional Strategies, nor has there been any advice to deal properly with existing planning applications, appeal cases currently in the pipeline or emerging Local Development Plans.

The Government has made it clear that in the absence of “top down targets”, local authorities are free to make their own decisions about the appropriate level of housing provision, subject to future testing of LDF’s for soundness, and hence they are not bound by previous targets either within emerging (or even adopted) Regional Plans. Essentially, this represents a retrospective change to planning policy and hence many local authorities are now taking a step backwards to review their plans, or holding fire until central guidance is more clear. The base requirements for calculating five year housing land supply is no longer clear, so that both developers and local authorities are in a state of confusion.

Government Ministers have argued that the previous “hierarchical” system based on consistent housing targets which “cascade” downwards from national, to regional, to local level was over-complex and created tensions between local communities and regional bodies. They have now indicated that this process will be replaced by a voluntary system of development incentives, whereby local authorities are encouraged to welcome housing through Government subsidies, equivalent to multiples of Council tax—for building more housing—but the details of this scheme have yet to emerge and will not become clear until after the Comprehensive Spending Review in October—and maybe not until the “Localism Bill” is enacted.

Consequently, having taken 30 years to build up the strategic planning system, and perhaps three years to prepare each Regional Plan, it has taken literally three months to abandon the whole process and create a situation of complete paralysis in the planning system.

2. KEY CONCERN

A hiatus in planning: The immediate impact of the decision to revoke Regional Spatial Strategies has been to throw the planning system into total chaos. Local authorities are no longer clear what advice, if any, they should follow and developers are now being unfairly prejudiced by the decisions of some local authorities to review their housing targets, to reduce their ambitions and to renege on previous commitments. Above all however, the undue haste in revoking RSS’s has created a complete vacuum causing inevitable delay and uncertainty for both developers and local communities. Without firm advice, with no Transitional Arrangements and with details of the New Homes Bonus still yet to be announced, most local authorities have simply deferred making any decisions until the implications are more clear. So for the time being, the planning system is at a standstill.

The impact on meeting needs for homes and jobs: The decision to revoke RSS’s has had a predictable response by those authorities who, for local political reasons, would prefer to reduce their scale of housing development. Studies by consultants in the south west of England have shown that some 60,000 new homes have been wiped from local authority plans in that region at a stroke. This trend is being replicated throughout the country. The HBF has indicated that at least 100,000 homes will be lost as a consequence of the decision. Already some appeals have been over-turned purely on the strength of the abolition of RSS’s, (including a key decision promoted by our own company where a mixed use development proposal including 400 homes, recommended for approval by an independent Inspector has been dismissed by the Secretary of State). This will have a tangible impact on future housing delivery as well as undermining local economic investment. The evidence of history (and psychology) is that, given the choice, Council’s rarely welcome development where this will create local political tensions, so a huge reduction in delivery of new housing, including affordable housing is inevitable.

The loss to the wider economy: The Coalition Government’s over-riding objective in the first few months of its Parliamentary term has been to limit public spending and reduce the financial deficit. At the same time, the Prime Minister has clearly indicated that he wishes to see a new stimulus to revitalising the private sector. Yet the immediate effect of the decision to revoke RSS’s (and abandon strategic housing targets) had been to stifle development, both in the short, medium and longer term and to dissuade developers from undertaking future investment. At a time when Government wishes to encourage and incentivise private investment, this seems completely inconsistent and counter-productive. The direct consequences, for example, of dismissing our appeal (against the advice of the Inspector) will be to lose a substantial number of jobs (and thereby tax income), lose investment in jobs (and hence corporation tax income), lose Capital Gains tax from the land sale, lose Stamp Duty income from the land purchase and the individual home sales and to lose all the benefits from the S106 package—including 120 units of affordable housing and contributions to the local health, education and leisure services. This represents a major loss to both the national and the local economy.

The need for certainty and clarity: House-builders, developers and investors necessarily have to make decisions over the long term (both with landowners and in the promotion of land) and cannot risk sacrificing effort and investment on schemes which will not materialise. Communities also require some certainty in knowing how much, when and where development is likely to occur, whether as future occupiers, investors or neighbours. Projects require funding which must be based on a calculated degree of certainty and clarity of future policy. The development industry, which has already been extremely hard hit by the economic recession, (and is still suffering as a result of the credit crunch and the inability of many potential buyers to obtain mortgages), relies on a proper and professionally run planning system which offers clarity and certainty. The recent changes have prejudiced both developers who may now have to abandon schemes in the pipeline and communities who will lose badly needed homes and jobs.

The need for consistency and co-ordination: The absence of any proper transitional arrangements and the decisions by authorities to reduce their housing output are creating a yawning gap between what *should* be provided (as measured by objective indications of need—such as household projections) and what *may* be provided, if and when local authorities ultimately produce their Local Development Frameworks. It is also creating an arbitrary distribution of development without any strategic overview and therefore no co-ordination between authorities to determine whether wider needs are being met—or whether the sum total of provision adds up to the whole—either at sub-regional, regional or national level. The previous system of hierarchical planning had the advantage of “controlling” housing totals to regional aggregates to ensure that delivery conformed to a wider “vision”. In future, the delivery of housing will be parochial, sporadic and largely unplanned—so that any co-ordination will be accidental rather than appropriately planned. Put simply, the jigsaw will not fit together.

The uncertainties of the New Homes Bonus: In future local authorities will be encouraged to build more homes through attracting a cumulative financial incentive—based on multiples of Council Tax. This may persuade some authorities to promote more building, but there is no guarantee that those authorities tempted to encourage housing will be those where homes are needed. Financial incentives do not always produce the desired effects in terms of planning outcomes. Those high demand areas where homes are urgently required and where house prices are already high, may tend to ignore the incentives resulting in a mismatch between need and supply, thereby exaggerating price differentials. In general, local people tend to welcome housing, in theory, since they are aware homes are needed, but resist housing in practice. The new system will not overcome that pattern. Furthermore, it seems likely that local people will be sceptical about the “bait” of additional Council funding, unless they are sufficiently public spirited and “socially aware” to appreciate the merits of additional infrastructure. Arguably, it creates the illusion that ‘development is bad’ and that incentives are necessary to encourage people to accept it—rather than viewing development as an essential tool in delivering prosperity and meeting peoples legitimate needs.

The creation of Local Enterprise Partnerships: Whilst the creation of more local initiatives may have some powerful merits. We are not altogether convinced that the loss of established links and business support functions will help to boost investment—which is not necessarily locally focused but could (depending on the size of the operation) be locally, regional or nationally significant. Current emphasis appears to be focused on simply dismantling what previously existed to remove any vestiges of regional influence—this is wasteful and counter productive. In practice, investment and enterprise may be stimulated at all geographical levels and therefore there is no magic advantage in removing regional Development agencies and replacing them with Local Enterprise Partnerships.

The loss of monitoring, coordination and data collection: One of the first actions of the Coalition Government was to abolish the Regional Planning Bodies, the RDA’s and the National Housing & Planning Advice Unit. The Government Offices will be closed very shortly. Whilst there is little purpose in maintaining staff without a regional planning role, it is important to continue to collect statistics, monitor progress and measure achievements against pre-determined objectives. Without monitoring there is little purpose in planning. There is therefore a deep concern that vital evidence which will be necessary to judge the merits of proposals, record progress and measure achievement (for example housing land supply) is in danger of being lost. Unless consistent time series are maintained, statistics will become meaningless. Unless projections and forecasts are made, planning will simply operate within a vacuum. Past information is important in projecting future needs. The data sources within the Regional Offices must therefore be kept.

3. THE WAY AHEAD

Clear guidance: It is essential that planning guidance is established or re-affirmed to provide a clear basis for decision making. A national planning strategy is long overdue, but this will need to have a regional—and possibly also a sub-regional dimension to fill the gap lost by Regional Spatial Strategies.

Confirming broad policies and objectives for the delivery of housing is essential, including ensuring that local authorities maintain a suitable “portfolio” of housing sites, through establishing, at the very least a five year supply of housing land. This in turn will require clear advice on formulating housing numbers, since the five year target requires suitable benchmark against which supply is measured. This in turn necessitates ensuring that there is an appropriate evidence based approach to housing.

Determining housing targets: Whether housing numbers are reached from the bottom up or the top down, they must be derived from reliable and up to date evidence sources and be logical and consistent with those Districts around them. “Localism” should not mean “parochialism”. Leaving local authorities (who have not previously taken responsibility for determining housing numbers) without some guidance is tantamount to putting the inmates in charge of the institution! In practice, established sources such as Housing Market Assessments and Housing Land Availability Assessments—unwieldy and unreliable as they may be—will continue to have a role. But the house-building industry, with its experience and interest will need to have an input too. It would be irresponsible to simply leave decision making to the whim of local politicians without the help of evidence and advice.

Planning ahead: The present system of Local Development Frameworks is complex and unwieldy. It needs to be simplified and streamlined to ensure that local authorities can establish a clear vision and blueprint for their areas—albeit with adequate flexibility to allow for unexpected changes, initiatives and ideas. The past progress with LDF’s has been abysmal. The loss of RSS’s removes one of the important keystones of the planning system meaning the local plans are all the more important. There must be a clear and up to date baseline for calculating five year land supply figures with scope for authorities to allow additional homes if needs allow. The concept of “localism” must not be allowed to frustrate the preparation of forward plans—without proper planning we face chaos, confusion and ultimately anarchy.

Involving the local community: Public consultation and participation have been at the heart of planning for nearly half a century. The public expect their local politicians to deliver homes, jobs and services efficiently, effectively and equitably—without fear or favour. It is not the role of politicians to stifle development purely to pander to specific interest groups or to support local resistance based on a “not in my backyard” philosophy. To do so, simply allows planning to return to the law of the jungle! The concept of localism must therefore be interpreted as a positive approach whereby local people are encouraged to engage in planning, both in determining the scale, form and direction of growth and in contributing to the pattern of change. But it is not sensible, fair or equitable to allow the public a veto over plans and schemes which have been promoted, tested and adopted—simply to stop unwelcome development or court political favour. The concept of “localism” therefore needs to be clearly defined.

Promoting investment: Clarity and certainty is a vital ingredient of investment. Incentives may also help, but businesses can only plan ahead if they are convinced that there is a profit to be made and a market to exploit. The recent changes have been hugely counter-productive. The emphasis on Local Enterprise Partnerships must therefore be supported by national (if not regional) backing to ensure that businesses thrive and investors (especially in the development industry) have the confidence to invest.

Monitoring and information: There must be a reliable library and/or data source which can underpin decisions, otherwise debate will be unstructured and uninformed, with opinions, taking over from empirical evidence. This means protecting existing data sources and encouraging the continuation of organisations who can provide objective sources of statistics, projections and evidence which is supported and trusted by all sides.

September 2010

Written evidence from Barratt Development Plc

SUMMARY

1. House building has been hard hit in the last few years with significant job losses, lost profits and dividends. As housebuilders we wish to deliver and look for a planning system that helps and a properly structured local approach has the potential to do so.

2. Barratt Developments plc (BD) recognises that the change is radical and like all such change is bound to create some disruption. However, BD has previously expressed concern about the planning system’s failure to deliver over many years. Thereby, BD is concentrating on the need for a successful implementation of the new policy and that is the thrust of this evidence:

- It is vital that more detailed transitional arrangements are put into place as a matter of urgency to create a smooth transition between the old and new planning systems.
- The current position may lead to more decisions by appeal which is not an efficient way forward.
- There is a danger that confusion about decision making may hamper the objective of delivering more homes, so there is a need for a clearer route map to quickly put the new system in place.
- Incentivisation is an innovative approach but may be insufficient so other incentives need to be considered and a positive message should be issued to promote the benefits of a package of measures resulting from residential development.
- Local Enterprise Partnerships are welcome and offer the opportunity for focused investment and research that should be reflected in future development plans.

MEANS OF CHANGE

3. History shows that any major change to the planning system through the passing of primary legislation has led to disruption and delay; not least because the primary legislation is insufficient guidance for local authorities to act without further explanatory regulations, policy guidance and often other advice and so adapting to change is not instantaneous. However, this situation is different from the past.

4. Previously, new legislation has usually been foreshadowed by consultation documents (Green/White Papers) and the basis of planning decisions (development plans) have been in existence for the most part of the country. Thus when the 2004 Act was passed to give effect to the Regional Strategy and Local Development Framework (LDF) system most of the country was covered in local plans/structure plans and unitary development plans that were a basis for continued decision making until the new system could be put in place. Indeed the legislation provided for a saving of these adopted policies until the replacement plans were adopted. Importantly, in the past, the old primary legislation was not superseded until the new Act was put in place.

5. This time, the system is being structurally changed in advance of new primary legislation and against a background of little up to date development plan coverage. The 2004 Act envisaged revised development plan coverage in the form of LDF's by 2007. This was at best optimistic especially given that the context of any Local Development Plan was an adapted Regional Strategy. Consequently, as of today the main LDF document (Core Strategy) coverage is very limited (about 15% of the country had an adopted Core Strategy) and very little in terms of Allocations Development Plan Documents, which identify sites for development. Consequently, taking away the basis of the current planning system in advance of primary legislation leaves a position of uncertainty.

6. BD are aware of the legal challenge to the Secretary of State's decision of 6 July 2010 by CALA Homes and so does not wish to make any comment on the legality of the revocation of RSSs. However, the response of local authorities has been very mixed:

- (a) some have opted to carry on as before;
- (b) some have put their Core Strategies on hold pending further guidance;
- (c) some have resolved to reduce their housing requirement figure; and
- (d) some have yet to declare their position.

7. Against the background there is a confused basis for decision making. For those authorities that have resolved to reduce their housing number and, in some cases, refuse planning applications accordingly, there is a concern that this a legitimate response. The CALA Homes challenge should resolve that question. In the meantime, uncertainty prevails.

8. This uncertainty is apparent when the advice produced by the Planning Inspectorate is examined. It makes clear that RSSs are revoked and cannot be given any weight in decision making. However, it also says the evidence that informed the preparation of the revoked RSSs may be a material consideration. It is difficult to draw a distinction between the housing number and the evidence to determine that housing number.

9. It is relevant to note that some local authorities appear to have stopped preparing their development plans on the expectation of further information, which is not apparent will be forthcoming, so this creates further uncertainty for any applicant. In such circumstances there is a reluctance to undertake the risk of incurring the cost of submitting a planning application.

10. The effect of the revocation is that the basis of decision making is now adopted development plans, currently saved policies and any old style development plans that have not lapsed. Apart from adopted Core Strategies or other plans adopted since the 2004 Act, these policies are very out of date, often based on information that is 10 to 15 years old. Most allocations in these plans are taken up and so there is very little opportunity to promote a site which is in conformity to these plans and the risk of refusal is high. There is therefore a risk of a substantial increase in appeals. This is likely to be inefficient and costly.

11. BD do not question the clear desire of the Government to abolish RSSs but feel that there has been an underestimation of the position of such strategies in the planning system. In his response to Westminster Hall debate on RSSs of 30 June 2010, Robert Neill MP said that "Everybody wants to move as swiftly as possible but, because the arrangements for planning regulations under the previous Government were so complex, we have something of a legal minefield to walk through to ensure we get it right. If we make important changes we do not want to have any false starts". We would fully endorse this sentiment and with the myriad of local authority responses to the revocation there is now a clear need for further detail on clear transitional arrangements.

TRANSITIONAL ARRANGEMENTS

12. The existing transitional arrangements were provided in a letter of 6 July 2010 by the CLG Chief Planner attached to a letter which referred the announcement of the Secretary of State to revoke RSSs that day. This took the form of answers to a series of questions. Also in July 2010, CLG published its Structural Reform Plan setting out its programme to give effect to the Government's policies. The Structural Reform Plan sets out the

date for passing of the new primary legislation the Decentralisation and Localism Bill to be passed in November 2011 with the new national planning policy based on “Open Source Planning” to be available by April 2012.

13. For those authorities, who are delaying their plans until there is clearer guidance they will not apparently begin to be proactive until April 2012. For those who seek to draw up new plans, based on a new number, in advance of primary legislation there are a number of challenges not least of which is their new number soundly based in evidence and is the revised plan in conformity with European legislation in respect of Directive 2001/42/EC of the European Parliament and Council.

14. The requirement for evidence is dealt with briefly in the 6 July 2010 letter and is further discussed below but the question of conformity to the Directive is not addressed. Briefly, the Directive requires the production of a Strategic Environmental Assessment (SEA) for development plans. Under the 2004 Act system this was carried for the RSS and successive plans (Core Strategies, etc.) were declared to be in conformity to the RSS and so did not require a full SEA to be prepared. In the absence of a RSS any new plan will need a SEA. Not only will this take time but there has to be a concern that a new plan with a revised housing number can satisfactorily demonstrate compliance with the requirement of a SEA. Consequently, there is an unresolved concern that in the absence of primary legislation authorities will be able to produce plans capable of withstanding challenge.

15. These issues point to the clear potential of the transitional arrangements being in place for some time, probably two years at least. The question therefore arises as to their sufficiency and detail to enable the planning process to continue with an adequate basis for decision making in this interim period.

16. The letter of 6 July 2010 deals with some of the issues and the advice produced by the Planning Inspectorate gives further guidance but there are important missing areas. These are:

- (a) if housing numbers are re-determined by a local authority in advance of a new plan being formally deposited, what is the evidence base on which that decision is made and how is that judged to be sound?
- (b) if reliance is placed upon old style development plans and saved policies, which are clearly out of date, to what extent is this a reasonable basis for decision making?
- (c) if housing numbers are re-determined by a local authority in advance of a new plan being formally deposited, does the recalculated five year land supply operate only from the date of the resolution to adopt that re-determined number?

17. Without further clarity on these points, disputes will arise which will need to be settled by appeal and/or through the courts which as already stated is inefficient.

18. It may be considered that at a time when housebuilding is at a low level then this transitional uncertainty is inconsequential. Such a view would be mistaken as planning has a lagged effect so that decisions taken today are not manifested on the ground for several years ahead. It is to guard against this risk that housebuilders maintain a land bank. Furthermore, large housebuilding company is not a single business but a series of businesses (in Barratt we call these Divisions) operating over a defined geographical area. These businesses operate on the basis of outlets providing for a range of local and varied market needs. There is a need for a continual supply of outlets in order to maintain the individual businesses. The total business is reliant upon the continued viable operation of these divisional businesses.

19. Investment in land is a recognised risk and involves considerable amounts of risk capital being employed before there is a profitable return in the form of house sales. For this reason, BD supports the primacy of the development plan in decision making. If forward planning is uncertain then there will be a reluctance to invest. Thereby, there is a prospect of extending the constraint on dwelling production.

20. At a time when the effects of the recession are being overcome and housebuilding could be growing significantly then the consequence of current planning uncertainties will mean a lack of sites coming through to enable growth. Whereas, future planning post-April 2012 may be fit for purpose to deliver the Government's objective of more homes, the effect of the interim uncertainty will be to postpone the opportunities to immediately reap the benefit.

21. In light of the above we consider that further transitional guidance is necessary to ensure that planning decisions are soundly based to enable continued housing delivery.

INCENTIVISATION

22. The Government's reform are a package, a vital part of which is the incentivisation in the form of the New Homes Bonus Scheme. This measure was outlined in the various Conservative Green Papers and it was recently confirmed as a proposal on 9 August 2010 in a letter to Council Leaders by the Housing Minister. The precise details of the Scheme and its operation have yet to be confirmed but the Government should be commended for committing to introduce it with effect from April 2011.

23. It remains to be seen if this scheme is sufficient to incentivise local authorities to give planning consents. However, it is understood that it will be payable only upon completions and then at the rate of the equivalent of the Council Tax for the next six years.

24. A payment for a 100 dwelling development at average Band D Council Tax of £840,000 over six years may appear as a substantial incentive. However, completions are likely to be over at least a three year period the cashflow is £50,000 in year one, £100,000 in year two, £150,000 in year three then the rest spread in three equal payments of almost £220,000 per year, it is debateable if this will be enough to provide sufficient incentive. There is also the potential for a mismatch of time between a desire piece of social and/or physical infrastructure and the completion of the development which may bring the scheme into disrepute.

25. BD feel that whilst the Scheme is an innovative proposition that should not be decried it may not be enough to incentivise development. Therefore, further incentivisation maybe required. BD suggest that local authorities ought to be allowed to also keep the Stamp Duty Land Tax that is provided by new development (land and dwellings). This could amount to an average of about a further £2,000 per dwelling which together with an assumed Community Infrastructure Levy of £5,000 per dwelling (CLG assumption in 2009 consultation) would provide a total package of £8,400 per dwelling which should be sufficient incentive to bring forward development.

26. BD believe the Government should move quickly to establish the precise workings of the New Homes Bonus Scheme and to establish its alternative to Community Infrastructure Levy. These items together with other funding sources (we suggest local retention of SDLT) should then be presented as a beneficial package which will provide funding for social and economic infrastructure. However, in doing so it is essential that the package is economically viable, viability should be central to planning otherwise development will not be delivered and the Bonus Scheme will not fill the gap in local government finance. There is no possibility of additional funding coming from the housebuilding sector and so if the package is insufficient the Government should be prepared to increase the Bonus until it is effective.

27. BD consider that the Government should do more to promote a cultural change that recognises the benefits of housebuilding by both setting out the ways in which a full incentives package will work and to emphasise the economic and social benefit of housing development in itself. It is understood, from an answer to a Parliamentary question on 22 June 2010, that the Housing Minister understands that housing development is economically beneficial. BD consider that every house will support 6 new direct and indirect jobs into the local economy. The social benefits of having a well housed population are obvious but a re-emphasis of the Government's commitment to providing more homes through a Parliamentary Green Paper would restate the point without dictating the local level of provision.

LOCAL ENTERPRISE PARTNERSHIPS

28. The Government have responded to the need for a structure to replace the dismantling of the Regional Government architecture significance by inviting Local Authorities to submit proposals on 29 June 2010 to form partnerships to deal with matters of a wider than local authority significance.

29. BD feel this is a welcome move. It is agreed that such Partnerships could be effective in providing the level of leadership necessary related to functional economic areas. The equality of public private partnership is welcome and would be more aligned the Barratt company structure based on Divisions that operate across groups of local authorities. Therefore, Barratt are keen to be involved in such Partnerships and believe that we can play a role in seeking to ensure that housing, economic development and infrastructure provision are aligned to enable sustainable development. It is noted that such partnerships are, according to the CLG Structural Reform Plan, not to be fully in place until April 2012. Therefore, their role in shaping the necessary development framework will be constrained unless their lack of operational function is used as an excuse for development plans to be further delayed. The Government should make clear that such an excuse is not acceptable.

30. Consequently, BD does not believe that LEPs should seek to fulfil a planning role except in the broadest sense of establishing the relationship (falling short of determining precise numbers) between authorities in terms of their development role and where investment should be directed. However, once LEPs have established the relative development role of localities this should be published and regarded as a material consideration in determining the soundness of development plan reviews. There is scope, however, for LEPs to employ (or commission) researchers to provide a sound evidence base for their constituent local authorities to use in the monitoring and review of their plans. Using LEPs in this way could be a cost effective service.

CONCLUSION

31. BD considers that the Government should move quickly to remove uncertainty in the planning regime with regard to housing. This should be done via further details of the transitional arrangements and the New Homes Bonus and to establish the Local Enterprise Partnerships so that there is a more considered basis for planning decisions in the period until the enactment of the Decentralisation and Localism Act and the publication of the National Planning Framework. It is clear where the Government wants to get to but BD are concerned that the route to that position has hampered the desired outcome of delivering more homes.

Written evidence from the Home Builders Federation (HBF)

SUMMARY

- It is too early to tell what the long-term implications of the revocation of the Regional Strategies (RS) and their targets will be for levels of housing supply.
- Short-term there is a need for further transitional rules and guidance and early clarification of the details of the New Homes Bonus (NHB)—the current uncertainty and hiatus is a concern and cannot be allowed to exist for too long. This has clearly affected the position in a significant number of areas.
- Neither the abolition of the RS nor the NHB will in themselves be decisive: the results of the new system will depend on its key policy details and processes.
- The new national planning framework will be important in this and should be given statutory effect via the Localism Bill.
- The Bill should include a responsibility for local authorities to properly assess housing requirements for their area, through a robust Strategic Housing Market Assessment.
- Authorities should also have a responsibility to ensure there is a suitable supply of developable land to deliver their identified housing requirements.
- The proposed housing and development incentives are important—but we think they may not be sufficient in some cases.
- Probity restrictions and pre-determination rules should be reviewed to allow developers to talk properly to councillors and communities about development proposals.
- Other proposals set out in pre-election Green Papers also need to be followed through—eg the presumption in favour of sustainable development.
- Developers can work with the principle of localism, but this has to be subject to a framework that provides a fair opportunity for the market to make things happen where there is a clear need.
- Decisions cannot be made on an ad-hoc or inconsistent basis since this will bring the system into disrepute.
- There needs to be a means and processes for assessing, planning and delivering housing and infrastructure on a cross-boundary basis—so the proposed “duty to co-operate” is vital.
- Local Enterprise Partnerships are an important element of planning on a wider than local basis and need clearer rules regarding their responsibilities.
- Local authorities and all other parties should have access to the regional data and research previously produced for the leaders’ boards etc. and should continue to have robust and consistent monitoring processes in place.

SUBMISSION

1. It is too early to tell what the long-term implications of the revocation of the RSSs and their targets will be for levels of housing supply. The implications of the abolition of regional house building targets are certainly considered to be more long term than short term. While the short term issues manifest themselves as confusion and somewhat knee-jerk reactions, the longer term effects of not having regional housing targets will not be known for some time, possibly many years. For example, there is reduced clarity in planning for large strategic housing sites which, however, take many years to promote and deliver. Lack of clear vision and planning now would result in fewer strategic sites coming forward in three, five or even 10 years time.

2. The short-term problems of confusion and hiatus stem from their being a need for further transitional rules and guidance and early clarification of the details of the New Homes Bonus (NHB). This situation cannot continue to exist since what is currently only a short term problem will soon turn into a much more far reaching problem that will lead to a longer term reduced supply of dwellings. There is clearly a nervousness within both local authorities and the development industry over the current lack of clarity in the government’s new policy approach, allowing many different approaches or responses towards development planning and housing provision. Coming out of a system where there were very detailed and firm rules and a great deal of central guidance into a world with very little, relying instead on collaboration and joint working is a challenge for all parties, particularly since government has not allowed for any specific transitional rules to bridge the two radically different approaches. As with any situation where the parties are thrown into the deep end some will swim and succeed, but others may sink. We cannot be clear therefore at present what the balance of these individual adjustment strategies may be.

3. Neither the abolition of the Regional Strategies nor the NHB alone will, in themselves, be decisive influences on the delivery of new homes over the coming years. The results of the new system will depend on its key policy details and processes. The Government’s proposals on national planning policy and the processes that should be adopted in formulating neighbourhood and district plans are not yet known in detail. They will, however, be critical in ensuring that home builders can invest in developments with confidence and be sure that they can discuss proposed schemes according to a clear and balanced set of rules with councillors and communities.

4. The new national planning framework will be a critical cornerstone of the new planning system and it is important that the production of this framework is given priority and discussed openly with all key parties. We believe that the framework should be given statutory effect through the Localism Bill since it will be important to be able to relate all of the disparate work being undertaken locally back to established national policy.

5. We also believe that it is vital for central government to require local authorities to properly assess housing requirements for their area. Such assessment should be undertaken in a comparable way across the whole country in order to provide a clear and transparent data set to enable robust monitoring of planning for housing and housing delivery. This might best be achieved through establishing a responsibility on local authorities to produce a robust, fit for purpose, Strategic Housing Market Assessment, specifically including evidence and advice from housing delivery agents in both the public and private sectors.

6. Local Authorities should also have a responsibility to ensure that there is a suitable supply of developable and deliverable land to meet their identified housing requirements. It is vital that monitoring of housing provision is forward looking as well as retrospective. Trajectory plans, assessing the delivery timeline of each site proposed for development are, perhaps, more important than historical data of housing completions since it is easier to spot gaps or shortfalls in housing provision from such plans with remedial action having a faster impact than merely responding to historical data.

7. The proposed housing and development incentives are very important. They are a necessary carrot for local authorities and local communities, rewarding those who ensure housing delivery that meet their clearly identified needs. Our concern is that such incentives may not be sufficient in some cases to encourage a positive focus on meeting housing requirements. The details of the NHB are still currently uncertain with a consultation promised for the autumn. This is unfortunate since the clear details of the NHB would help counterbalance the removal of the regional housing targets—reducing transitional uncertainty and ensuring that local communities and local authorities do not turn away from their responsibilities for housing provision. At the present time, in some areas, the freedom to drop previous housing targets appears to have enabled some authorities to duck this responsibility with apparently no repercussions. Not only will this not be true in terms of future housing stress in such areas, however, but the lack of knowledge of the details of the NHB (and its relationship to local authority funding from central government) have not been appreciated by all local authorities.

8. Localism presents many challenges for both communities and elected representatives. There are currently tight rules regarding probity issues surrounding the involvement of elected councillors in the evolution of development proposals. Under localism this must be reviewed. It is essential that the ground is cleared so that developers can talk properly to councillors and communities about development proposals and that so called pre-determination rules are removed.

9. Other proposals in the pre-election Green Papers published by the Conservative Party also need to be followed through and enhanced in order that everyone involved in the development process understands how they relate to the actions of each of the players and their responsibilities. For example, the concept of the presumption in favour of sustainable development lies at the heart of the new planning process yet there is currently no definition of the term nor how it might act upon decision makers. Once again, it would have been extremely helpful for such clarity to have been in place before the removal of regional housing targets in order that the transition to the presumption in favour of sustainable development did not suffer from the current policy vacuum.

10. Developers believe that they can work with the principle of localism, but this has to be subject to a clear and transparent framework that provides a fair opportunity for the market to make things happen where there is a clear need. Decisions cannot be made on an ad hoc or inconsistent basis since this would quickly bring the system into disrepute and lead to great uncertainty within the development industry, so threatening investment decisions and long term projects.

11. Perhaps our main fear of the potential shortcomings of the process of localism is the apparent lack of process for assessing, planning and delivering housing and infrastructure on a cross-boundary basis. This is essential in areas such a city region where a major development needs to expand beyond its own administrative boundary into the neighbouring hinterland. We have seen examples of this problem in Bristol and Milton Keynes so far with no apparent solution to this lack of “growth area” status previously determined at the regional (or more than local) level of planning. We believe that this issue is due to be addressed through a “duty to co-operate” to be included within the Localism Bill but we currently have no clear idea of how this duty will operate in practice or whether or not it will actually address the issue of cross boundary development as cited in the above examples.

12. One such tool to assist cross boundary working and planning might be the new Local Enterprise Partnerships. Although potentially a very important, business-informed focus on development issues for sub-national economies we have been slightly disappointed with the current approach of most of the LEP proposals which are public sector dominated and few of which have suggested a role in planning or housing on a cross boundary basis. This is, perhaps, unsurprising given the very open brief provided by the government for such partnerships. While it is, of course, more important that they can achieve a business/local government consensus on what is needed rather than having planning powers per se they would appear to have significant potential for guiding the “duty to co-operate” and guide sub national spatial decisions regarding development and infrastructure provision.

13. Perhaps the key to transition from the old planning system based on regional plans to a new locally based process is the continuity of data and monitoring processes. Local authorities and all other parties should have access to the regional data and research produced for the leaders' boards etc. in order that we do not have to start from a blank canvas and re-invent these essential processes. Going forward we should ensure that such data is collated by local authorities in a comparable way in order that we can monitor trends and outputs in a consistently. Without such a requirement it will not be possible to measure the success (or failure) of the new localism system.

September 2010

Written evidence from the National Housing Federation

1. INTRODUCTION AND SUMMARY

1.1 The National Housing Federation represents 1,200 independent, not for profit affordable housing providers in England. The Federation's members include housing associations, co-ops, trusts and stock transfer organisations. They own and/or manage more than 2.5 million homes provided for affordable rent, supported housing and low cost home ownership, and offer an increasingly diverse range of community and regeneration services. Our members currently develop approximately 40,000 new affordable homes per annum.

1.2 We have marshalled our submission according to the headings set out in the Committee Terms of Reference.

2. SUMMARY OF EVIDENCE

2.1 The Federation welcomes the Government's commitment to increased levels of housing delivery and sustainable development. However, we are concerned that the abrupt revocation of the RSS has created a vacuum which our evidence demonstrates has led to the loss of thousands of planned homes.

2.2 The Federation's evidence shows:

- Independent research by Tetlow King Planning demonstrates that local authorities have reduced housing targets by 139,589 dwellings when not adhering to RSS figures. A high proportion of this derives from authorities on the edge of major urban areas scrapping urban extensions designed to meet demand and needs substantially generated by the neighbouring authority.
- Immediately the revocation has created a damaging policy vacuum. In the longer term it could result in a significant reduction in housing provision and lead to less sustainable patterns of development.
- Housing need is acute and growing with 4.5 million people in England on social housing waiting lists and 258,000 new households formed every year.
- There is a continued need for strategic planning to facilitate the delivery of housing and vital infrastructure across local authority boundaries.
- Local authorities require guidance and data from Government to help them effectively assess housing need and plan to meet it, including through ensuring a five year land supply.
- The "New Homes Bonus" is unlikely to result in significantly more homes if the incentives it offers remain at the level originally envisaged.

3. SUMMARY OF RECOMMENDATIONS

3.1 In light of our evidence, the Federation believes the government should act quickly to attenuate the loss of housing caused by the current policy vacuum. Specifically, we are recommending that:

- Government should introduce a national definition of sustainable development on which the presumption in favour of granting planning permission can bite immediately.
- CLG should prepare and publish a list of submitted Option 1 figures for each local authority to be used on an interim basis as the measure against which five year land supply for new homes can be tested.
- CLG should urgently establish a clear methodology for how housing need (rather than demand), including for affordable housing, can be robustly and consistently assessed.
- The New Homes Bonus should be introduced as soon as possible. Its financial incentives, especially for affordable housing, will have to be significantly more generous than initially outlined for the policy to be effective.
- Local Enterprise Partnerships (LEPs) should be charged with developing a planning and housing strategy for the area they cover.
- Government should make clear that it expects to see civic society and social enterprise representation on LEPs.

- CLG should publish online, and update periodically, data and research on housing need previously collated Regional Leaders' Boards to assist communities and councils in preparing new local plans.

4. THE IMPLICATIONS OF THE ABOLITION OF REGIONAL HOUSE BUILDING TARGETS FOR LEVELS OF HOUSING DEVELOPMENT

4.1 *Government commitment to house building*

4.1.1 Government ministers have repeatedly stated their commitment to building more homes, including affordable homes. As Housing Minister Grant Shapps MP has stated, for this Government, "Success will be more homes, failure will be less homes". Furthermore the Government is committed to creating "a presumption in favour of sustainable development".

4.1.2 This commitment is very welcome as the current rate of house building, at 123,000 homes per year across England, is at its lowest peace-time level since 1924. Chronic undersupply of new homes is worsening already acute housing need. More than 1.76 million households, or the equivalent of 4.5 million people, were on social housing waiting lists in 2009, a 23% increase in the last five years. Housing need will continue to rise steeply. Government projections suggest nearly 258,000 new households will form every year in England from 2006 to 2026.

4.2 *Revision of local authorities' housing numbers*

4.2.1 The revocation of RSS has already had a very significant impact on local authorities' house building targets. The National Housing Federation initially commissioned Tetlow King Planning to investigate the impact of the letter sent by Eric Pickles MP to council leaders on 27 May 2010 intimating the imminent abolition of RSS. The research, conducted in July, concluded that 84,000 dwellings had been lost from housing targets as a direct and indirect consequence of the letter as well as refused planning applications.

4.2.2 A partial update of this report was produced on 3 September 2010 for Channel 4 News which concluded that the figure had since increased to around 100,000 dwellings. As part of the Federation's evidence gathering for this inquiry, a fuller update of the research has been commissioned [submitted as an appendix]. This concludes that the figure now stands at 139,589 dwellings and this is expected to rise still further. The scrapping of large unpopular urban extensions such as around Stevenage accounts for a high proportion of these reductions. The rest of this section looks at the short, medium and long-term effects of the revocation and eventual abolishment of the RSS.

4.2.3 In the short-term, the revocation of RSS has created a vacuum in planning policy except in London, where the Regional Plan has been retained. Outside London there is now no tier of planning policy between the local and national levels. In many cases the extant local policy is very dated. The coverage of adopted Core Strategies in England stands at 17%, meaning that 83% of local authorities are still relying on Local Plans prepared pre-2004. Indeed many were adopted more than ten years ago and are approaching or even past their end dates. In such cases, the RSS until recently provided the up-to-date policy basis.

4.2.4 For example the Teignbridge District Local Plan was adopted in 1996 with an intended end-date of 2001. Not only are the overall housing numbers and allocations effectively superseded but it has no justified affordable housing target within it. With the South West RSS now revoked, the Council can no longer rely on the 35% minimum target as a base for their planning policy. With the adoption of Teignbridge's Core Strategy still a distant prospect, the Council has been forced to issue a Supplementary Planning Document (SPD), but the SPD approach does not conform to PPS3 requirements and is likely to be challenged at appeal by developers, frustrating affordable housing delivery.

4.2.5 Local authorities will now have individually to produce evidence to replace what was provided regionally through the RSS process. With severe public spending cuts imminent, many will not have the resources to do this effectively, further slowing the delivery of adopted Core Strategies or new-style Local Plans.

4.2.6 The medium and longer-term impact of the abolition of RSS is much harder to assess. Housing demand and need is certain to continue to increase in coming due to factors including people living longer, staying single for longer and a growing population.

4.2.7 Clearly RSS were unpopular in many parts of England. However they did provide a framework for developing strategic planning and housing policies, including facilitating:

- Debate and mediation on the quantum and broad distribution of development.
- Co-location of new jobs to match new housing.
- Enabling major development and infrastructure across district authority boundaries.

4.2.8 The most pressing issues facing the nation, including the housing crisis, cannot be dealt with effectively solely at a local level. Communities often need action at a "larger than local" level to deliver many of the things they want, such as transport links, new homes and flood protection. Strategic planning can help facilitate such action through formulating solutions to problems that must be addressed beyond neighbourhood or district

boundaries. Importantly this can provide certainty to investors such as the infrastructure providers local communities are dependent on to provide the development they want and need.

4.2.9 There are real dangers that recent policy changes, including the rushed dismantling of strategic planning, will exacerbate the chronic undersupply of new homes for the foreseeable future. This might potentially lead in a few years time to ministers issuing instructions to local authorities to increase their housing targets, as the national imperative to deliver new homes becomes ever more pressing.

4.2.10 As discussed, in general it is the significant urban extensions, each with the potential to deliver large numbers of homes, that are no longer being planned for. Such schemes normally take five to ten years to deliver, requiring much co-ordination and infrastructure planning. Having halted work on such schemes, when councils realise that some urban extensions or new settlements may be necessary after all, there will be a long lead-in time to delivering these strategic schemes. In the interim housing need will continue to escalate.

4.2.11 For a detailed description and assessment of the impact of the abolition of RSS across England, please refer to the attached Tetlow King Planning research.

4.2.12 With the likely reduction in development caused by the abolition of RSS, the pro-development aspects of the Government's vision for planning should be introduced as soon as possible. In particular there is a clear need for a national definition of sustainable development on which the presumption in favour of granting planning permission can bite. Ministers have stressed that the proposed presumption will be at the heart of the planning system and will be a counterweight to those who object to development. However if the definition is left to be decided locally as part of the plan framework then there is a real question about what happens in the period until new style local plans emerge. There is also a risk that a locally controlled definition will significantly restrict development in many areas.

4.2.13 **RECOMMENDATION:** It would be straightforward for Government to publish in revised planning policy a definition that can be used as a framework for the presumption in favour of development until replaced by a local plan version. [This should be based on the Brundlandt definition.] It will also provide a context for local plan definitions, ensuring that they take proper account of the housing needs of future residents.

4.3 *Ensuring effective assessment of housing need and adequate land supply*

4.3.1 For the new localist planning system to deliver sufficient new homes in the right places, it will be essential for housing need to be robustly and consistently assessed by local authorities (this will be particularly important in aiding any housing and planning role LEPs assume). Once housing need has been effectively measured, it will also be vital for councils to have an adequate five year land supply to meet the identified housing need.

4.3.2 Strategic housing market assessments (SHMAs) and strategic housing land availability assessments (SHLAA), coupled with guidance from the NHPAU, provided a relatively clear context within which housing targets were set under the last Government. Open Source Planning indicated that "best practice" guidance would be issued on housing land supply. It is assumed that this means that the existing guidance on both SHMAs and SHLAAs will be reviewed and reissued.

4.3.3 Government has made it clear that it believes that local planning authorities have a responsibility to maintain a five year land supply, for housing. What has been less clear is the foundation that should be used for assessing whether there is an adequate five year land supply.

4.3.4 As Regional Spatial Strategies were revoked, local planning authorities were offered guidance on the approach that they should take to housing figures. It was noted that they could retain the RSS figures, use the Option 1 figures or identify an alternative. It noted that an alternative would have to be robustly justified. This guidance was of limited practical assistance.

4.3.5 Prior to the election, Conservative spokespersons indicated that the so-called Option 1 figures were the best proxy for long term needs. They suggested that these represented the "true view" of local planning authorities about the levels of housing that they could properly accommodate. While there is a reasonable relationship between Option 1 figures and housing need, the match is clearly imperfect.

4.3.6 **RECOMMENDATION:** CLG should be tasked with preparing and publishing a list of submitted Option 1 figures for each authority. That should be used on an interim basis as the measure against which five year land supply can be tested. Either as part of a local plan, or as a separate examined policy document, local authorities should be encouraged to bring forward alternative proposals.

4.3.7 **RECOMMENDATION:** CLG should urgently establish a clear methodology for how housing need (rather than demand) can be robustly and consistently assessed. Assessment should have clear and separate figures for overall levels of housing, affordable housing, specialist and rural housing (where relevant). New guidance is needed to assist local authorities in preparing new local plans.

4. THE LIKELY EFFECTIVENESS OF PLANS TO INCENTIVISE LOCAL COMMUNITIES TO ACCEPT NEW HOUSING DEVELOPMENT—THE “NEW HOMES BONUS”

4.1 The Housing Minister, Grant Shapps MP, wrote to local authorities on 10 August 2010 to outline the proposed New Homes Bonus. The letter confirmed that a mechanism will also be developed to incentivise development. Previously it was suggested that there will be a matched payment from central Government for all council tax arising from new homes being built for a period of six years. There has, previously, been discussion of a further premium for new affordable housing through the Bonus.

5.2 Government ministers believe that the proposed New Homes Bonus will provide a powerful new incentive to local authorities to build more affordable homes. The Federation welcomes the policy of providing incentives for house building and believes that if set at an appropriate level, the New Homes Bonus could help increase housing supply.

5.3 However the level of potential reward for local authorities originally proposed is unlikely to be sufficient to convince many local authorities to accept more homes. We have particular concerns that affordable housing may be disadvantaged relative to open market housing by the New Homes Bonus. The proposed premium for affordable housing is welcome, but the additional 25% envisaged will not be enough to encourage financially squeezed local authorities to develop affordable rather than more expensive, higher council tax band open-market housing, which will produce more revenue due to the council tax “taper”.

5.4 Initial modelling by the Federation indicates that even with a 25% premium, councils would have to build two affordable Band A homes to generate as much income from the council tax and additional incentive than what they would generate in council tax alone from just one Band F executive home. Band F homes will also provide a better long-term income stream, because when the incentive bonus runs out after six years, the Band F executive home will generate more income than the two affordable homes put together.

5.5. Potential revenue generated through New Homes Bonus for new affordable homes will also constitute, at least initially, a tiny proportion of local authorities’ overall potential income, making it unlikely that it will prompt them to deliver many more affordable homes. Although the potential incentives are more significant as a proportion of overall local authority income for district than unitary authorities, they will not be particularly attractive for either. Many councils will prefer to forgo income or make savings elsewhere rather than lead in the delivery of new, and potentially locally unpopular, affordable housing.

5.6 **RECOMMENDATION:** As the New Homes Bonus is intended as a primary means of increasing the delivery of new homes, it should be introduced as soon as possible and certainly no later than the start of the next spending review period in April 2011. Further delay could perversely result in a decline in new homes as councils postpone planning permissions to ensure they get maximum benefit from the New Homes Bonus. The incentives will also have to be made more generous than initially outlined. In particular the premium for affordable housing should be significantly increased to reflect the higher potential revenues councils can earn through more expensive open market homes.

5. LOCAL ENTERPRISE PARTNERSHIPS (LEPs) AND THE DUTY TO CO-OPERATE

5.1 Government’s has abolished Regional Spatial Strategies in line with its manifesto commitment. However as discussed there remains a need for a “larger than local” strategic planning function if a wide range of community and local authority aspirations are to be fulfilled.

5.2 The letter sent by BIS and CLG to local authority leaders on 29 June set out the potential role of Local Enterprise Partnerships (LEPs) in providing strategic leadership in their areas and determining local economic priorities. The letter suggested LEPs’ remit would include planning and housing, local transport and infrastructure priorities and employment and enterprise.

5.3 The Federation is pleased that Government envisages LEPs developing a strategic housing and planning role. This has the potential to help deliver many of the Government’s objectives relating to economic development and related housing provision, as well as the environment, infrastructure and sustainable development.

5.4 Although there is little detail on how the proposed duty for local authorities to co-operate would be framed, the Federation supports it in principle for its potential to assist in facilitating joint strategic planning and action.

5.5 **RECOMMENDATION:** LEPs should be charged with developing a planning and housing strategy for the area they cover. This strategy should make an assessment of housing need, including for affordable housing, across the LEP area and set out how the partners intend to meet it. Such strategies need not result in any loss of local control—they would be agreed on a consensual basis between LEP partners—but once agreed should be binding. The LEP should have some powers to aid cooperation over implementation once the plans are agreed.

5.6 Whilst the Federation agrees that strong business support for LEPs is essential, we also believe that civic society and social enterprise should be represented on LEPs. It would be inconsistent with the Government’s stated aim of building a “big society” if such organisations, which include housing associations, were not

included in these partnerships, not least because they have a leading role in delivering housing and other key objectives.

5.7 RECOMMENDATION: Government should make clear that it expects to see civic society and social enterprise representation on LEPs.

6. RESEARCH AND DATA COLLATED BY LEADERS' BOARDS

6.1 Open Source Planning proposes that a “truly local plan, built out of a process of collaborative democracy” should be the “centre-piece of the local planning system”. It promises that local people will be empowered to shape these plans as Government mandates all local authorities to use collaborative democratic methods in drawing up these local plans.

6.2 To ensure new local plans are based on sound evidence, Open Source Planning advocates a requirement for “the provision of good data by the local planning authority to the electors in the neighbourhoods, so that they can develop their vision for their community on a well-informed basis (this will need to include analysis by the council of the likely need for housing and for affordable housing for local people in each neighbourhood)”. However local authorities will not be able to adequately equip local communities to effectively plan to meet their housing and other needs without the provision of good data.

6.3 RECOMMENDATION: CLG should therefore make freely and easily available data and research on housing need collated by the now-abolished Regional Local Authority Leaders' Boards. Publishing this information online for local authorities and anyone else with an interest would be consistent with the Government's commitments on transparency and accountability. CLG should also commit to updating the data and research that could help communities and councils develop evidence-based new local plans.

September 2010

Written evidence from Tetlow King Planning

As you are aware, we were commissioned by the National Housing Federation (NHF) to carry out research in to the impact of the proposed revocation of regional spatial strategies on housing targets in England.

Our research was formally submitted as evidence to your Committee on 15 September 2010. We then appeared alongside the NHF at the 8 November 2010 hearing.

Subsequently at the 22 November 2010 hearing the Rt Hon Eric Pickles MP was questioned about the findings of our research. He responded by claiming:

“I am sure the Committee doesn't need me to point out how iffy that evidence was. It was conducted on the basis of a telephone call in which the person at the other end might decide on various numbers. No formal decision has been taken by local authorities.”

Mr Pickles' dismissive comments are unwarranted. Having discussed the matter with Josephine Willows, Inquiry Manager, we herewith submit supplementary evidence in rebuttal.

Our supplementary evidence takes the form of an updated version of the previously submitted report. This includes updated figures and an expanded section on methodology.

Inter alia our update demonstrates that:

- The number of homes no longer being planned since the Government announced its intention to abolish regional strategies has now increased to a total of around 201,509. This number has risen dramatically since our first assessment was carried out on in July 2010; this concluded that 84,530 dwellings were no longer being planned for.
- 88% of the estimated 201,509 dwellings derive from official local authority sources, such as Core Strategy consultation documents or press releases. Whilst it is true that the remaining 12% do come from unofficial tip offs or estimates we have been very cautious in applying such figures. As our research has evolved, however, it has become evident that some unofficial reductions from earlier iterations have subsequently been formally confirmed by local authorities. In every case where this has occurred our earlier estimates have been proved to be either correct or an underestimate of the final total reduction. In no instance have we been shown to have exaggerated the reduction.
- The local authorities mentioned in our report have, for the most part, set out or decided to set out their reduced housing targets in Core Strategy consultation documents, in preference to the RSS figures. Despite the lack of any independent testing, many of the authorities concerned are according these reduced housing targets full planning policy status and using them as the basis for calculating current five year land supply requirements.

It is disingenuous for the Secretary of State to suggest that our figures have no formal basis. The vast majority of the figures quoted in our report are from official sources in the public domain and are already being

used as part of local planning policies to determine planning application and fight appeals. Where unofficial sources have been used, experience has shown that they may be erring on the side of caution.

It is particularly disappointing that Mr Pickles MP provided no different evidence of his own to substantiate his assertions. We would have expected the civil servants within the DCLG to at least have a finger on the pulse; and wonder whether he was sufficiently briefed.

SECTION 1—INTRODUCTION

1.1 The *National Housing Federation* (NHF) originally commissioned *Tetlow King Planning* in June 2010. The original brief was to prepare a report examining the impact of the Right Hon Eric Pickles MP's letter to Council Leaders dated 27 May 2010 announcing the Coalition Government's intention to "rapidly abolish" Regional Plans/Regional Strategies/Regional Spatial Strategies (the all encompassing abbreviation 'RSS' is utilised throughout the rest of this document).

1.2 Tetlow King Planning is a national town planning consultancy specialising in housing. We operate and act for a wide range of clients across the public and private sectors, including local authorities, government organisations, house builders, housing associations, investors and landowners. Further details are available at www.tetlow-king.co.uk.

1.3 Our original report of July 2010 examined the implications of the recent announcements on housing targets in emerging local Core Strategies and the determination of planning applications. The original report concluded that the Eric Pickles' letter had had a very significant initial impact in reducing the planned housing targets of local authorities, both directly and indirectly. Including unofficial estimates we quantified this as *80,400 dwellings*.

1.4 At the time a number of other authorities had also refused applications for strategic housing developments or delayed work on them, citing the Eric Pickles letter. This amounted to *4,130 dwellings*, producing a grand total of *84,530 dwellings*.

1.5 A number of updates to this research have been carried out. The full time line is shown below.

6 July 2010—The Secretary of State officially revoked all RSS across England.

19 July 2010—The first assessment was carried out. This concluded that *84,530 dwellings* were no longer being planned for.

2 September 2010—A brief update of some of the figures was carried out for Channel 4 News. This found that *98,740 dwellings* had been cut from housing targets in England.

15 September 2010—An updated report was submitted to the DCLG Select Committee as evidence for the Inquiry into the Abolition of Regional Spatial Strategies. This found that *139,589 dwellings* were no longer being planned for.

4 October 2010—The third update was carried out and uncovered more reductions in housing targets by local authorities in England. The NHF press release announced that plans for around *160,000 dwellings* had been dropped and Tetlow King Planning expected that figure to rise to between 280,000 to 300,000 in 12 months.

8 November 2010—The NHF and Tetlow King Planning appeared at the House of Commons Communities and Local Government Select Committee Inquiry into the Abolition of Regional Spatial Strategies. An update was prepared for the Committee; which concluded that figure now stood at *181,734 dwellings*.

10 November 2010—The High Court ruled that the Secretary of State's decision to revoke all RSS was unlawful.

22 November 2010—Appearing at the Select Committee Inquiry into the Abolition of Regional Spatial Strategies, Mr Pickles was questioned about the research by Tetlow King Planning submitted to the Select Committee on 8 November. He responded by saying:

"I am sure the Committee doesn't need me to point out how iffy that evidence was. It was conducted on the basis of a telephone call in which the person at the other end might decide on various numbers. No formal decision has been taken by local authorities."

13 December 2010—BBC News at One ran a story on the most recent update on the research by Tetlow King Planning. This concluded that *200,245 dwellings* were no longer being planned for.

1.6 The second section of this report briefly sets out the methodology of the research and reflects on some strengths and weaknesses. Section 3 sets out the findings. Our conclusions can be found in the fourth section.

1.7 In response to Mr Pickles comments made on the 22 November 2010, the research has been updated with further elaboration of the methodology.

1.8 This update is submitted to the Select Committee as supplementary evidence. It concludes that the number of houses that are no longer being planned for in England is now *201,509 dwellings* as a direct and indirect result of the Pickles letter and the revocation of RSS.

SECTION 2—METHODOLOGY

Background

2.1 The NHF originally commissioned the research to ascertain what impact the Coalition Government's announcement that RSS were to be abolished was having on the behaviour of Local Planning Authorities (LPA), focussing specifically on housing targets in emerging Core Strategies and the refusal of applications for strategic housing developments.

2.2 The Eric Pickles letter to Council Leaders (dated 27 May 2010) set out the Coalition Government's intention to 'rapidly abolish' RSS (Appendix A). The letter stated that decisions on housing supply '*will rest with Local Planning Authorities...without the framework of regional numbers and plans*'.

2.3 In the immediate aftermath of this a number of authorities announced that they would be reducing their housing targets or suspending work on Core Strategies. A number also delayed the determination of large strategic housing developments. The NHF wanted to get a 'fuller picture' of the impacts across the South and East of England (excluding London where the regional plan is not being abolished).

2.4 After the completion of our initial report the Secretary of State officially revoked RSS, on 6 July 2010. We subsequently became aware of both further cuts by some of the authorities initially identified and of further local authorities across the country reducing their housing targets below those set out in emerging and adopted RSS. In addition, there has been a number of planning applications and appeals for large housing developments in which the revocation of the RSS has been cited as the principal reason for refusing planning permission.

2.5 On the 10 November 2010 the High Court ruled that the Secretary of State's decision to revoke each and every RSS was unlawful. The effect of this was that whilst the Localism Bill will eventually formally abolish RSS, they will remain part of the development plan until the Bill receives Royal Assent.

METHOD OF RESEARCH

2.6 For the original report, it was agreed that the best method of collecting this information was a telephone survey of planning policy departments; combined with Tetlow King Planning's own local knowledge and planning expertise.

2.7 The initial research covered *152 local authorities*. National Park Authorities were excluded. The research split the authorities into three regions coterminous with RSS boundaries: South West England, South East England and the East of England .

2.8 The telephone survey was carried out between 28 June and 2 July 2010. The interviewers identified themselves as employees of Tetlow King Planning seeking information on the Core Strategy and the implications of the Eric Pickles letter.

2.9 The scope of the subsequent updated research has been broader and includes official announcements across the whole of England, not just the three regions previously considered. The further research has been based on the monitoring of national, local and professional media, in addition to our own intelligence and other projects. The initial telephone research also highlighted a number of dates when official announcements were to be made by local authorities on new housing targets. These were followed up.

2.10 A full telephone survey of all authorities across England was not carried out; however further telephone calls to individual local authorities were made where appropriate to establish the accuracy of data.

Official Housing Target Amendments

2.11 There were many examples of official announcements of reduced housing targets in emerging Core Strategies and Local Authority Press Releases. Some of these were as a direct result of the Pickles letter. Others had been more indirectly influenced.

2.12 Some authorities had already been planning for lower targets before Eric Pickles' letter was released. Several of the West of England Authorities had released Core Strategy consultation documents setting targets below the emerging RSS figure. Some had been more influenced by Caroline Spelman MP's letter, sent in August 2009, advising local authorities of a potential Conservative Government's intention to abolish the RSS and not to progress controversial housing targets. Others had intended to legally challenge the South West RSS if adopted and so had not been planning on the basis of the emerging RSS figures in any case.

2.13 These authorities have still been included in our findings. Their reductions cannot solely be considered as the outcome of the Eric Pickles letter. However, this letter may have been used to further justify their earlier strategy.

2.14 A good example is Bristol City Council (BCC), which had submitted its Core Strategy to the Secretary of State with a reduction of 6,000 on the emerging RSS figure. The Inspector's initial comments prior to the Examination had been that the Core Strategy appeared unsound in setting a target below the emerging RSS figure. However, BCC's case for this lower figure at the first hearings into the housing provision heavily relied on the Eric Pickles letter.

2.15 Local authorities will have taken their decisions to cut housing targets against different policy backgrounds. This could have been:

- After the Caroline Spelman MP's letter was sent to Council Leaders.
- Following on from the Eric Pickles letter sent on 27 May 2010.
- Following the official decision to revoke the RSS on 6 July 2010
- After the CALA Homes High Court decision reinstated RSS as part of the development plan.

2.16 In all cases, local authorities have been planning for life when they will be able set their own housing targets which do not comply with RSS.

2.17 As our research has been updated and the figures have increased following further announcements from local authorities these "indirect" reductions form an even smaller proportion of the total figure. The indirect figures now make up only 14% of the total headline figure of 201,509 dwellings.

2.18 As stated above, since the successful legal challenge by CALA Homes, RSS once again form part of the development plan. However, we have noted that this has not dissuaded local authorities from continuing to reduce their housing targets; as they are aware that the RSS will eventually be abolished by the Localism Bill.

Unofficial Housing Target Amendments

2.19 Part of the brief set by the NHF for the original report was to uncover any unofficial information on changes to housing targets. Five distinct types of authorities were identified in this respect. Each is set out below and the different approaches used are explained.

1. Local authorities which are considering setting a lower target which did not accord with the relevant RSS, but are yet to make an official announcement.
2. Local authorities where officers were prepared to unofficially speculate what the housing target may eventually be.
3. Local authorities where officers were not prepared to speculate over figures. Officers were then asked about members' and local residents' objections to RSS imposed figures and how likely they considered it that there would be some reduction. Then, using local knowledge of the district and our planning knowledge, a judgement was made on what the reduction or increase in the figure might be. On each occasion a cautious approach was used when projecting a figure. On most occasions this relates to a particularly unpopular urban extension.
4. Local authorities in which officers were prepared to suggest that a decrease is very likely, but there was insufficient information or evidence to make an informed judgement on how much.
5. The remainder of local authorities either already had Core Strategies adopted; were happy with the housing targets in the RSS; or would not speculate as to whether the housing target would increase or decrease following formal discussions with members.

2.20 The figures behind our unofficial estimates have only come from authorities in the second and third categories. As stated a cautious approach has been used when projecting figures.

2.21 Given that officer speculation was unofficial it is not considered appropriate to release details of individual authorities. Instead an aggregated figure is given for each region.

2.22 In this updated report, official announcements on targets which were previously unconfirmed have simply been reclassified. It is not considered appropriate to state where this has happened as this would identify where unofficial tip-offs had occurred.

2.23 As the research has evolved over the months most of the unofficial figures have become official. We have observed that on every occasion where a figure from the second category has been used it has proved to correct or the final reduction was larger than suggested.

2.24 An example of this is an authority where the officer told us that a further reduction on top of the official reduction was extremely likely in the future of around "a couple of thousand homes" relating to a specific urban extension. This proved to be correct and a further two and a half thousand homes were also cut from the housing target on top of this.

2.25 For unofficial figures which fall into the third category, our estimates have been exceeded on every occasion bar one, where our estimate of 100 homes to be cut proved to be correct.

2.26 It is important to note that all figures will ultimately be subject to testing at examination and could alter in the long or medium term. In theory Inspectors could order local authorities to revise their housing targets upwards back towards RSS levels. However given the localism agenda and the thrust of likely changes to the examination process this does seem unlikely. It should also be noted that the original research was carried out prior to any formal Coalition Government announcements on house building incentives. In November 2010 consultation began on the New Homes Bonus; but we have not seen any discernible subsequent decrease in housing target reductions being announced.

2.27 The final figure can only be considered approximate, as it includes precise figures, combined with forecasts. However, we have provided a breakdown below of the percentages of the final headline figures which fall into each category:

- Official figures (inc. Applications and appeals)—176,799 dwellings (88%).
- Unofficial estimates from officers (second category)—18,350 dwellings (9%).
- Unofficial estimates our estimates (third category)—6,360 dwellings (3%).
- Grand Total—201,509 dwellings.

2.28 The above analysis clearly shows that the vast majority of our total figure (88%) comes from official documents, press releases or statements produced by local authorities which are in the public domain.

2.29 The reductions to housing targets will not yet be found in adopted Core Strategies. Some local authorities are close to adopting their Core Strategies with these new figures, but for the most part they are within consultation documents and press releases. However these new reduced local housing targets are, for the most part, being applied as planning policy and utilised as the basis for calculating the local five-year housing supply within the terms of PPS3. The new reduced housing land supply “requirements” are in turn being used to refuse applications and fight appeals for large new strategic housing developments previously anticipated in the RSS. Such schemes are being opposed on the grounds that they are no longer required in order to meet revised lower local housing targets.

2.30 Given the high proportion of the figures that are from official local authority sources and are currently being used for housing land supply purposes, we consider it disingenuous for the Secretary of state to claim that the research is “iffy” and:

“conducted on the basis of a telephone call in which the person at the other end might decide on various numbers. No formal decision has been taken by local authorities.”

2.31 Only 9% of the figures are based on unofficial officer speculation; which on every occasion so far has subsequently proved to be correct, and if anything overly cautious. A further 3% is based on discussions with officers and our own local knowledge. Again, these have previously proved to be ultra-cautious estimates.

Delayed or Refused Planning Applications and Appeals

2.32 In our first report, each local authority was also asked about whether it was aware of any applications in the district which had been refused or delayed due to the Eric Pickles letter. For this updated report, we have added in other planning applications that have used the revocation of the RSS as a reason for refusal. These are listed individually in the following section.

Dismissed Planning Appeals

2.33 We have uncovered a number of planning appeals where the revocation of the RSS has been one of the main reasons for the appeal being dismissed by the Secretary of State.

2.34 In two cases we highlight the application was recommended for approval by the Inspector, but the Secretary of State used the revocation of the RSS to recalculate the five year land supply.

OBSERVATIONS

Regional Variations

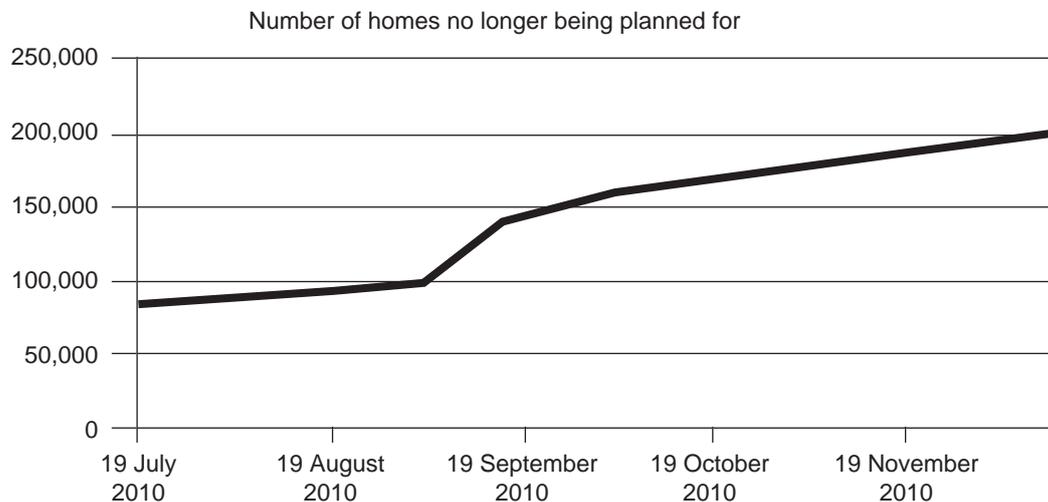
2.35 The vast majority of local authorities are now at least reviewing housing targets. The official figures listed below represent those which have completed this process and have released revised housing targets through Core Strategy consultation documents or press releases. The initial research noted that the majority of reductions were coming from authorities in the South West. Over time we are beginning to see the South East and East of England catch up, although they are still some way behind, as the split in figures below shows:

- South East—56,620 dwellings (official—49,620 dwellings).
- East of England—32,948 dwellings (official—22,848 dwellings).
- South West—81,256 dwellings (official—75,906 dwellings).
- Other regions—25,055 dwellings (official—23,155 dwellings).
- Delayed or refused appeals and applications—5,630 dwellings.

2.36 The reason for this imbalance between the southern regions can be explained by the different stage the RSS had reached in the respective regions. In the South West, the new RSS was still emerging and therefore could not yet have been subject to formal legal challenge, as the East of England plan had been. Therefore, many authorities which would have challenged the RSS when formally approved by the Secretary of State have used this policy announcement to reduce their housing target figures accordingly. In contrast some of the Hertfordshire districts had already successfully legally challenged the RSS and did not have a housing target.

Further Announcements and Reasons for Delay

2.37 Whilst a large number of authorities have not officially announced reduced targets, we still expect more to come in 2011. We have previously predicted that the total eventual number of reductions may be between 280,000–300,000 dwellings by October 2011. As can be seen from the graph below 100,000 homes were cut from targets in just four months between August and December 2010. This suggests that our earlier prediction may ultimately prove somewhat conservative.



2.38 There are many authorities who are still reviewing their housing targets, and are taking some time to announce the results of their review. The reasons for this delay are numerous.

2.39 Firstly, there is still great uncertainty over how the Coalition Government will reform the planning system; nearly all authorities stated in the initial round of research that they are waiting for further guidance. Even with the publication of the Localism Bill the picture is not much clearer. The consultation on the New Homes Bonus has now finished, but having more details on these incentives does not initially seem to have stemmed the flow of housing reductions.

2.40 The second main reason for authorities not making final decisions on their housing targets is that the role of evidence to underpin housing targets has not been removed from the planning guidance. PPS3 has recently been reissued, restating the importance of Strategic Housing Market Assessments (SHMAs) and Strategic Housing Land Availability Assessments (SHLAAs) as forming a robust evidence base to underpin Core Strategies. When revoking RSS, CLG Chief Planner Steve Quartermain, stated that housing targets still need to be supported by evidence and will be subject to examination. This should make it difficult to reduce housing numbers in areas where the demonstrable demand and need is high.

2.41 In 2011, we are expecting announcements from the local authorities that make up Leicestershire, Nottinghamshire, Derbyshire and Gloucestershire, to name but a few. Authorities within all these counties are currently reviewing their housing targets and the evidence that underpins them.

2.42 A very large number of authorities are still unprepared to comment, even unofficially, until they have completed work on their evidence base to support their housing targets.

2.43 The reinstatement of the RSS to the development plan may slow the progress of some authorities in taking their Core Strategy forward to the examination stage. These local authorities will not want to have their Core Strategy examined with a housing target that does not accord with the RSS figure, whilst the RSS is part of the development plan.

2.44 Many local authorities are not this far progressed and are still some distance from the examination stage. For these authorities the reinstatement will have little effect. They may be content to consult on a draft Core Strategy including a new reduced housing target, in the knowledge that the RSS will be closer to abolition by the time the Core Strategy reaches the examination stage.

2.45 The number of planning applications apparently refused or delayed by the Eric Pickles letter and the revocation of the RSS was less than we might have expected. It is considered that there are two main reasons for this:

1. The number of large strategic planning applications in the system is lower than normal due to the impacts of the recession on the housing market.
2. Many local authorities have announced they are reviewing their housing targets, but have yet to announce a new figure. Developers with sites within these authorities, will naturally be cautious about submitting applications or appeals for schemes which may be required by the current housing target, but which may be at significant risk of falling foul a reduced local housing supply requirement.

SECTION 3—FINDINGS

THE SOUTH WEST

Official Announcements

3.1 The following authorities in the South West have formally announced they are seeking housing targets lower than in the Proposed Changes of the RSS. These are listed below in addition to where Eric Pickles MP's letter was an indirect influence on this decision.

- Exeter City Council—*3,000 dwellings*—On the 29 June 2010 the Council's Executive Committee approved a Pre-Submission consultation draft of the Core Strategy. This contained a housing target of 12,000 dwellings. The emerging RSS had set a target of 15,000 for the City Council. The Council's website makes explicit reference to the Coalition Government's intention to abolish the RSS.
- Teignbridge District Council—*1,100 dwellings*—Preferred Options Core Strategy consultation draft was released in October stating the Council considers 740 dwellings per annum to be "*the most appropriate figure*". Whilst the time period is not comparable to the RSS, this is still effectively a reduction on the RSS figure of 795 dwellings per annum.
- Torbay Council—*5,000 dwellings*—LDF Working Party agreed in the week commencing 28 June 2010 to use 10,000 dwellings as its "baseline figure" in their Core Strategy. The RSS set a target of 15,000.
- Cotswold District Council—*900 dwellings*—In July 2010, the Council announced its intention to reduce the housing target from 6,900 set in the RSS to 6,000 dwellings.
- Bournemouth Borough Council—*1,500 dwellings*—The consultation draft of the Core Strategy was released on 29 June 2010 without the urban extension to Bournemouth proposed in the emerging RSS. Bournemouth had threatened to legally challenge this part of the RSS if adopted.
- Taunton Deane Borough Council—*4,000 dwellings*—Following the change of Government, the Council announced that the Core Strategy would now plan for between 12,000–14,000 new dwellings on 17 May 2010 due to "*indications from Government, following the General Election*". This is significantly lower than the RSS figure of 18,000 dwellings. Indirectly influenced, as these 'indications' were confirmed by the letter sent 15 days later.
- Bristol City Council—*9,560 dwellings*—The initial research identified a 6,000 dwelling reduction in the Council target, since then a further 3,560 dwellings has been removed from the official target with 30,000 dwellings now only an aspiration. There are a number of reasons for this reduction, but the revocation of the RSS is part of the Council's justification. In our first report this was considered to be 'indirectly influenced' because the Council had taken the action expecting a change in government and planning policy. In this respect they have been proved correct.
- Bath and North East Somerset Council—*10,300 dwellings*—The earlier Core Strategy consultation document in November 2009 set out the Council's intention to plan for 15,500 dwellings, lower than the 21,300 in the RSS. The Pre-submission version of the Core Strategy in December the Council announced a further reduction down to 11,000 new dwellings.
- North Somerset Council—*13,350 dwellings*—The initial research uncovered a reduction under very similar circumstances to BANES of 9,000 dwellings. Another round of consultation on the Core Strategy took place in February 2010 without an urban extension put forward in the emerging RSS. The housing targets were again reviewed following the Pickles letter and on the day after the report was completed the Council announced a further reduction of between 12,750–10,750. A further round of consultation on just three "key changes" took place in October 2010. This asked for comments on their new housing target of 13,400 dwellings. This was a total reduction of 13,350 from the RSS target.
- South Gloucestershire Council—*11,300 dwellings*—Consultation on the Pre-Submission version of the Core Strategy has now finished. This started prior to the release of Eric Pickles MP's letter, but as with the previous two examples it will have given them the justification to continue with the figure of 21,500 dwellings, below the RSS figure of 32,800 dwellings.
- Cornwall Council—*11,796 dwellings*—Cornwall is about to launch its Core Strategy consultation in January 2011. This asks for comments on a range of potential housing targets between 37,000 and 57,000 dwellings. Even the highest option of 57,000 dwellings is reduction of 11,796 dwellings from the RSS figure. NB: the RSS figure is the sum totals of the targets of the former authorities that now make up Cornwall Council.
- East Devon District Council—*700 dwellings*—The Core Strategy consultation document released in October 2010 included a reduction in the overall housing target of 700 dwellings.
- South Hams District Council—*500 dwellings*—The Core Strategy was adopted prior to the RSS Proposed Changes being released. This included a 500 dwelling increase to the new community at Sherford. The Council opposed this increase and has decided to stick with this lower figure having progressed its Site Allocations DPD to the examination stage.

- South Somerset District Council—*3,100 dwellings*—The Council released their Preferred Options Core Strategy Consultation document in October 2010. This included a new housing target of 16,600 dwellings.

3.2 This is a total of *47,737 dwellings* reduced from housing targets as a direct result of the decision to abolish RSS. *28,169 dwellings* were reduced as an indirect result of the letter. A total of *75,906 dwellings* were reduced from housing targets officially.

Unofficial Estimates

3.3 The research uncovered a further *5,350 dwellings* unofficially likely to be reduced from various targets. A further four authorities were likely to reduce targets, but there was insufficient evidence or information to ascertain what this might be. In total 17 of the 38 local authorities surveyed in the South West are either officially or unofficially reducing housing targets below the RSS level.

Summary

3.4 Including unofficial estimates and official announcements for both direct and indirect reductions, the total reduction in housing targets is *81,256 dwellings*. This amounts to around 13% of the regional target for the South West in the emerging RSS which was 592,460 dwellings.

THE EAST OF ENGLAND

Official Announcements

- North Hertfordshire Council/Stevenage Borough Council—*9,200 dwellings*—North Hertfordshire Council announced on 15 June 2010 that it had suspended work on the Stevenage and North Hertfordshire Area Action Plan “*for the immediate future*”. This would have provided 9,200 dwellings for an urban extension to Stevenage (SNAP). The RSS required both authorities to work together as the urban extension would have spilled over into North Hertfordshire. Whilst it is important to state that work has not been abandoned, given the level of opposition to this urban extension, it is difficult to see how it can be delivered in the new era of localism.
- Luton Borough Council/Central Bedfordshire Council—*10,650 dwellings*—The two authorities have jointly taken the decision to reduce the target for the Luton/South Bedfordshire area to 23,150 by 2026 from 33,800 dwellings by 2031.
- Borough of Broxbourne Council—*640 dwellings*—The Pre-submission version of the Core Strategy was published in August 2010. This is a reduction to 240 dpa from the 280 dpa in the East of England Plan.
- Suffolk Coastal District Council—*1,088 dwellings*—Suffolk Coastal District Council began consultation on changes to its housing target in November 2010. The Council’s preferred target is 446 dwellings per annum, a reduction of 1,088 dwellings from the RSS target.
- St Albans City and District Council—*770 dwellings*—St Albans City and District began consultation in December 2011 on a document entitled “*The Core Strategy: Consultation on the Strategy of Locating Future Development in the District*”. This set a new housing target of 250 dwellings per annum between 2011 and 2028 having been given the opportunity to set their own housing target. The adopted RSS said that in the absence of targets beyond 2021, local authorities should work to the assumption that the figures should be rolled forward. When taking completions in to account this amounts to a reduction of 770 dwellings in total.
- Three Rivers District Council—*500 dwellings*—Consultation has just closed on “*Changes to the Core Strategy Proposed Submission document*” (October 2010). This document set out a reduction in the housing target of 500 dwellings from the RSS, now that the Council knew that the RSS was to be withdrawn.

3.5 This amounts to a total *22,848 dwellings* from official estimates. All directly influenced by the decision to abolish RSS.

Unofficial Estimates

3.6 The telephone survey and unofficial estimates uncovered a further reduction of *10,100 dwellings*. A further three authorities were likely to reduce housing targets, but it was not possible to accurately estimate by how much this would be. In total, our research highlighted that unofficially 10 of the 47 authorities were likely to reduce their housing targets in the next 12 months.

Summary

3.7 This amounts to a total reduction of 32,948 dwellings from housing targets in the East of England.

THE SOUTH EAST

Official Announcements

3.8 The official announcements on the South East are listed below. These are:

- Bracknell Forest—2,000 dwellings—The Council has announced it is reverting to its Core Strategy figure which was adopted in 2006. This is 2,000 dwellings less than the adopted RSS figure.
- Eastleigh Borough Council—6,000 dwellings—Plans for a 6,000 dwelling “Strategic Development Area” at Hedge End will no longer be progressed.
- Test Valley Borough Council—300 dwellings—The Council has reduced its overall target by 300 dwellings as an interim measure.
- South Oxfordshire Council—400 dwellings—The Council has announced that it will limit development at Wallingford to 350 dwellings, down from 750 dwellings.
- Horsham District Council—6,888 dwellings—The Council has reverted to its adopted Core Strategy position of 439 dpa to 2018. The adopted RSS set a target of 650 dpa to 2026. The Council will now continue to review its Core Strategy but there is no indication that the new figure will be any higher than the target in the adopted Core Strategy.
- Milton Keynes Council—6,145 dwellings—Milton Keynes announced in its Core Strategy consultation document that it was reducing its housing target now that it no longer needs to comply with the RSS figure.
- Portsmouth City Council—3,568 dwellings—Consultation on the Core Strategy began in November 2010. This included a range of new housing targets for the city. Even the highest figure from this range would still amount to a reduction in planned homes from the South East Plan of 3,568. The consultation began after the CALA Homes decision, however the Council stated that it was able to set a lower target based on Government plans to withdraw the RSS.
- Chiltern District Council—500 dwellings—Chiltern released its Pre-Submission version of the Core Strategy for consultation on 14 October 2010, reducing the housing target by 500 dwellings from the figure set out in the RSS.
- Wealden District Council—3,000 dwellings—Wealden's Draft Proposed Submission Core Strategy was approved at Full Council. Prior to the revocation of the RSS by the Secretary of State in July, Wealden had been about to publish a Core Strategy document with the RSS target of 11,000 dwellings. Given flexibility over housing targets, it has chosen to reduce the housing target to 9,600 dwellings between 2006 and 2030. The South East Plan runs to 2026, so when the timeframes are directly compared this amounts to a reduction of 3,000 dwellings.
- Fareham Borough Council—3,250 dwellings—The Council has announced plans to reduce the North of Fareham Strategic Development Area to at least 6,750 dwellings. Although a second round of consultation has now begun on whether this level of development is acceptable. The South East Plan had proposed a target a total of 10,000 new homes in this new settlement.
- Mid Sussex District Council—2,425 dwellings—The Council passed a resolution on 17 November 2010 that a housing target of 370 dwellings per year was “the most realistic and robust requirement against which to show a five-year housing land supply”. The South East Plan target was 855 homes per annum. This move was taken despite the reinstatement of the RSS on the grounds that the RSS would be abolished eventually.
- Surrey Heath District Council—594 dwellings—Following the Secretary of State's decision to revoke the RSS on 6 July 2010, the Council decided to reduce its housing target in the *Surrey Heath Core Strategy and Development Policies DPD* (July 2010). This document has now been submitted to the Secretary of State for examination. The lower target remains despite the reinstatement of the RSS.
- Aylesbury Vale District Council—14,190 dwellings—The reinstatement of the RSS gives rise to a difficulties in classifying the situation at Aylesbury as official or unofficial. We have placed it in the official category as all the information is in the public domain. Following the revocation of the RSS on 6 July 2010, the Council withdrew its Core Strategy on 5 October 2010. This had been submitted for examination to the Secretary of State. The Council released a statement announcing that it did not support the RSS housing target and that although it did not have a new ‘official’ target, it now intended to plan for housing only arising from needs originating within Aylesbury Vale and not to accommodate growth relating to Milton Keynes. Officers suggested current ONS information was the best guide to this and produced a paper for members. Within this report it stated that by looking at ‘natural growth’ only 12,700 dwellings were required up to 2026, 14,190 dwellings less than the RSS figure of 26,890 dwellings.

With the reinstatement of the RSS on 10 November 2010, the Council now accepts that the original housing targets have been re-established. However, in a Cabinet Report a timetable is established to

produce a new Core Strategy to plan for a 'natural' level of housing growth. Therefore, our estimated housing target reduction for Aylesbury Vale is still considered valid.

3.9 This amounts to a total *49,260 dwellings* from official estimates.

Unofficial Estimates

3.10 The research uncovered unofficial estimates of *7,360 dwellings* to be reduced from housing targets across the South East. In total 8 more of the 67 local authorities surveyed are likely to reduce housing targets in the next year.

Summary

3.11 This amounts to a reduction of *56,620 dwellings* from housing targets in the South East of England.

YORKSHIRE AND HUMBER

Official announcements

- Leeds City Council—*10,200 dwellings*—The Executive Board of the City Council have approved a reduction of the housing target to 2,260 dwellings per annum (net) from 4,300 dwellings per annum (net). However, this is an interim measure and cannot be considered to be a permanent reduction in the Council's housing target over the 20 year period. We have therefore calculated the above figure based on a 25% reduction over 20 years or using this reduction over a five year period.

A number of appeals and applications are extremely likely to be dismissed and refused respectively as a result of the reduced housing target. There are three appeals on greenfield sites being fought on housing land supply grounds already. However, these are not included in the following sections as it would amount to double counting.

- Craven District Council—*330 dwellings*—Craven has set an interim five year housing target of 184 dwellings per annum, down from 250 in the RSS. Over five years this amounts to 330 dwellings.

WEST MIDLANDS

Official Announcements

- Staffordshire Moorlands—*500 dwellings*—The Council is about to launch a consultation document at the start of 2011 on their preferred option figure of 5,500 dwellings. This is 500 dwellings lower than the RSS figure.

Unofficial Estimates

3.12 Additional research has also uncovered a further *1,900 dwellings* to be reduced from housing targets from unofficial sources.

EAST MIDLANDS

Official Announcements

- Northampton/Daventry/South Northamptonshire Councils—*12,125 dwellings*—West Northamptonshire Development Corporation is made up of parts of Northampton Borough Council, Daventry District Council and South Northamptonshire Council. The Joint Planning Unit oversees planning policy for this growth area. On 2 November 2010, they issued a press release stating that: "*Following the Government's revocation of RSS and the consequent removal of the housing targets... the previous Regional target of 62,125 homes to be built in West Northamptonshire between 2001–2026 will be replaced with lower figure of around 50,000 homes.*"

DELAYED OR REFUSED PLANNING APPLICATIONS AND APPEALS

3.13 Over the course of the research, a number of planning applications were affected by the release of the letter. These are set out below:

- Application for *2,000 homes* at Barton Farm, Winchester by CALA Homes was refused, citing the Eric Pickles letter as a principal reason for refusal. This has led to the successful legal challenge by CALA Homes in November 2010. A planning appeal remains pending.
- An application for *1,200 dwellings* was refused for a site at Newmarket within the Forest Heath District. The site fell within an area of search within the Core Strategy, but had not yet been allocated. The scheme was refused citing the Eric Pickles letter.
- An application for *300 dwellings* Cotswold District was refused, citing the Eric Pickles letter as one of the reasons for refusal.
- An application for *280 homes* at Emsworth in Havant Borough Council has been delayed. The Eric Pickles letter has been cited as part of the reason for delaying a decision.

- A planning appeal has been withdrawn for *350 homes* on the edge of Tewkesbury. The appellants acknowledged that the abolition of the RSS would undermine their arguments on housing supply.

3.14 Two appeals have been dismissed in Cornwall by the Secretary of State. The Inspector recommended that the appeals were allowed, however the Secretary of State overruled them on both occasions. He stated that following the revocation of the RSS, Cornwall Council should be allowed to set its own housing target. These were:

- Land at Binhamy Farm, Stratton Road, Bude—APP/D0840/A/09/2115945—*450 dwellings*.
- Land at Calenick Farm, Lamorran Farm and Higher Newham Farm, Truro APP/D0840/A/09/2109056—*1,050 dwellings*.

3.15 The total number of dwellings which have not been approved due to either delays, refusals or dismissed appeals citing the intention to abolish RSS is therefore estimated as at least *5,630 dwellings*. By way of additional example, three applications have been deferred in Cherwell District due to the Pickles letter. Decisions are expected shortly, but no reduction has been included as a formal decision has not yet been made over the applications.

3.16 Furthermore, there are likely to be numerous other examples of landowners and house builders deciding not to proceed with appeals because of the uncertain policy climate they are currently faced with.

SECTION 4—CONCLUSIONS

4.1 This report summarises our research on the impact of the Coalition Government's intended revocation of RSS.

4.2 The original research, principally conducted by telephone interviews, identified the initial impact of the Eric Pickles letter to Council Leaders of 27 May 2010 on planning applications and housing targets in emerging Core Strategies across three regions. The follow up research has been wider in scope and has identified both further reductions and further example Core Strategies and planning decisions across the whole of England.

4.3 There are considerable regional differences but our current estimates of the overall reductions in housing targets can be summarised as below.

- Official announcements brought about either directly or indirectly by the intended revocation of the RSS—*171,169 dwellings*.
- Unofficial announcements/estimates—*24,710 dwellings*.
- The delay and refusal of applications—*5,630 dwellings*.

4.4 This is a total of around *201,509 dwellings*. The vast majority (88%) of these estimated reductions have been derived from official local authority sources which are in the public domain.

4.5 It can be expected that this figure will rise further. It is conservatively estimated that another 30 of the 152 local authorities originally surveyed will ultimately decide to reduce their local housing figures from the RSS baseline. Furthermore there is increasing evidence of other authorities outside the three regions principally surveyed making cuts also.

January 2011

Written evidence from Shelter

SUMMARY

Our summary response to the terms of reference is as follows:

1. Impact on housing development of abolition of targets

- *Targets in themselves do not result in housing development.* Regional targets were not being met, especially in relation to affordable housing; in fact, a study carried out by Shelter this year found that 98% of local authorities were not meeting the housing need they had identified in their strategic housing market assessments (SHMA's).
- *Development economics is one reason that can account for affordable housing targets not being met.* Nationally and locally there is a critical need for more affordable homes, these homes will only be built if there is enough public investment via the National Affordable Housing Programme (NAHP).
- The regional targets were based on detailed assessment of housing need and demand at a regional level. The abolition of regional targets means that each local authority must be required to assess local levels of need and demand. *Shelter wants to see local authorities undertaking thorough and robust assessments of housing need and stating in their "Local Plans" how many new homes, including the proportion of affordable homes, that must be built to meet this need.*

2. *Incentives for house building*

- If electors are to hold local authorities to account, regarding the planning and delivery of housing development in their areas, local authorities must be transparent in their assessment of housing need and how they intend to meet it.
- There is a role for central government in ensuring that local authorities use consistent methodology and publish the data in a comparable and user-friendly standard form so that local people can assess performance and hold their council to account.
- Offering financial incentives to local authorities via the New Homes Bonus (NHB), without sufficient investment via the National Affordable Housing Programme (NAHP), is likely to have a limited impact on support for housing development.
- Whilst we await the publication of further details on the NHB before making in depth comments, Shelter feels it is vital that any scheme involving council tax incentives considers the following points:
 - Affordable housing needs to be given *additional incentive* (previous suggestions have looked at 125% of the council tax value) above regular units.
 - The *definition of affordable housing* needs to ensure that government subsidy does not benefit people who would be able to buy homes on the open market.
 - Council tax banding—using council tax returns as a means of incentivising house building has the potential to skew development in favour of delivery of less affordable homes or higher numbers of small flats. Government needs to consider these potential downsides before finalising its formula.
- Shelter is concerned that the proposal for developers to reach voluntary agreements to compensate residents for the impact of development, in return for their support, may result developments that do not fulfil the needs of the wider community, particularly those that struggle to participate typical consultation events.
- RSSs encouraged a strategic and spatial approach to planning for housing development. Many people work and use amenities beyond the area in which they live. For this reason, *it is important that local authorities continue to work together to plan housing delivery* and consider issues like availability of land and existing infrastructure that extend beyond local boundaries.
- Shelter welcomes any proposals that encourage groups of local authorities to work together to provide strategic leadership and establish local economic priorities. In so far as details have been made available, Shelter welcomes the role for Local Economic Partnerships. However there are concerns regarding their potential efficacy if there are misaligned priorities between local authorities or at community/parish level.

INTRODUCTION

Shelter welcomes the opportunity to contribute to this inquiry as this issue is likely to have a significant impact on the future delivery of new housing. The inquiry is being held at a time when house building levels risk falling to their lowest level since 1924, taking us further into our current housing crisis and leaving more and more households without access to a home they can afford.

RSSs were synonymous with housing targets, which guided local authorities on the level of new housing needed each year. They were also a means by which local authorities housing delivery performance could be held to account by electors.

Without RSSs, and with greater responsibility for housing delivery being granted to councils, we strongly advise the Committee to consider mechanisms for the collection and publication of consistent and comparable data on local housing need and demand. This is vital for allowing local residents and councils to decide on the level of affordable house building to be included in Local Plans, and to ensure that local electors can assess performance and hold their council to account. Furthermore, comparable datasets would better facilitate joint working and good practice sharing amongst councils.

EVIDENCE

The implications of the abolition of regional house building targets for levels of housing development

1. Shelter is concerned that the revocation and abolition of house building targets set out in Regional Spatial Strategies (RSSs) will leave certain local authorities without the guidance they may need to determine the level of new housing required in their area. Furthermore it will make it more difficult to determine which areas are falling short of delivering a sufficient number of homes.

2. However, it is important to acknowledge that targets in themselves do not result in housing development. The targets were not being met, especially for affordable housing, resulting in a critical national shortage of affordable homes impacting on all areas of the country. In fact, recent Shelter research showed that 98% of local authorities were not meeting the housing need they had identified in their SHMA's.

3. One reason for this failure was the financial viability of development. Even where local authorities and local residents were in support of new housing, development stalled because it was financially unviable for developers. Private development is currently at record lows, with production potentially dropping to levels not seen since 1924.

4. One of the other key policy levers used to deliver affordable housing has been the use of Section 106 agreements to compel private developers to provide affordable housing in exchange for planning permission for a site (and is therefore paid for by the increasing price of land with planning permission). However in a period where house building has slowed so dramatically there is increasing reluctance or inability on the part of private developers to contribute through these agreements.

5. Furthermore, Registered Social Landlords (RSLs) have also found the impact of the economic downturn has meant that they have been unable to cross-subsidise affordable housing through the development of market value homes to the same extent that they did when the economy was stronger. Combined with factors above this has seriously limited the ability for authorities to meet the targets set out in the RSSs. It also builds a powerful case for sustained levels of public investment in affordable housing. Even when the economy recovers there is little historical evidence to suggest that private production will reach the levels required to meet need.

6. The impacts of market uncertainty will be compounded if there is increased planning uncertainty caused by the abolition of RSSs. It is therefore vital that local authorities continue to set out clear house building aspirations and provide details on the proportion of affordable housing they expect from developments. There will inevitably be further flux in this area as wholesale changes are announced in the Decentralisation and Localism Bill, so government and councils must ensure private developers receive the signal that there is significant scope for development to grow in the future.

7. To support this it is vital that councils continue to undertake thorough and consistent assessments of housing need. Many local housing and planning authorities are already very good at collecting and analysing local data on housing need. However, there is still a long way to go. According to the UK council's open data scoreboard, produced by Openly Local, only 18 out of 434 councils publish open data and, of these, only nine are truly open. If local people are to use this data to develop a vision for their community, influence local spending decisions and provide certainty for private developers, councils must continue to improve their data collection, analysis and publication.

The likely effectiveness of the Government's plan to incentivise local communities to accept development...

8. There is a clear and urgent national need and demand for more affordable housing and the vast majority of local authority areas need to play a role in delivering upon this. Whilst Shelter would support moves that ensure new developments are welcomed by local communities and electors play an increased role in planning, it is vital that the new legislation does not become a "NIMBY charter" that, in effect, provides a local veto preventing any form of housing development.

9. Whilst Shelter cautiously welcomes the proposed NHB and other neighbourhood incentives, they may be insufficient to convince large numbers of local electors of the need to build affordable homes. To complement them councils must also present robust data on local housing need to electors and set themselves goals for affordable housing delivery. This will enable residents to hold councils to account as well possibly benefiting from whichever way the Bonus is spent in their area.

10. This approach would be in line with the direction of the Conservative Party's Green Paper *Open Source Planning* which states that local authorities "will be able to include in their local plan a requirement that a certain proportion of all the housing developed in their area, or part of their area, must be affordable".²⁷

11. In order to achieve this there needs to be a degree of guidance from a national level. This is to ensure that councils provide the appropriate tools for local people to judge their performance. Local authorities therefore should be nationally required to set out in their Local Plans a comparable figure on the levels of housing need and their intentions for meeting this need.

12. Shelter is also keen to ensure that the whole community has the chance to influence development decisions and benefits from the proceeds of the Bonus or other incentives. In all devolution policies there is always a risk that those consulted or given greater powers are those who already participate in current structures. Often current processes exclude people who do not have the resources to participate (eg time, because of long hours and childcare) and/or those who currently not able to live in the area but need to for reasons of family links or employment.

Recommendations

13. Local authorities must be required to state their assessment of housing need and their development intentions when it comes to affordable housing. This is not a centrally imposed target—for they set it—but a means by which local residents can hold their delivery to account. Facilitating this kind of accountability is vital if the localism project is to be successful, particularly in the absence of evidence on the potential effectiveness of the NHB.

²⁷ Conservative Party: *Open Source Planning: Green Paper 2010*, Page 9.

14. The further consultation with and empowerment of local residents must ensure this doesn't simply give more voice to the usual local suspects. Instead this should be used to engage the whole community in a discussion about their area's future.

15. There are also a number of other practical solutions that local authorities could undertake to ensure that the planning system involves local people and delivers housing more effectively. These include:

- *Early involvement of councillors in strategic planning applications*—ensuring councillors, as representatives of the electorate, have early involvement and clearer understanding of potential developments and their ability to deliver on local housing priorities.
- *Establishing planning mediation schemes*—could be a means of helping developers and local authorities work through any barriers to development.
- *Bringing developers together to facilitate long term planning and improved community engagement*—“developer panels” bring together housing associations, private developers and landowners. Panels can be used to plan a long-term development programme, identifying sites and giving a clear indication of the timescales and the infrastructure needed.
- *Creating local strategic infrastructure enabling officers*—would work to ensure that social and physical infrastructure agencies participate fully in the pre-application process and shape development. They could also work with councillors to give community members the opportunity to have their say about new developments. Finally, they would also be well placed to facilitate the duty to cooperate between local authorities.

Council tax incentives

16. Without the factors outlined above being put in place, the NHB is unlikely to provide a significant enough incentive to bring about the radical increase in housing delivery necessary to address local needs and begin tackling the housing crisis. The Bonus must go hand-in-hand with greater tools for local accountability, sustained public funding and the national and local political will to see increased development.

17. Having looked at three local authority areas, the National Housing Federation have calculated that, based on the 125% match funding for affordable housing, the bonus would equate to between 0.14 and 0.34% of the council budget, depending on their level of development. Such a small percentage of local authority annual budgets would be likely to be an insufficient economic incentive for significant new building, particularly when part of the NHB is funded from council budgets.

18. Furthermore the NHB must not end up incentivising negative outcomes like less family and less affordable housing. It is therefore important that the design of the scheme addresses the following issues:

What is the value of the incentive?

19. To ensure that any council tax incentive encourages the development of affordable housing it is vital that councils are given additional incentives to provide it. *Open Source Planning* suggests that local authorities could be given an incentive of 125% of the council tax raised by that unit, annually for a period of six years.²⁸ This element must be maintained in the final settlement if we are to incentivise the creation of mixed communities.

The definition of affordable housing

20. An incentive to build new affordable housing needs a clear definition of what it covers to ensure the bonus encourages the development of truly affordable housing and not high end Low Cost Housing Ownership (LCHO) schemes.²⁹

21. It is important that the definition of affordable housing for the purposes of the NHB is one that meets housing need, particularly the need for social rented housing.

Council tax banding

22. The details of exactly how the bonus will be match fund council tax revenues will be important. If the NHB is set at a standard payment per unit (eg the national average Band D), councils will have an incentive to build a high number of very small flats rather than much needed family housing. This would compound the tendency of recent years for developers to push for high density flatted developments. However this would need to be balanced with other calculations of the NHB which overly favour executive homes. It is vital that CLG consider the various implications of the options available and make this analysis public.

²⁸ Conservative Party: *Open Source Planning: Green Paper 2010*, Page 9.

²⁹ Shelter recently published a discussion paper, “*The forgotten households—Is intermediate housing meeting affordable housing needs?*” that showed large amounts of public subsidy were being spent on poorly targeted LCHO schemes. Many of the homes identified were not affordable for the large numbers of low income households who earned too much to claim housing benefit and cannot access social housing. You can find a copy of this report on Shelter's website at [here](#).

The arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy, &c.)

23. We are disappointed that housing, and particularly affordable housing, is not included in this list when so many people are affected by the housing crisis. It is very important that local authorities continue to cooperate and plan strategically for the development of affordable housing.

24. The increased demand on infrastructure and public services invariably impacts on more than one local authority area and as a result it is vital that local authorities, and the Local Plans they develop for new housing recognise the importance of joint working. In fact, often developments can only go ahead with 2+ councils coordinating their work.

25. Consistent methodology use and presentation of data on housing need and demand in local authority areas would make cooperation a great deal easier as contributing areas would have comparable datasets to work from.

The adequacy of proposals already put forward by the Government, including a proposed duty to co-operate...

26. Shelter welcomes in principle the proposals to encourage groups of local authorities to establish Local Economic Partnerships (LEPs) that will reflect functional economic areas, establish local economic priorities and provide strategic leadership.

27. In announcements to date, the government recognises planning and housing as priority areas which must be delivered effectively to achieve local economic renewal, and we await the white paper for greater detail on roles and responsibilities of the LEPs.

28. Shelter believes that the most effective local partnerships will be those that are developed on the basis of a shared vision and recognition of existing integration between areas. However, any policy must recognise that neighbouring areas may have conflicting priorities/visions. For instance, one local authority might be in favour of developing large numbers of new homes to tackle local need, whilst a neighbouring local authority might be strictly opposed to the development of new housing, perhaps worrying about impacts on cross boundary infrastructure or environmental concerns. This will likely result in difficult working relationships between local authorities that result in blockages to vital housing developments.

29. Additional challenges may also arise from the misalignment of priorities at various spatial levels, whereby the requirement for growth is recognised at the LEP level, but not at the community or parish level.

30. The proposed “duty to co-operate” will ensure that relevant parties, including bordering local authorities, are consulted throughout the planning development process. However, Shelter would welcome greater detail on how the LEPs will operate in practice, including the method for establishing shared priorities and, where this fails, ensuring there is progress when priorities conflict.³⁰

How the data and research collated by the now-abolished Regional Local Authority Leaders’ Boards...

31. The evidence base supporting the RSSs was a robust indicator of the level of housing required across the region. However, as it could not be disaggregated, the regions faced challenges in relation to the spatial distribution of the housing needed. To this end, bottom-up assessments of housing need and demand were essential and recommended by Planning Policy Statement 3 (PPS3). Unfortunately, as PPS3 did not set a requirement for a consistent methodology and a means of reporting these assessments, it became impossible to aggregate them, unless they had been undertaken sub-regionally. This removed the opportunity to substantiate regional figures. It also prevented neighbouring local authorities that had not formed sub-regions from being able to effectively work together across the housing market areas that crossed their boundaries.

32. It is very important that local authorities remain required to undertake robust assessments of housing need and demand via reformed SHMA’s.

33. This will support policies outlined in *Open Source Planning* that expects: “to see, at a minimum ...the provision of good data by the local planning authority to the electors in the neighbourhoods, so that they can develop their vision for their community on a well-informed basis”.³¹

34. In order for this objective to be achieved the data needs to be collected and analysed via a consistent methodology in each local authority and presented in a single form to allow electors to make a fair comparison of how well their local authority is performing relative to others.

35. This is the only way to ensure that that figures related to housing need are clear, comparable, accessible and transparent, thus putting local electors at the heart of the planning system.

³⁰ A recent study by the Centre for Cities shares similar concerns over the efficacy of LEPs: “LEPs could lack the powers they need to support the growth of local economies; the public may not see them as sufficiently democratic and accountable; they could overlap with other bodies and city mayors; and the transition to LEPs could take a long time.”<http://www.centreforcities.org/assets/files/10-06-29%20LEP%206%20step%20plan.pdf>.

³¹ Conservative Party: *Open Source Planning*: Green Paper 2010, Page 8.

36. Robust government guidance on data collection methodology would encourage councils to collect and analyse data themselves rather than employing consultants at substantial public cost and would ensure such data is comparable between localities.

37. Comparable data across local authorities will also allow local need and demand to be analysed nationally, allowing government to monitor for any impacts on national services or funds.

38. To help this issue in the interim, Shelter recently published a Local Housing Watch, which compared the performance of each local authority in delivering affordable homes based on the need their SHMA's had identified. The intention was to give local people the information they need to hold their local authority to account. However, we found that a lack of robust and transparent methodology led to very different results and made it difficult for the public to compare results with other councils.

39. Shelter's Local Housing Watch website is a useful example of how to make comparative data between local authorities accessible by using a consistent form of presentation: www.localhousingwatch.org.uk

Recommendations

- A consistent methodology for assessing housing need, with a focus on affordable housing, completed at set intervals by all local authorities in England.
- Consistent data presentation by each local authority to allow comparison between local authorities and ensure local people are able to hold their representatives to account.

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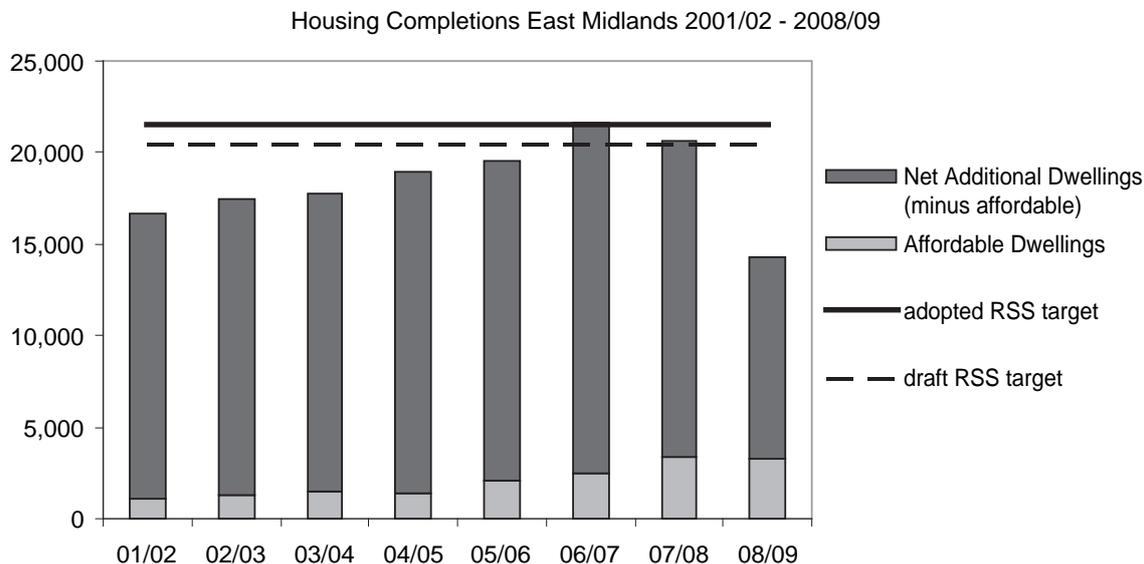
Written evidence from East Midlands Councils

SUMMARY OF EVIDENCE

- East Midlands Councils is the consultative forum for all 46 authorities in the Region. It provides support to Councils to improve their services and is a strong voice for the East Midlands.
- There is no evidence to suggest that housing delivery in the East Midlands is currently being restricted by a lack of land with planning permission. As a result, the removal of regional housing targets will have little short term impact. However over the longer term the situation is less clear, particularly if economic growth strengthens and market conditions improve.
- It is right that Government looks at changes to local government finance that would support rather than penalise population growth. However, there is currently insufficient evidence to conclude that the fiscal measures proposed by Government will on their own increase housing delivery to a level that meets the nation's demographic and economic needs in a sustainable manner.
- The new system must avoid the protracted and repetitive Examinations in Public that could result from a lack of an agreed strategic context for some complex matters. In addition, the Government remains responsible for the collective outcome of local authority actions at a national level in a number of key policy areas, particularly under European legislation.
- It appears unlikely that Local Enterprise Partnerships (LEPs) will be given statutory planning powers as a result of the Decentralisation & Localism Bill, or that the emerging geography of LEPs will match that of existing joint planning arrangements in the East Midlands. However, there could be a key role for LEPs in co-ordinating strategic infrastructure and investment planning and in the monitoring land use change.
- East Midlands Councils is undertaking a range of measures to ensure evidence and other intellectual capital developed through the regional planning process remains available to local planning authorities, and to support local planning authorities over the transitional period to the new system.

1. *The implications of the abolition of regional house building targets for levels of housing development.*

1.1 Housing delivery in the East Midlands between 2001–02 and 2008–09 is set out below³². The figures show that completions rose to meet the Regional Plan (RSS) target in the period up to the ‘credit crunch’, and then fell away as the recession took hold.



1.2 As of 31 March 2009, there were outstanding planning permissions for 97,000 new dwellings in the East Midlands³³—equivalent to 4.5 years supply against the Regional Plan target. There is therefore no evidence to suggest that housing delivery in the East Midlands is currently constrained by a lack of land. Instead it appears to be constrained by a lack of mortgage finance and adverse market conditions caused by wider economic uncertainty. The removal of regional housing targets will therefore have little impact on housing delivery in the short term. However, this situation could change rapidly once economic growth recovers. It is also worth noting that the latest sets of official population and household projections indicate a level of housing provision above the Regional Plan target³⁴.

1.2 As a result, the Committee may wish to consider what steps the Government might reasonably take if the collective impact of housing targets developed by individual local planning authorities fails to meet the nation’s long term demographic and economic needs in a sustainable manner.

2. *The likely effectiveness of the Government’s plan to “incentivise” local communities to accept new housing development, and the nature and level of the incentives which will need to be put in place to ensure an adequate long-term supply of housing.*

2.1 At the time of writing, few details are known about the Government’s “New Homes Bonus” and consultation on formal proposals is not expected until the autumn of 2010. However, under the current revenue grant system, local authorities with rapidly growing populations are effectively penalised twice. Firstly, factors such as the council tax base and relative need indicators appear to have a much greater impact on the funding formula than population growth. Secondly, there is often a time lag between the impact of real population increases on the ground, and the additional population being recognized in the official figures used in the funding formula.³⁵ As a result, some councils are forever “emptying the bins of people for free”, and it is difficult for existing residents to see any benefits to them of living in a growing community.

2.2 It is therefore entirely appropriate for the Government to examine how the relationship between council tax and revenue grant operates, and to see if the system can be used to support population growth, rather than to penalise it. However, the Committee may wish to examine the evidence that fiscal measures of this type would on their own be sufficient to increase overall housing delivery, and whether the resulting distribution of development would be likely to meet the nation’s demographic and economic needs in a sustainable manner.

³² Figures from East Midlands RSS Annual Monitoring Reports.

³³ East Midlands RSS Annual Monitoring Report for 2008/9, Table 2.3.

³⁴ The 2006 based Household Projections indicated a figure of 26,000 p.a. Forthcoming 2008 based Household Projections are likely to be lower, but still above the Regional Plan target.

³⁵ MKSM Inter-Regional Board 6 March 2008 IRB 11(5).

2.3 In considering the details of the proposed New Homes Bonus when published, the committee may also want to consider:

- The scale of additional resources available (as yet unknown) as compared to the total local authority ‘Formula Grant’ for England (£29 billion for 2010–11)³⁶ and the investment in local infrastructure and affordable housing that the planning system delivers through Section 106 Agreements (estimated at £4.9 billion in 2007–08).³⁷
- The impact on those authorities where significant growth would be inappropriate because of landscape designations (such as National Parks and Areas of Outstanding Natural Beauty), planning designations (such as greenbelt and green wedges) or environmental constraints (such as flood risk).
- How completions of purpose built self contained student accommodation should be treated, given that wholly student households are currently exempt from Council Tax.
- The possibility that linking the grant of planning permission directly to the receipt of additional Government funding may undermine the probity of the planning system in the eyes of local communities.

3. The arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy).

3.1 There are a large number of policy areas where coordinated action between local authorities and other partners is required to ensure international obligations (such as EU landfill diversion and renewable energy targets) or national policy priorities (such as biodiversity habitat and landscape recreation and management targets) can be delivered, or to address complex issues that cross local authority borders (such as coastal flood risk). In the past regional groupings have provided the main mechanisms through which this co-operation has been facilitated and managed, underpinned by RSS policies. Regional bodies have also facilitated collective activity on major strategic “cross border” issues such as the enhancement of the Midland Main Line and proposals for High Speed Rail.

3.2 In the absence of regional structures and policies, it will be for local authorities themselves to ensure this cooperation continues through successor arrangements, underpinned by a statutory duty to co-operate. These arrangements will need to be robust enough to provide a clear strategic context within which local decision making can take place, and to avoid protracted or repeated consideration of strategic issues at LDF Examinations in Public (EiP).

3.3 For example, a steady and adequate supply of minerals is essential to construction, industry and commerce. However, minerals can only be worked where they occur, which can be a considerable distance from where they are needed. Planning for minerals therefore requires a strategic balance to be made to ensure that supplies in one part of the country are secured to meet needs in another. The Managed Aggregate Supply System (MASS) operated through the RSS with the advice of Aggregate Working Parties (AWPs) to this end. In the absence of the RSS consideration needs to be given as to how mineral planning authorities will have access to strategic advice for making local decisions that have wider significance and to ensure that the expertise, data capture, analysis and links with industry that have been developed through AWP is not lost.

3.4 It is also worth noting that the Government will remain responsible for the collective national outcome of local authority actions, particularly in relation to European legislation.

3.5 As a result, the Committee may wish to consider what mechanisms could be put in place to help resolve any outstanding strategic policy conflicts prior to EiP, and how delivery of international obligations and national policy objectives can be ensured.

4. The adequacy of proposals already put forward by the Government, including a proposed duty to co-operate and the suggestion that Local Enterprise Partnerships may fulfill a planning function.

4.1 Local authorities in the East Midlands have considerable experience of joint working on planning issues on a housing market area basis, underpinned by RSS policies. Statutory joint planning arrangements have been established under current legislation in West Northamptonshire (comprising Northampton, Daventry and South Northamptonshire), North Northamptonshire (Corby, Kettering, Wellingborough and East Northamptonshire), and Central Lincolnshire (Lincoln, North Kesteven and West Lindsey). Informal joint arrangements are operating around Nottingham, Derby and Leicester, and in some of the more rural parts of Derbyshire and coastal Lincolnshire. Such arrangements have the potential to secure efficiencies and costs savings as well as more sustainable planning outcomes.

4.2 The form and functions of Local Enterprise Partnerships (LEPs) are open to considerable local discretion and have yet to be fully determined. However, there are currently no proposals from Government to grant LEPs statutory planning powers and it seems unlikely that the emerging pattern of LEPs in the East Midlands will match existing joint planning arrangements.

³⁶ Written Statement by the Secretary of State, 10 June 2010.

³⁷ Research commissioned by CLG from the University of Sheffield, published July 2010.

4.3 As a result, the main opportunity for LEPs in relation to the operation of the planning system is likely to be around strategic infrastructure and investment planning, for example transport, and the monitoring land use change. This would help to provide a strategic context for the work of individual local planning authorities and could be underpinned by a statutory duty to co-operate. Local authorities in the East Midlands have developed considerable knowledge and expertise around investment prioritisation from the former Regional Funding Allocations process. There are opportunities for this to be deployed through sub-regional LEPs and extended to other policy areas through place based budgeting initiatives.

5. How the data and research collated by the now-abolished Regional Local Authority Leaders' Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries.

5.1 EMC has deposited an archive of material covering the last 15 years of regional planning in the East Midlands with Nottingham Trent University (NTU), and is producing a DVD containing the NTU archive for each local authority in the region. Arrangements are being made for evidence that is still relevant to plan-making to remain publicly available via the internet. The old Regional Assembly web-site as been archived in its entirety with the British Library (<http://www.webarchive.org.uk/ukwa/target/49741949/>) and it is proposed to do the same with the Regional Strategy and EMC web-sites in due course.

5.2 EMC is working with agencies and local authorities to ensure that the Ptolemy Land Use Transport Integrated Model (<http://www.ptolemy-model.org/>) and the Waste Treatment Capacity Model remain available to local authorities. EMC is also working with local authorities to ensure that the considerable public investment in local and region-wide land use monitoring systems made over the last five years is not lost and can be adapted to serve new sub-regional geographies.

5.3 In addition, EMC is making use of “transitional grant” from CLG to support local planning authorities in the East Midlands by:

- facilitating a “Planning for Localism” seminar for all local authorities in the East Midlands (to be held on 1 October 2010) with speakers from CLG, PINS, Planning Aid and the Home Builders Federation;
- working with the Improvement and Efficiency Partnership to develop a “low cost” continuing professional development (CPD) programme for local authority planners, and an elected Members Network;
- making use of resources from DECC to provide local planning authorities with a consistent core evidence base on opportunities for renewable energy and heat mapping; and
- facilitating a technical monitoring seminar for local authorities on the 4 November 2010.

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Written evidence from East Riding of Yorkshire Council

SUMMARY

- The abolition of RSS is not expected to have any short term implications for housing delivery in this area; the market is still in recovery mode.
- The availability of incentive funding is welcome, especially in a period of low Section 106 and/or Community Infrastructure Levy revenues. However there are concerns about how effective this incentive will prove.
- A method for front-loading part of the new homes incentive would be beneficial.
- Weak housing market areas, with low levels of completions, may need additional support.
- Incentives are needed to reward positive action where new supply is being restricted to help weak housing market recovery.
- Co-operative working arrangements are best left to local circumstances, and could be based upon previous or current models of co-operation.
- A duty to co-operate is perfectly reasonable and understandable.
- There may be the opportunity for a Local Enterprise Partnership to discuss strategic opportunities, but decision-making must remain as a clear local authority responsibility.
- Existing regional research is best located within each local authority.

The submission has been submitted on behalf of the Council by John Craig, Forward Planning and Housing Strategy Manager. I am a chartered town planner, and manage teams responsible for preparing the Local Development Framework and delivery the Council’s strategic housing function. This involves close working with the other Humber local authorities (Hull, North Lincolnshire and North East Lincolnshire) on strategic planning and housing matters.

1. THE ABOLITION OF REGIONAL HOUSE BUILDING TARGETS

1.1 The experience of producing and adopting the Yorkshire and Humber Plan (RSS) appears to have been far less fraught than for other regions. Local authorities (and other stakeholders) have had opportunities to shape the commissioning of the regional evidence base, and input their evidence to the relevant consultants. The “Option 1” RSS housing targets for the East Riding were largely derived from and close to the previous targets from the Joint Structure Plan for Hull and the East Riding. Although the Secretary of State increased the regional targets, those for the East Riding remained largely unchanged, so the Council was able to accept them relatively straightforwardly. The Humber chapter in RSS is largely derived from locally agreed priorities.

1.2 Following the announcement of the abolition of our RSS the Council has responded to concerns about the potential policy vacuum by adopting an interim planning policy approach that continues to use housing (and other) targets included in RSS on an interim basis, pending a review of local evidence (including a revised housing needs and market assessment) to inform the preparation of the emerging Core Strategy. For the most part, our neighbouring local authorities are doing likewise. A principal reason for this Council’s approach is that it has just completed a second round of consultation on its Local Development Framework’s (LDF) Core Strategy, which used RSS targets and strategic spatial distribution model. The Core Strategy’s spatial distribution of new development is based upon delivering these. At this stage, the Council is confident that revisions to the housing requirement for the area could be accommodated within the broad framework provided within the Core Strategy. Clearly this position may have to be revisited in the light of the outcome of the proposed research.

1.3 Not unexpectedly, housing completions have slumped over the previous two years, to well below RSS targets. Evidence from stalled housing development sites suggests that virtually all have recommenced building, and we predict annual building rates could return close to pre-slump levels within two to three years if current progress can be maintained. However, developers tell us they are funding schemes from sales, as bank lending remains virtually non-existent for land purchase, materials or labour costs. While they continue to have to do this building volumes will remain low.

1.4 Through its Strategic Housing Land Availability Assessment (SHLAA) and managed release policy, the Council is ensuring it maintains a five year housing supply to meet RSS targets across all parts of the East Riding.

1.5 Although RSS affordable housing targets have gone, the need for affordable housing has not. The requirement for Viability Assessments (following the Blythe Valley legal challenge) gives local evidence based on local developments costs and housing market circumstances, so there is no need for this to be addressed strategically.

1.6 In the short term, therefore, RSS abolition will not have any immediate effect. The Council recognises it will have to update its 2007 Strategic Housing Market Assessment to provide local evidence of need and demand. There are clearly considerable cost implications associated with this work. Evidence flowing from this research will be used to inform future stages of the LDF. As stated above, at this stage it is not envisaged that revisions to the evidence base will necessitate significant changes for the LDF.

Recommendation

1.7 While the Council does not believe there is a need for a formal or statutory level of planning between the local and national, we believe the proposed national spatial framework must address the issue of housing needs and demands based on anticipated economic, population and migration change, affordability, and its spatial distribution.

2. INCENTIVISING LOCAL HOUSING DELIVERY

2.1 The principle of offering to match Council tax via a New Homes Bonus Scheme funding for every new home for a number of years is an attractive one. Developer-raised revenues (via Section 106 payments, potential Community Infrastructure Levy or other tariffs) are likely to be severely limited while profitability remains squeezed; this matched grant fund may help to meet some of the shortfall. It could be used to improve local infrastructure and services so they are better able to accommodate new development.

2.2 However, the Council has some concerns about how acceptable this will be to communities in practice. Responses to the Core Strategy consultation show the dilemma the Council faces, and how consensus might be achieved. Larger settlements feel that they have grown too large and have lost much of their character; they believe housing should be allocated to smaller communities. Smaller settlements believe development should go to those settlements with the facilities and services in place to accommodate development. Middle-sized settlements use both arguments. Even parishes, which support development via parish planning exercises, oppose development when specific sites have to be considered.

2.3 At best, communities require services and infrastructure to be improved ahead of new development; so receiving grant in arrears will not necessarily help. Even with the offer of funding, and in the face of acute affordable housing shortages, the Council is unsure how successful it will be in persuading communities of the benefit of new housing. The government should, therefore, consider whether the incentive could, in part, be

offered on the basis of planning permissions granted, rather than (or as well as) on actual completions. This would allow some (say, up to 50%) of the grant to be received in advance of completions, and be used to advance fund local infrastructure. This may help lessen or alleviate community concerns about the capacity of their settlements to accommodate new development.

2.4 The Housing Minister's statement that this delivery grant funding will not be ring fenced, although welcome in principle, means that communities may not be persuaded to accept new housing if they do not see direct benefits of such funding. Households tend to react according to proximity of development. It is unlikely incentives handed to local authorities will be able to ameliorate what households regard as impacting on their immediate quality of life. Communities may recognise that pressure to take more housing only partly reflects local needs; in part they may see it as an exercise by the local authority to raise funds for additional public services not directly related to the locality. In theory, this Council could spend grant funding raised from development in Bridlington in Goole, 44 miles away. While the local political consequences of this are recognised, it may help if the government was to issue further guidance.

2.5 The Council doubts the effectiveness of the bonus in weak housing markets where housing completion levels have been historically low. The East Riding has weak housing market areas in the inland port of Goole, the small coastal town of Withernsea, and in Bridlington. The Council is supporting partnership regeneration strategies for these towns, but it will be some time before their economic fortunes are sufficiently transformed to generate significant extra housing demand. It would be beneficial if the bonus scheme recognises this with additional incentives.

2.6 The Council is also supporting the weak housing market that exists in Hull, and is a member of its Housing Renewal Pathfinder board. It has been effectively restraining market housing to help revive Hull's housing market recovery. In so doing, it will, effectively, be penalised for taking a strategic, supportive approach. The Housing & Planning Delivery Grant failed to acknowledge this, and the Council would expect the new government to address this concern in an equitable manner.

2.7 The Council is concerned that in some instances, a local community will seek to resist new housing development irrespective of any cash incentive offered and despite offers to address specific issues giving rise to opposition to a planning application (eg drainage capacity). Communities may see this as a way to resist change. The emerging localism agenda may give rise to an intensification of this problem whereby a minority view may be sufficient to prevent housing development from taking place.

2.8 There have been media estimates of the cost to the Exchequer of £1.2 billion a year after five years, six times the current Housing & Planning Delivery Grant that is intended to fund part of the cost (the remainder coming from formula local authority grant aid). The incentive is not new money and, in effect transfers funding from one area to give to another. If media estimates are correct, there have to be doubts about the sustainability of such funding, how communities can be incentivised when there is no funding in place, or when it transfers funding from one area to another. It is not enough to hope that the housing market picks up so greater levels of development tariff funding become available to replace it.

Recommendations

2.9 A method for front-loading part of the new homes incentive would be beneficial, based on planning permissions granted (or as well as) on actual completions, as this may help fund infrastructure in advance of development.

2.10 It may help if the government was to issue guidance on how a new homes bonus might be allocated to ensure it directly supports communities hosting new development.

2.11 The bonus scheme should recognise the difficulties of delivery in weak housing market areas through additional or enhanced incentives.

2.12 The bonus scheme should recognise and reward positive action where restraint is being applied in certain housing market areas to support weak housing markets.

3. CO-OPERATION ON STRATEGIC MATTERS

3.1 One of the consequences of the loss of the regional planning team is the loss of expertise amongst its staff. Regional technical support groups have existed since the days of regional planning guidance, particularly for minerals and waste. The cost of these groups was largely borne by the (grant funded) regional planning team.

3.2 One example of this kind of work is a regional minerals group helping the apportionment of nationally defined regional minerals targets down to district level. If the government is no longer to define regional targets, will it be directly responsible for prescribing district targets? This would not sit easily with its localism/delegation agenda.

3.3 The situation for waste is less difficult, as it is local authorities that generate municipal waste flow figures, with the Environment Agency (EA) providing data for construction, commercial and special waste. However, the development of RSS' evidence base provided an opportunity for this to be collected, analysed

and disseminated in one place at one time. There are, therefore, potential implications for the EA in having to deal with authorities on an individual basis, tailored to each authority's LDF timetable.

3.4 Another consequence of reliance on this regional expertise has meant, in this sub-region at least, a lack of local expertise; specialist staff are in short supply and recruitment is difficult.

While the government may legitimately say it is up to regions or sub-regions to decide on arrangements to suit local circumstances, the shortage of expertise and the loss of funding support have to be recognised.

Recommendations

3.5 The government should set out the process for regional minerals and waste apportionments to the district level.

3.6 The lack of expertise at the local level for dealing with these matters needs to be recognised.

4. DUTY TO CO-OPERATE

4.1 Probably every significant piece of legislation over the last fifteen years that have implications for local authorities have incorporated a duty to co-operate (eg acts covering housing, children, public health, crime and disorder, civil contingencies, flood and water management, local democracy). Likewise Planning acts over the last 40 years have included a duty to consult and involve. So it is entirely reasonable and appropriate that such duties should remain. It is the Council's view that this can reasonably be left to local circumstances in line with the government's localism agenda.

4.2 The Council has a track record of working on joint strategies with its principal neighbour, Hull City Council, following the abolition of Humberside County Council in 1996. The Joint Structure Plan was adopted in 2005, and has acted as a strategic planning framework for the two local authorities pending completion of the respective Core Strategies, which are due to be adopted in 2012. The two authorities have also prepared joint minerals and waste local plans (which will be revised as DPDs), each authority taking a lead on one. The two local authorities continue to meet on a regular basis to ensure consistency in the respective LDF processes.

4.3 Work on strategic housing market areas, for example, demonstrates how such matters can only realistically be left to local circumstances. The Council's research shows that there are six housing sub-markets in its area. Three relate directly to Hull's housing market. The other three are more self-contained, but are variously influenced by towns or cities beyond its boundaries—York in the north west, and Selby and Doncaster in the south west.

Recommendation

4.4 The duty to co-operate, and arrangements for joint working, should be left to local circumstances and discretion.

5. POTENTIAL ROLE FOR A LOCAL ENTERPRISE PARTNERSHIP (LEP)

5.1 The coalition government has clearly signalled that the remit (and geography) of LEPs will be determined at the local level having regard to functional economic areas. This local discretion is welcomed. The Council recognises there may be a role for the LEP in all sub-regional strategies, not just planning. As with RSS, the strategic elements of the economy, planning, housing and transport are heavily interdependent. There is currently an arrangement with the Humber Economic Partnership (HEP), a local multi-partner voluntary body that acts as an overarching strategic body to four themed sub-boards dealing with each of these strategies. It had also been working closely with the four authorities, the regional planning team, and Yorkshire Forward (the RDA) to co-ordinate and facilitate input into the Integrated Regional Strategy and Integrated City Region Strategy, to ensure they are built from bottom up evidence and perspectives.

5.2 The role of a LEP in strategic planning would largely need to be an advisory one as, in the absence of any formal or statutory sub-regional Planning arrangement, it would be for each authority to embody and formally adopt (and test via public examination) sub-regional priorities into their LDFs.

5.3 With regard to legacy data (importantly from the RDA and the regional data observatory, as well as RSS) for use by sub-regional partners, the Council believes this should naturally be to the local authority level, where most communities and businesses would expect to locate it.

5.4 Housing and Planning Delivery Grant has been extensively used to support local evidence gathering for LDFs. Its top-sliced funding paid for the regional planning teams and regional planning evidence. Its abolition could mean far less research is carried out, whether by LPAs or LEPs.

Recommendations

5.5 While there may be the opportunity for a Local Enterprise Partnership to discuss strategic opportunities, decision-making on strategic planning matters must remain as a clear local authority responsibility, as this is where democratic accountability lies.

5.6 Existing regional research is best located within each local authority.

September 2010

Written evidence from the Department for Communities and Local Government

EXECUTIVE SUMMARY

- Regional Strategies were established by the previous administration to coordinate some regional planning issues, including targets for housing growth. Opposition to Regional Strategies has been significant creating uncertainty, delay and unnecessary expense.
- The Coalition Government revoked Regional Strategies on 6 July. This is a major step in shifting power on planning and housing back to local authorities and communities.
- Housing targets were all stick no carrot. They were an ineffective incentive for housing delivery. By contrast the New Homes Bonus scheme will directly reward councils and communities for new homes built. Operating alongside other incentives and funding it will really support locally driven sustainable growth and development.
- Our proposed duty to cooperate will ensure that authorities and other bodies work together effectively on cross boundary issues, particularly on infrastructure planning and delivery. We are also looking at ways to offer authorities who want to work together more formally the option of developing strategic plans with statutory status.
- Where they are established, local enterprise partnerships will provide strategic leadership in setting local economic priorities and creating the right environment for business and growth. They will have a close relationship with strategic planning, particularly in terms of local economic development and regeneration.
- There are solid arrangements in place for storing and managing data held by the former Leaders' Boards. Updating this information will now be a matter for local authorities individually or working in partnership with others.
- Our proposals will decentralise decision making and incentivise development. This will be with the support of local communities as proponents of sustainable growth. This is what the planning system was designed to do and what it can deliver again.

INTRODUCTION

1. The Planning system has enormous potential to provide a positive, effective framework for delivering sustainable development that reflects the aspirations of local communities. But the system that we inherited from the previous administration needs to be radically transformed if it is to achieve that potential. The regional planning system was over-centralised and bureaucratic. Top-down targets, such as housing numbers, were imposed on local planning authorities and communities and they increased opposition to development. What is significant is that they have failed to incentivise the delivery of new homes and this has led to worsening affordability. The Regional Strategy system, however well-intentioned, simply has not worked.

2. With the abolition of Regional Strategies decision making on housing and planning will return to local authorities and communities. This marks the first step towards a new, decentralised approach to planning, giving communities the greatest possible opportunity to have their say and manage development so that it delivers their vision for neighbourhoods. Our proposed incentives will provide a genuinely effective response to housing demand where local people can become proponents, rather than opponents, of sustainable economic and housing growth.

BACKGROUND TO REGIONAL STRATEGIES

3. Regional Strategies were established by the previous administration. They combined two formerly separate strategies: the Regional Spatial Strategy and the Regional Economic Strategy. Since 1 April 2010 any revised strategies had to be prepared jointly by Leaders' Boards (leaders of representative local authorities in each region) and Regional Development Agencies.

4. The rationale for a regional planning tier was the need to coordinate some planning issues, such as infrastructure and strategic growth, above district and county level and to set targets for growth including housing delivery. Regional Strategy housing targets were seen as the means of delivering the previous administration's national target of 240,000 net additional dwellings per year by 2016 leading to two million new homes by 2016 and a further one million by 2020.

5. But public opposition to regional planning has been significant and the process has been beset by legal challenges. The number of representations to Regional Strategy "Examinations in Public" ran into thousands. Key issues were opposition to growth plans and additional housing development. Other issues included retail hierarchies, transport, flooding, and climate change. It is clear from this level of opposition that Regional Strategies did not reflect local community aspirations. But the opposition generated has also meant that

Regional Strategies were badly delayed and expensive to produce. The delay and uncertainty meant that they failed to provide a clear basis for planning and investment decisions.

6. To give one example, in the East of England the Government Office received 21,500 representations on the draft Regional Spatial Strategy, of which most (78%) were objections. These focused on four policies around which there had been public campaigns: green belt, housing provision, the Harlow Key Centre for Development and Change, and the London Arc. While the draft plan was submitted to the Secretary of State in December 2004 the final Regional Spatial Strategy was not published until 2008, only for the High Court to rule that it failed to meet Strategic Environmental Assessment Directive requirements with respect to three towns.

THE COALITION GOVERNMENT'S RESPONSE

7. The failure of regional planning led both the Conservative and Liberal Democrat parties to commit in their manifestos to abolishing regional planning and/or regional housing targets. This led to the Coalition Agreement commitment:

We will rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils... In the longer term, we will radically reform the planning system to give neighbourhoods far more ability to determine the shape of the places in which their inhabitants live, based on the principles set out in the Conservative Party publication Open Source Planning.

(The Coalition: Our Programme for Government 2010, p11)

8. Since the election we have revoked Regional Strategies and announced our intention to return decision-making powers on housing and planning to local councils. The Localism Bill will include this and other measures to shift power back to individuals, communities and councils and give local communities a real voice in shaping their neighbourhoods.

THE IMPLICATIONS OF THE ABOLITION OF REGIONAL HOUSE BUILDING TARGETS FOR LEVELS OF HOUSING DEVELOPMENT

9. The previous administration's housing target-setting regime was not effective. A key weakness of its approach was the assumption that imposed housing targets would be incorporated into plans by local authorities and communities, and that the market would deliver them. It is clear that this has not happened.

10. Under Regional Strategies local plans did not flow thick and fast. Only 18% of local planning authorities—that is 60 out of 336—have adopted core strategies setting up-to-date targets for housing delivery.

11. On average 26,000 fewer homes were built each year from 1997 to 2009 than in the period from 1979 to 1996. The country now has the lowest level of house-building in peacetime since 1924.

12. There are, of course, a number of factors that influence the supply of housing. For example, in earlier decades, large levels of social housing completions contributed to overall supply. Housing delivery will also be affected by wider economic cycles. Mechanisms to incentivise housing delivery may not be able to reverse external factors such as these in their entirety. But it is reasonable to expect them to act as robust tools capable of effectively responding to cyclical external pressures.

13. Our proposals will stimulate housing development. By abolishing Regional Strategies local planning authorities will be able to work with communities to see their vision for development realised. A key element of this will be decisions about housing and planning policy, including housing numbers and the pattern of development, which should rightly be taken locally.

14. Our decentralised approach will mean that local plans are more, not less important because they will deliver the sorts of projects that people want and support. It is vital that local planning authorities continue to bring forward local plans and we issued guidance when we announced the revocation of Regional Strategies to assist them on some transitional issues. Through powerful incentives rather than weak targets communities will for the first time be able to see real, direct benefits from the planning system.

The likely effectiveness of the Government's plan to incentivise local communities to accept new housing development, and the nature and level of the incentives which will need to be put in place to ensure an adequate long term supply of housing

15. Housing targets were all stick and no carrot. Local communities saw only the costs of new development, such as increased traffic and more burdens on local services, without sharing in any of the benefits that accepting new homes can bring.

16. The Housing and Planning Delivery Grant (HPDG) was introduced by the previous administration to incentivise housing delivery. But it was not successful because it was too complicated and target driven. Local authorities were not able to rely on it as a sufficient and stable incentive and as a result its impact was significantly reduced.

17. The Coalition Agreement makes a clear commitment to providing local authorities with real incentives to build new homes. The New Homes Bonus scheme will directly reward councils for new homes built, and

there will be a consultation on the detail of the scheme later this year. These incentives will enable local authorities and communities to really benefit from delivering the housing that they want and need and encourage them to increase their aspirations for housing and economic growth, and to control the way in which villages, towns and cities develop and the quality of their local environment.

18. Councils who take action now to give planning consent and support the construction of new homes will receive substantial funding for doing so. These funds can be spent according to local wishes—such as offering council tax discounts to local residents, supporting frontline services like rubbish collections, or improving local facilities like playgrounds and parks.

19. Incentives to build new homes are the cornerstone of the Government's housing supply strategy. However, the Government recognises that sustainable development is about more than just new homes and the Coalition Agreement sets out our clear intention to incentivise both housing and economic growth. The New Homes Bonus Scheme is part of a wider family of incentives and funding programmes, aimed at facilitating and incentivising locally-driven growth in a post-targets world:

- We will be publishing a White Paper to consider the most appropriate framework of incentives for local authorities to support growth, including exploring options for business rate incentives, allowing local authorities to reinvest the benefits of growth into local communities.
- We are committed to ensuring an appropriate mechanism for securing funding from development proposals to deliver the infrastructure necessary to support growth. We are considering the future of the Community Infrastructure Levy (CIL) and the related planning obligations regime (also known as section 106 agreements) and will make an announcement on these as soon as practicable.
- We are also working on the redesign of growth funding provided by the Department to priority growth areas. Growth funding currently provides a block grant which is designed to enable upfront infrastructure required to facilitate housing delivery to be put in place in growth locations. Although there is a good rationale for the growth funding programme, in future recipients will need to meet the following tests:
 - Securing real local and community engagement.
 - Making the benefits of growth funding visible to local residents.
 - A robust locally owned vision for housing growth.

These tests are currently being applied, with funding for 2010–11 being released upon a satisfactory response from each of the growth locations.

The arrangements which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy etc)

20. The Conservative Party publication *Open Source Planning* acknowledges that there will be a need for coordination at a level higher than individual local planning authorities, particularly in planning and delivering infrastructure. The Government recognises that local authorities and county councils will want to work together and make strategic planning decisions on issues that cross boundaries such as green belt, biodiversity, flooding, retail markets etc.

21. Authorities are free to work together on cross boundary issues and many already do. The Government does not wish to dictate when and how authorities should work together. That is for them to decide. But we believe that it would be helpful to offer authorities who want work together more formally the option of developing strategic planning frameworks with statutory status. Having an agreed planning approach across neighbouring authorities on issues such as infrastructure, employment, transport, infrastructure, or the natural environment will provide certainty for all parties engaged in the planning process and help to attract investors.

The adequacy of proposals already put forward by the Government, including a proposed duty to cooperate and the suggestion that local enterprise partnerships may fulfil a planning function

22. *Open Source Planning* acknowledges that local authorities must have access to all the relevant information concerning proposed development so that they can anticipate the nature and dimension of future infrastructure needs. Timely access to the best available information is vital for authorities to make planning and investment decisions. Too often, however, authorities can be hampered by insufficient sharing of information between the relevant bodies regarding current and potential future development. The Government is committed to opening up information flows between public bodies and utility companies so that all the relevant development information, including plans produced by these bodies, is shared. We have already committed to legislating for a “Duty to Cooperate” to apply to local authorities and other public bodies to achieve this. This will also support joint working on development plans and work by local authorities on cross boundary issues.

23. The Government is also encouraging local authorities and businesses to work together to support their local economies. We have written to local authority leaders and business inviting them to submit proposals for local enterprise partnerships which will replace Regional Development Agencies. Local enterprise partnerships will be central to the Government's economic vision of rebalancing the economy toward the private sector.

24. We are encouraging a wide range of ideas but we anticipate that local enterprise partnerships will comprise both local authorities and business with a prominent business leader chairing the board. We also expect that partnerships will reflect the natural economic geography of the areas they serve—covering the real functional economic and travel to work areas—rather than existing administrative boundaries. Partnerships will want to provide strategic leadership in setting local economic priorities and creating the right environment for business and growth by tackling issues such as planning, housing, local transport, employment, enterprise and the transition to the low carbon economy. This suggests a close relationship with any strategic planning frameworks that are brought forward, particularly in terms of local economies.

25. The Government will be publishing a White Paper on sub-national economic growth which will set out more broadly our approach to economic growth, including the key role of local enterprise partnerships.

How the data and research collated by the now abolished Regional Local Authority Leaders' Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries

26. It is very important that local authorities capture, store and make available the information held by the Leaders' Boards. For this reason we have asked Leaders' Boards to demonstrate effective arrangements for the handover and management of data as part of their transition plans. Local authorities in all eight regions outside London are putting in place arrangements for the safe long term storage of data and information. These arrangements are well developed in all regions. In some regions the National Archive has taken a "snapshot" of the information held in electronic format, in addition to the arrangements being made by local authorities.

27. Updating data and research will now be a matter for local authorities and we expect them to start putting their own arrangements in place for the collection and analysis of evidence. Where local authorities found particular data valuable they may choose to continue to collect it either individually or in partnership with neighbouring authorities.

CONCLUSION

28. The planning system is vital for delivering sustainable development and we firmly believe in its potential to do so. But Regional Strategies took decisions away from communities and democratically accountable decision-makers and imposed targets on local communities. That created opposition to development, delayed decisions and reduced confidence in the system. And Regional Strategies have not been effective. Only 18% of local planning authorities have adopted core strategies with up to date housing targets at a time when housebuilding rates are at their lowest for many years.

29. Our proposals are designed to decentralise decision making and incentivise development so that the planning system starts to support the delivery of homes and economic growth. This will be done with the support of local communities as proponents of sustainable growth. That is what the planning system was created for and what it can deliver again.

September 2010

Supplementary memorandum from the Department for Communities and Local Government

Following the evidence session at the select committee yesterday I would like to clarify the position on which bodies will deal with handling of minerals and waste planning. In the middle of such a radical programme of planning reform this is one area where the existing policy has not changed which no doubt threw me! Planning for aggregate minerals extraction and most waste facilities will continue to be dealt with by unitary and top tier local planning authorities as now. Those waste facilities which fall above the thresholds set out in the Planning Act 2008—essentially hazardous waste facilities and "energy from waste" plants generating 50MW or more—will move from the Infrastructure Planning Commission to the new Major Infrastructure Planning Unit. The minerals targets for aggregates will go when Regional Strategies are abolished. This means that responsibility for continuing to plan for a steady and adequate supply of aggregate minerals will fall to unitary and top tier local authorities. We will be working with the minerals industry and local government to agree how minerals planning arrangements should operate in the longer term.

I think the confusion flowed from the fact that the Local Growth White Paper contained a drafting error which gave the impression that the Major Infrastructure Planning Unit would take all this work. As soon as this error was spotted Vince Cable made a written ministerial statement in the House on 4 November to clarify the position (Column 37 WS). Correction slips were put in hard copies of the White Paper, and the electronic version has been updated.

Rt Hon Eric Pickles MP
Secretary of State for CLG

November 2010

Supplementary memorandum from Save the Countryside, Cheltenham

SUPPLEMENTARY EVIDENCE FOLLOWING ORAL EVIDENCE GIVEN ON 25 OCTOBER 2010

Omission

We should be grateful if you could correct the following omission.

Alice Ross should have stated to the Committee that she was also representing our umbrella organisation Save Our Green Spaces (SOGS) and its 40 member groups throughout the south west as well as our own campaign group Save the Countryside.

We feel this is important as the other SOGS members by her omission were denied any acknowledgement and it otherwise might appear in the record as though only two small community groups held the opinions expressed at the hearing rather than many people from Cornwall to Dorset to Somerset to Bristol to the Gloucestershires.

From the witness list, it seems possible indeed that no further community groups may be called to give oral evidence. In this case the SOGS insights may be necessary for a balanced view with a community component, particularly as we are aware of other cases nationwide—some, we believe, in the constituencies of some of the Committee—where similar RSS housing target problems were encountered.

Addition

Alice Ross did not get the opportunity to reply to the question on incentives.

We should be grateful if you would consider the following observations.

- If incentives are to be offered then they should be offered equally on renovated properties brought back into occupation to ensure regeneration of urban areas and re-use of existing housing stock before construction on Greenfield sites.
- If incentives are to be offered they should only be offered on affordable homes, which are likely to be in one of the lower council tax bands (say Band A)—otherwise cash-strapped local authorities might tend to favour permitting developments of numbers of large properties at the upper end of the scale (say Band H) which would in comparison each yield three or four times the council tax to be retained on the A properties, especially at 125%.

October 2010

Supplementary memorandum from Ringwood Town Council

The Town Council was delighted to have the opportunity to present oral evidence to the Communities and Local Government Committee's Select Committee in relation to the Regional Spatial Strategies. It is recognised that with the Committee's busy schedule it was not possible to allow the Town Council's Representative, Councillor Jeremy Heron, more time to elaborate on the fundamental reasons why the Town Council believes that the Regional Spatial Strategies should be abolished and that a more "bottom-up" approach be adopted that gives more powers to democratically elected units of Local Government. This view is influenced by the following:

PREPARATION AND PUBLICATION OF A TOWN PLAN

Between 2006 and 2008 the Town Council carried out the largest full scale public consultation exercise it has ever completed in connection with the preparation of its Town Plan. Our response has been driven by the views expressed to us by the majority of residents in the town.

One of the significant outcomes of that project was that the public in Ringwood identified as a key issue the fact that there "*is insufficient affordable housing in the town. First time buyers who have grown up in the town cannot afford to buy. People moving into the area for work are unable to afford houses*".

Ringwood residents told the Council that it should "*Encourage the allocation of additional land for housing through the Local Development Framework to enable the building of more affordable housing*".

Since that time and indeed before, the Town Council has pressed the District Council, but to no avail to tackle the problem. The Town Council has identified a number of suitable sites with willing owners, but the District Council has refused to accept any—mostly on "need" or Green Belt grounds. Indeed despite the unequivocal evidence to the contrary, the District Council's Cabinet Member, responsible for Planning Strategy, reported to the Town Council in March 2010, that "to meet the requirements of the accepted Core Strategy, many more sites have been suggested (including Ringwood) than are actually needed". Clearly this decision on the need emanates from data dropped down from the Regional Special Strategy that appears to have had no regard to the actual shortage of affordable housing.

SOCIAL HOUSING

Over the past five years, only seven new units of social housing have been built by Registered Social Landlords in the Ringwood area. No new Council owned housing has been built.

The numbers on the housing waiting list are:

- 696 people who have a one bedroom need.
- 288 people who have a two bedroom need.
- 173 people who have a three bedroom need.
- 28 people who have a four bedroom need.
- 2 people who have a five bedroom need.

In 2010, only five, two or three bedroom houses have become available in the District Council's housing stock for re-letting.

HOUSING WAITING LISTS

Clearly, the length of time that a person is on a waiting list will depend on their particular circumstances. In the past, it has been estimated that some applicants have had to wait up to 15 years for a two bedroom property. The latest figures from the District Council showing a very approximate period of time that an applicant may be on the waiting list before being housed is as follows:

- 2/3 bed houses are seven to eight years.
- Upper floor flats are four years.
- Ground floor flats are five years.
- 2 bed bungalows are three years.
- 1 bed bungalows are two years.

HOUSING SUPPLY

As stated in the original submission, the Core Strategy, produced under the existing Regional Spatial Strategy, provides for Ringwood, a town with a population of almost 14,000 residents, being allocated a total of just over 400 properties over the 20 year period of the Strategy. This equates to a total of 20 units of accommodation for both private and public sector in each year. The clear message from residents, when the Town Plan was prepared, was that this is insufficient.

As an indicator of affordability, the Town Council has looked at data provided on the "Right Move" website for the number of properties in Ringwood that have been sold in the last 12 months and the average prices obtained for such properties. The table below sets out the results.

	<i>Flat</i>	<i>Semi-Detached</i>	<i>Detached</i>	<i>Terraced</i>
Homes sold in the last 12 months	24	55	58	26
Average house prices	£182,031	£243,186	£408,278	£207,558

These figures show quite clearly that the average price for the cheapest type of property within Ringwood is higher than the national average price for a family home. Indeed, the New Forest, which includes Ringwood, is now in the top 10 for the least affordable places to buy homes.

Whilst the Town Council's views are influenced by the results of the consultations carried out on the preparation of the Town Plan, it is also acutely aware of the resistance by neighbours to new developments immediately adjacent to them. The summary below that relates to Planning Applications on which the Town Council has been consulted since September 2007 for developments of two or more residential dwellings shows how in this small Market Town and shows how neighbours react to actual planning applications in their area.

PLANNING APPLICATIONS FOR TWO OR MORE RESIDENTIAL DWELLINGS SINCE 2007

<i>Date</i>	<i>Proposal</i>	<i>Against</i>	<i>For</i>
01.12.09	6 Houses	15	0
		1 petition	
28.09.09	24 Dwellings*	28	0
10.06.09	12 Dwellings	8	0
27.04.09	6 Dwellings (site of pub)	1	1
02.02.09	6 Flats	2	0
12.01.09	26 Dwellings*	25	0
03.04.09	Mixed inc shops/ Offices & 12 Flats	0	1
16.06.08	8 Dwellings	19	6
		1 petition	

<i>Date</i>	<i>Proposal</i>	<i>Against</i>	<i>For</i>
19.03.08	4 Dwellings	1	0
26.02.08	3 Dwellings	3	11
19.09.07	5 Dwellings	23	0

*Denotes same site

It is clear that those directly affected adopt a more selfish attitude when faced with the specific application than when dealing with the wider requirements of the community. It was for this reason that the Town Council's original submission made reference to the perceived personal loss that a building or buildings next to me equals loss of amenity and takes precedence over benefit to a local community when a specific application is submitted. To overcome this the Town Council believes that there is a fundamental need for a democratically elected body at a relatively local level to be responsible for determining the local housing needs in an area.

It is submitted that the Regional Spatial Strategy has failed to deliver the hoped for outcomes and, as stated at the Oral Hearing, there is a need for this to be replaced by arrangements that involve locally democratically elected bodies that are much closer to the communities they serve.

November 2010

Memorandum from Hampshire County Council

EXECUTIVE SUMMARY

- The County Council believes there is a void between high-level national policy making and local planning delivery. Filling that “strategic planning” void is necessary to address important issues related to the provision of infrastructure and delivery of services which must be dealt with across arbitrary district council boundaries for reasons of effectiveness and efficiency.
- Our submission to this Select Committee logically follows on from our bid, in 2009 under the *Sustainable Communities Act 2007*, to take strategic planning powers away from the Regional Planning Body and give them to county councils. Both recognise that county councils, working collaboratively with their district partners and other stakeholders, can successfully fill the void between national and local plan making. We would urge the Committee to include a recommendation of this sort in its report to Parliament.
- Following the abolition of regional strategies, some district councils in Hampshire seem likely to plan for a lower rate of house building. However, the new housebuilding figures reflect important local factors which were not adequately considered in the flawed and distant Regional Strategy preparation process, yet they still provide for more than just local housing need. This is localism and democracy in action and should be commended.
- In two-tier areas, responsibility for the delivery of many local services are split between upper and lower tier authorities. It is essential, therefore, that the statutory duty to cooperate applies not only between lower tier planning authorities but also with their county councils. This is essential in order to “join-up” local planning with the planning of transport, mineral extraction, waste disposal, education and social care provision, and flood management—all of which are county council statutory responsibilities.
- The Government's intention for district planning authorities to have a “duty to cooperate” is welcome, but it needs to also require cooperation with county councils in two tier areas. Indeed, county councils could coordinate the cooperation between authorities within their county.
- The County Council has major reservations about Local Enterprise Partnerships (LEPs) being directly given any planning functions. It would be undemocratic for public policy to be determined by a private sector-led body. Decisions on which planning policies to adopt should rest with local government who need to take account of other considerations (environmental constraints, public opinion etc.) in reaching planning decisions operating via a democratically accountable process.
- Clarification from the Government is required on the proposed housing incentives package. Based on the limited information currently available, the County Council is concerned that the proposed incentives package will not address the very real funding issues for infrastructure and therefore will do little to assuage fears of over-stretched local resources or to persuade local communities to accept new development. The County Council is concerned that the incentives may be paid only to lower tier authorities: in two-tier areas, it is county councils who provide most public services including the new education, social care, transport and waste disposal facilities needed to support new housing development. The Select Committee is urged to recommend that Government set out details of the scheme as soon as possible, including the production of a full Regulatory Impact Assessment and Cost Benefit Analysis in order for the impacts of any potential incentives package to be thoroughly assessed and debated.

- County Councils have a statutory duty to undertake surveys of their areas. This duty provides a formal basis for their research and data analysis activity. They employ specialists such as demographers and economic analysts which individual district planning authorities could not be justify employing, while surveys/data analysis for a whole county can be more cost effective than if undertaken by district authorities individually. It is unclear whether this statutory duty will remain in legislation following the passage of the Localism Bill. Without it, this valuable County Council research activity could be lost. The Select Committee is urged to recommend to Parliament that a similar provision be incorporated in the forthcoming Localism Bill.

INTRODUCTION

1. Hampshire County Council believes there is a need for a level of strategic planning between the national and local level. As the County Council stated in its bid in 2009 under the *Sustainable Communities Act 2007*—which sought to devolve planning powers from the regional level—this should preferably be at county level. Please see a summary of the key elements of the County Council’s bid at *Appendix 1*.³⁸

2. Hampshire County Council played a major role in the preparation of the Regional Strategy for the South East (the “South East Plan”), including the drafting, in conjunction with the other upper tier authorities, of the two sub-regional strategies which covered the more urbanised parts of the county. The County Council, as minerals and waste planning authority, was very influential in shaping the minerals and waste policies in the South East Plan. The County Council also undertakes demographic and economic forecasting, and monitors development activity and land supply. Based on this knowledge and experience and the work undertaken to prepare our Sustainable Communities Act bid the County Council believes it can provide authoritative evidence to the Committee.

3. The County Council wishes primarily to comment on those aspects of the Committee’s inquiry relating to future arrangements for strategic planning, including minerals and waste, but in order to help the Committee, this submission also includes some evidence on the implications of regional strategy abolition and the Government’s plan for incentives. The County Council would welcome any opportunity to elaborate through oral evidence to the Committee.

ABOUT HAMPSHIRE

4. Hampshire is very large and diverse. With a population of almost 1.3 million, it is England’s third most populous county. It is estimated to account for around 20% of the South East Region’s economy and population. Major urban areas of Aldershot / Farnborough, Basingstoke and South Hampshire, contrast with substantial rural areas including large parts of two National Parks. The county includes two Growth Points and an Ecotown, while two airports, two seaports and four universities add to the development pressure in the county.

The implications of the abolition of regional house building targets for levels of housing development

5. The implication in Hampshire of the revocation of regional strategies seems to be a move to authorities planning for a lower level of house building than that proposed by the final version of the South East Plan. The emerging intentions of the local planning authorities within Hampshire sum to around 5,600 new homes per annum over future years, compared to the 6,700 per annum target in the final version of the South East Plan. The former is close to the 6,100 per annum proposed in the draft Plan before the former Government’s Ministers hiked the figures.

6. It therefore seems that future house building in Hampshire could be only around 16% lower than the South East Plan’s target: not as dramatic a fall as some commentators are predicting. Moreover, this lower provision would still provide for all the household increase arising from demographic change of Hampshire’s existing population plus an element of in-migration. The County Council’s forecast³⁹ is that demographic change (people living longer, more one-person households etc.) will generate 85,000 additional households 2006–26. This would be more than satisfied by the 112,000 new homes now being planned for by borough/district councils.

7. The emerging picture in Hampshire shows that local authorities do recognise the need for new housing development and not only that required to meet indigenously generated needs. Local authorities also recognise the acute need for affordable housing. However, the new figures more fully reflect important local constraints and infrastructure and environmental capacity issues which were not, in the view of local communities, properly acknowledged in the final South East Plan housing targets.

8. Hampshire County Council is not opposed to development provided it is of the right type and scale, and is supported by the infrastructure and services necessary to make it sustainable. The scale of house building must take account of housing needs generated by demographic change and economic growth but must also take proper account of the capacity of infrastructure to support development, environmental/sustainability

³⁸ The “case for change” set out in the bid remains directly relevant in the context of this inquiry and the “proposal” could be readily modified to still provide a form of strategic planning in the new localism era.

³⁹ Hampshire County Council’s demographic forecasts are widely respected and much used by other organisations for service planning and decision making. The forecast mentioned here was presented in evidence to the South East Plan Examination-in-Public and was not challenged.

considerations, and the views of local residents. In short, the right balance must be struck between these various considerations.

9. The County Council argues that decisions on the appropriate balance are best made within local areas involving local people and communities rather than at regional level, hence our proposals under the *Sustainable Communities Act 2007*. This means that such decisions are made by directly elected politicians who have local knowledge and democratic legitimacy. Local politicians also have the advantage of access to the advice of professionals with intimate knowledge of local survey data and evidence, and the ability to factor in wider “strategic” issues such as the impacts on infrastructure and services (education, social services, transportation, waste disposal, countryside recreation, emergency services etc.) Local people and stakeholders relate more readily to their county and locality, rather than artificial regions, and feel more able to influence planning decisions and issues associated with the need for new development.

The likely effectiveness of the Government’s plan to incentivise local communities to accept new housing development and the nature and level of incentives which will need to be put in place to ensure an adequate long term supply of housing

10. Details are still awaited of the size and nature of the financial incentives. Media reports have suggested that the Government might match council tax revenue from new housing for a period of six years. This would mean a payment of around £6,000–£9,000 per new home permitted. If this is the case, Hampshire County Council’s initial view is that this level of funding would be insufficient to provide the infrastructure and services necessary to support new development. Consequently, it is unlikely to assuage local fears about increased pressure on stretched local services and infrastructure and will provide little incentive to local communities to accept new development; particularly if it is simply funding redirected from other sources. One commentator has described this as “robbing Peterborough to pay Poole”.

11. In considering the likely effectiveness of any future incentives scheme, the Select Committee is strongly urged to recommend that the Government should make the full details of the incentives scheme known, along with guidance on how it will operate in practice as a matter of urgency. The County Council would also like to see Government commit to undertake a full Regulatory Impact Assessment and Cost Benefit Analysis of the proposed incentives so that Parliament may have an informed debate about the merits of the scheme. Without these detailed analyses it will simply not be possible to properly consider the likely effects of any proposed incentives scheme.

12. Hampshire County Council would be very concerned if the funding for any proposed incentives (which seem likely to be paid to lower tier borough/district councils) were to be found from reducing existing grants to councils. If the latter involved reductions in a broad range of grants to upper tier authorities, this would effectively transfer resources from upper to lower tier authorities; yet it is the upper tier authorities which provide the vast majority of services to local communities. This would undermine the ability of the County Council to provide highly valued services to local communities. Furthermore, a stretch on upper tier authority resources would mean being *even less* able to provide the new services and infrastructure needed to support new house building such as schools, social care, roads and public transport, and waste disposal facilities etc. The County Council urges the Select Committee to recommend that in two tier areas, any financial incentive should be split between lower and upper tier councils in accordance with the scale of the development and infrastructure impacts.

The arrangement which should be put in place to ensure appropriate cooperation between local planning authorities on matters formerly covered by regional spatial strategies (eg waste, minerals, flooding, the natural environment, renewable energy, etc)

13. To date, political and media attention has focused on the inequities of top-down house building targets. However, this ignores the fact that there is a far greater range of topics to be dealt with in the successor arrangements to regional spatial strategies. In two-tier areas, responsibility for the topics listed in the Committee’s question are split between upper and lower tier authorities. Thus there is a need not just for cooperation between lower tier planning authorities, but also with their county councils. This is essential in order to “join-up” local planning with the planning of transport, mineral extraction, waste disposal, education and social care provision, and flood management—all of which are county council statutory responsibilities.

14. To achieve the necessary “joined-up” planning in two tier areas, the local (including county) authorities should be required to prepare a broad shared vision for their area which would draw on, and in turn inform, the preparation of individual authorities’ own documents. It would set out the economic growth aspirations for the area, the key environmental constraints and opportunities (eg flooding risk), the broad pattern of development (areas for growth versus restraint but not specific house building targets) and associated major infrastructure requirements including broad locations for minerals development and strategic waste facilities.

15. The vision document should not be seen as an end in itself but rather the catalyst for a process of ongoing dialogue and analysis about how the area should develop and change. As well as being of value to the authority’s own spatial and service planning, it would be valuable to other agencies such as utility providers, emergency services, Highways Agency etc who need to dovetail the planning of their new infrastructure with

the planning of new development, and who operate at a geographic scale which is much larger than an individual local planning authority.

16. It would be a form of informal strategic planning that is not prescriptive nor imposed from above. Rather, it would be prepared collaboratively between authorities and tiers of authorities. It would seek to reflect the points made above and identify and acknowledge cross-boundary and strategic issues with local impacts. The key point the County Council wishes to make with this submission is that, while it is a good thing that regional strategic and regional house building targets have been abolished, there remains a need for some form of collaboration or “planning” to address strategically important issues to operate on a greater-than-district basis. County Councils are in the ideal position to take on this role and we would urge the Committee to include a recommendation of this sort in its report to Parliament.

The adequacy of proposals already put forward by the Government, including a proposed duty to cooperate and the suggestion that Local Enterprise Partnerships may fulfil a planning function

17. The Government’s stated intention to include a “duty to cooperate”, in tandem with changes to the planning system, as part of its forthcoming Localism Bill is welcome.

18. The County Council’s view is that a duty to cooperate will not facilitate strategic planning unless given support by national policy. Such policy would cover options on inter authority arrangements and what issues need to be addressed. In the preceding section, we outlined our proposals for how a duty to cooperate should be complemented by a coordinating role for county councils in two tier areas.

19. As far as minerals and waste planning is concerned, where problems of supply and demand have to be seen against a wide geographic canvas, the Aggregate Working Parties (AWPs) and Waste Technical Advisory Bodies (TABs) in the past provided a useful function. These bodies that comprised representatives of planning authorities, Government and industry ensured relevant information was collected, databases maintained and planning authorities had relevant strategic advice. It is important that decision making at the local level is informed by the strategic picture. The County Council considers that these arrangements should be endorsed by Government who should ensure they are appropriately funded.

20. The County Council has reservations about Local Enterprise Partnerships (LEPs) being directly given any planning functions, at least until there is greater clarity on the way LEPs are to be developed and will operate in practise. Whilst greater business involvement in shaping the development strategies for an area is to be welcomed, there are questions about the how LEPs would be able to ensure robust governance arrangements that inspired community confidence in an area of statutory rights and responsibilities such as planning; there could be serious issues of democratic accountability dependent on the detailed arrangements for the planning role in a LEP. As a minimum, LEPs could usefully identify the planning approach which they feel is needed to maximise economic growth and could champion those during the formulation of planning documents. However, the decisions on which planning policies to adopt should rest with elected local councillors who need to take account of other considerations (environmental constraints, public opinion etc.) in reaching planning decisions. It could be seen as undemocratic for public policy and key planning decisions to be determined by a private sector-led body.

21. Moreover, giving a planning function to LEPs could, depending on the scale and nature of the LEPs, negate the Government’s objective, in abolishing the regional tier, of returning decision-making to local communities. Having said that, the fact that the Government is even considering the idea that LEPs might perform some planning role is a welcome recognition by Ministers that some form of strategic planning is needed.

How the data and research collated by the now-abolished Regional Local Authority Leaders’ Boards should be made available to local authorities, and what arrangements should be put in place to ensure effective updating of that research and collection of further research on matters crossing local authority boundaries

22. The key issue here is ensuring that there is a consistent and comparable approach to future research and data collection on matters which cross local government boundaries. This is relevant not just to issues which transcend boundaries, but in terms of the economies of scale and thus cost savings which arise from a co-ordinated, joint approach to the collection and analysis of data.

23 County councils could play a major role in information collection, research and analysis within two tier areas. Hampshire County Council, for example, collates and analyses data on population, the economy, development activity, and land supply, and produces population and economic forecasts. This information is relied upon by Hampshire district councils to prepare and monitor LDF policies, as well as being used by the County Council itself. The same services are provided to two adjoining unitary councils under a Service Level Agreement. This makes best use of scarce specialist resources, such as economists and demographers which individual local planning authorities could not justify employing on their own account, and also minimises costs through economies of scale.

24. With the same cost-saving objectives in mind, the County Council also leads one-off research projects for all, or groups of, authorities within Hampshire. Recent examples include ground-breaking county-wide research into the future housing needs of a growing elderly population and a research into future employment

land requirements in north Hampshire. These examples show the use of the County Council's in-house expertise and involvement of specialist consultants who are managed by the County Council on behalf of all participating authorities.

25. Sections 13 and 14 of the Planning and Compulsory Purchase Act 2004 and the associated Town and Country Planning (Local Development) (England) Regulations 2004 place a duty on County Councils to undertake surveys of their areas, which provide a statutory basis for the County Council's research and data analysis described above. It is unclear whether this section will remain in legislation following the passage of the Localism Bill. Without this section this valuable County Council research activity could be lost. The Select Committee is urged to recommend to Parliament that a similar provision be incorporated in the forthcoming Localism Bill.

APPENDIX 1

EXTRACTS FROM HAMPSHIRE COUNTY COUNCIL'S SUSTAINABLE COMMUNITIES ACT BID FOR THE RETURN OF STRATEGIC PLANNING POWERS

PROPOSAL

The proposal is to devolve the responsibility for Regional Strategy preparation from the regional level to county level, enabling closer links between planning and delivery of services such as transport, education and health, and enhancing local democratic accountability.

It should be noted that the scope of the proposal excludes Local Development Framework and Multi-Area Agreement processes, instead focusing only on the recovery of powers currently held at the regional level and not suggesting any transfer of powers to or from district councils or sub-regional partnerships.

The proposal is that responsibility for preparing the Regional Strategy should be transferred to county level as follows:

Each county area should prepare a strategy for its area:

- These should be combined into a region-wide document and assessed by South East England Development Agency and the Leaders Board, who should resolve any inconsistencies with the county areas concerned;
- To ensure consistency, the region would set the timetable for preparation of all the county strategies and their scope in the context of the existing strategy (South East Plan), national policy etc;
- The Examination in Public (EiP) Panel should play a role in testing the combined region-wide document, building on their ongoing role in the Regional Strategy preparation process;
- Each county strategy should be prepared by the County Council jointly with any unitary council(s) and any National Park Authority in the county area, in consultation with the non-unitary district councils and other stakeholders;
- Members would give strategic direction to the process, with the final document signed off by the County Council following discussion with other principal local authorities;
- Each county strategy should be a holistic, integrated strategy including the identification of the infrastructure required for delivery of development. This would enable infrastructure items to be listed in the Regional Strategy Implementation Plan, which would thus provide a framework for local authorities to implement them through the devolved funding arrangements put forward later in this proposal. That, in turn, would require locational specificity for any major development areas proposed.

Variants on the above could include:

- The region to prescribe parameters for the content of each county strategy, for example, house-building range to be tested and broad development principles.
- The timely preparation of the county strategy could be a target in the Local Area Agreement (LAA), which would build in local authority commitment to it at a high level and give reassurance to Government over timely delivery.

There is scope to further develop the proposal. For example, "integrated county strategies" could subsume the County Council's Sustainable Community Strategy, Local Transport Plan and the duty to prepare an economic assessment.

THE CASE FOR CHANGE

The case for county-level rather than regional strategies is that:

- They would be drafted by individuals who are closer to reality on the ground and have intimate knowledge of the findings of surveys and research undertaken at this level;
- They would be steered by directly-elected politicians who have local knowledge;
- They would be integrated with county-level community strategies;

- The remoteness of the current preparation process means that local bodies do not feel much “ownership” of the plan, with potential impact on their willingness to deliver it;
- The South East Plan is set at too generic a level to enable meaningful integration of Local Development Frameworks, for example on transport or biodiversity. Failure to resolve issues at the strategic level, or test and debate them locally, means the Plan cannot confidently be said to be sustainable;
- The gap between the region and the district authorities is simply too big for planning to be sustainable on the ground. For example, the important links between housing, transport and infrastructure can only sensibly be made at the county level;
- County and unitary councils deliver most of the public infrastructure and services needed by new development—transportation, education, social services, libraries, major countryside recreation facilities—while police, fire, health authorities are similarly county-based;
- Key stakeholders, eg economic partnerships, wildlife trusts, countryside protection bodies, are organised on a county basis;
- County/unitary-level plans would mirror the geographic units (county and unitary councils) for the new economic assessment duty;
- South East county councils have demonstrated their ability to undertake such a task expeditiously and to a high standard. During 2004–05, they led the preparation of sub-regional strategies which were incorporated essentially unchanged into the draft South East Plan; while in only six months (including a period of public consultation) they provided South East England Regional Assembly (SEERA) with a house building target for each borough/district.

September 2010

Memorandum from Association of Greater Manchester Authorities (AGMA)

SUMMARY OF EVIDENCE

- The Association of Greater Manchester Authorities (AGMA) is a successful partnership which has achieved significant success in delivering benefits for Greater Manchester through voluntary collaboration.
- AGMA is evolving and has already established new governance arrangements comprising an Executive Board (the decision making body comprising the leaders of all 10 local authorities) and six Commissions, including a Planning & Housing Commission. AGMA has an agreed strategy—The Greater Manchester Strategy—which sets out a vision for a new model of sustainable economic growth.
- AGMA agrees that spatial planning should be undertaken at the correct spatial level—for some issues this will be district or below, however for others it is necessary to plan across district boundaries. AGMA believes we need to collaborate at the level of the “functioning economic area”—which for GM is the 10 districts—to properly drive economic growth and provide essential infrastructure more sustainable and efficiently.
- AGMA is producing a non statutory Greater Manchester Spatial Framework, to be agreed by the 10 Councils on an entirely voluntary basis, which will form a core element of our integrated investment framework and will provide the context for the work of the districts when progressing their Core Strategies.
- AGMA is not seeking formal planning powers for our LEP at this time as we are not clear what added value this would bring.
- In GM we have a ready supply of housing land with political and community support for housing growth however the restriction of development and mortgage finance is preventing development. AGMA is unsure that the New Homes Bonus would be successful in unblocking this.

INTRODUCTION: AGMA

The Association of Greater Manchester Authorities (AGMA) was formed in 1986 as a voluntary collaboration between the Local Authorities in Greater Manchester, to co-ordinate the delivery of functions at the metropolitan level after the abolition of Greater Manchester County Council. More than 20 years on, our successful partnership has matured enormously, and continues to evolve, to reflect our growing understanding of the importance of Greater Manchester as a functioning economic area, and our ambition to influence key policy levers to address our economic challenges and reach our full potential as an engine of national growth which can complement London and the South East to rebalance the national economy.

New governance structures are taking place; we established the Executive Board, comprising the leaders of the 10 local authorities; and six “commissions” which are charged with overseeing the new economy, planning and housing health, environment, public protection, improvement and efficiency functions on behalf of the Executive Board. The Commissions have a mix of public /private/third sector membership. The Planning &

Housing Commission is chaired by Councillor Derek Antrobus, Lead Member for Planning at Salford City Council.

Our proposals for the Greater Manchester Combined Authority provide a platform for the devolution of powers to ensure that key issues are dealt with at the most appropriate level—which we believe is increasingly at the Greater Manchester and local level. They have been developed through a willing coalition of the 10 elected leaders—across all three political parties—and have been democratically ratified by each of the Councils. The proposals have received overwhelming support from the business community. The Greater Manchester LEP, recently announced by Government, is a natural addition to these governance arrangements and builds on the unique public-private partnership already in place within Greater Manchester. Together the Combined Authority and the LEP will enable the private sector to play an even more active leadership role in securing sustainable economic growth and allow for the effective alignment of decision making and delivery in key areas such as economic development, regeneration, planning, transport, housing, inward investment, business support, marketing and tourism, environment and employment and skills.

Our understanding of the economic potential of Greater Manchester was supported by the independent analysis of the Manchester Independent Economic Review (MIER). MIER demonstrated that while the scale of the opportunity in Greater Manchester is of national significance, we face two significant challenges: to increase our productivity and the competitiveness and the efficiency of our labour markets; and, secondly, to ensure that all parts of Greater Manchester and its people benefit from and contribute to growth by tackling low skills levels, worklessness and public service dependency. MIER presented us with hard-hitting challenges over our priorities for spending and how we use the levers of Government, both national and local, to support growth. These levers need to operate at the optimum level: Greater Manchester for strategic direction; and at the most local—city and neighbourhood—for effective delivery.

We translated these challenges into a Greater Manchester Strategy, a well-directed and coherent response focused on creating wealth through private sector growth by building a bigger critical mass of skilled activity and focusing on the particular needs and opportunities for the local economy. The Strategy sets out our vision for a new model of sustainable growth, supported by a series of added value priorities for action across Greater Manchester, which provides a focus for public service reform and presents a framework for making choices about our priorities for investment.

We successfully submitted a joint programme proposal to Government for the Greater Manchester Transport Fund, and more recently, for a programme of investment across GM through the National Affordable Housing Programme.

STRATEGIC SPATIAL PLANNING

AGMA is clear that spatial planning strategy has a critical influence on our ability to influence and enhance our economic performance. It provides a framework for development and investment, both public and private, in respect of employment, transport connectivity and housing, and prioritises areas for economic development and regeneration investment, given the need to focus limited resources where they have the greatest impact and make the best use of existing assets. To enable us to deliver this, AGMA has agreed to develop the non-statutory Greater Manchester Spatial Framework, now in preparation through the voluntary collaboration of the 10 districts.

We are clear that to plan for sustainable economic growth, the most appropriate spatial level is that of a functional economic area, rather than historical administrative units. Strategy must reflect the real influences on our economy; complex drivers and multi-layered interdependencies, in terms of work, leisure, shopping etc, around a core economy. Using these realities and relationships as our building block enables us to build on assets such as catchments for skilled labour, supply-chain relationships, knowledge transfer and the benefits of agglomeration.

Perhaps the most useful way of understanding the functional economic area is from analysis of its economic “reach”, or the “flows” of activity. These can be examined in terms of travel to work, business supply relationships, use of retail or leisure facilities and housing market activity. For Greater Manchester we consider the 10 districts comprising the “conurbation” to be our “functioning economic area”—the area which will be addressed by our Local Enterprise Partnership.

The Greater Manchester Spatial Framework is, therefore, AGMA’s voluntary and non-statutory strategic planning framework for the functional economic area of GM. It will form a core element of our spatial investment framework, through which we will plan and co-ordinate investment and the delivery of infrastructure to promote private-sector led growth.

AGMA broadly supported the main thrust of published RSS NW in 2008, and its core objectives, of improved, sustainable economic growth and a more competitive, productive and inclusive regional economy. We also advocated and supported RSS NW’s “city-region” approach, believing that this would be most effective in providing a spatial policy framework by which the NW could achieve its goals. However, we were, and remain, of the view that the region itself was an artificial construct which, given its size and diversity, did not reflect how places actually work, and could not effectively influence their success.

THE ABOLITION OF RSS

Notwithstanding AGMA's reservations about the appropriateness of the region as a basis for strategic planning, our view is that the abolition of RSS has resulted in a policy "deficit" between national policy statements and local development frameworks. As already outlined, administrative boundaries mean little in the lives of people, in the minds of investors and developers and in the users of services and facilities. However, the inability to co-ordinate activity and investment across a spatial scale greater than individual local authorities would result in inefficiencies and lost opportunities, for example in achieving much-needed housing growth, coherent investment in infrastructure and creating the conditions in which business can flourish. This is relevant, and of concern, both within GM and beyond GM.

WITHIN GM

The "Regional Centre" is recognised as an economic powerhouse for the whole of the North and is "shared" between three districts (Manchester, Salford and Trafford). Even the more tightly bounded "City Centre" straddles both Manchester and Salford. The continued success of the Regional Centre is a policy priority for all GM districts (and many beyond); however following the abolition of RSS there is no formal mechanism to plan for this.

AGMA already collaborates across a range of areas of direct relevance to spatial planning. We have the benefit of long established officer groups, in particular the Planning Officers Group (POG) which comprises the "Chief Planning Officers" or equivalents in all 10 districts. POG is chaired by Chris Findley, Assistant Director of Planning and Sustainable Futures, Salford City Council, who is the Planning Lead for GM.

GMPOG is one of the mechanisms we have used to implement significant joint working, and one of the critical issues it is currently working on, is identifying opportunities for further collaboration within the context of localism. We believe, from our extensive experience that collaboration between willing authorities, rather than statutorily imposed to down arrangements is so important—and more effective.

We have already collaborated to produce:

- a Strategic Housing Market Assessment;
- Strategic Flood Risk Assessment (Level 1 at GM level and Level 2 through clusters of LAs working together);
- Employment Land Supply assessment;
- transport modelling work to assess the cumulative impact of proposals in our LDF;
- a decentralised energy study; and
- a study of our eight sub regional town centres.

We are currently working on:

- joint waste and mineral Development Plan Documents;
- a framework for green infrastructure;
- a Surface Water Management Plan for Greater Manchester funded by Defra; and
- are concluding a piece of work to advise the 10 districts on the most cost effective and efficient way in which to respond to the new responsibilities under the Floods and Water Management Act.

In addition we have undertaken two major pieces of work in collaboration with our independent Business Leadership Council to examine market demand for large employment sites and the future of our eight sub regional town centres.

AGMA considers that the model of working which has evolved over time meets the needs of the 10 districts and demonstrates added value over and above that which could be achieved separately.

BEYOND GM

Greater Manchester is not an island—we have strong relationships with neighbouring authorities and there are mutual dependencies, particularly with local authorities to the south of the conurbation. Policies agreed at the regional level, in respect of housing for example, reinforced our policy priority to repopulate the conurbation core, one of the most deprived areas in the country, and supported GM in delivering significant new housing development. Prior to the publication of the Government's Localism and Decentralisation Bill, it is not clear to us how the proposed new arrangements will work, for example, will LEPs be subject to the "duty to co-operate" with each other on issues of cross boundary importance?

A PLANNING FUNCTION FOR LEPs

As we described above, the Greater Manchester Spatial Framework, which is being developed voluntarily in collaboration with, and for agreement by, the 10 GM districts, will support and add value to the districts' Local Development Frameworks, and address matters of wider strategic and cross-boundary significance, such

as the requirements for infrastructure, employment sites and housing growth, to help the districts and GM as a whole to grow and prosper.

However, AGMA is not seeking formal planning powers through its LEP at this time.

In our view, it is essential that any planning powers ceded by local planning authorities do not result in a loss of democratic accountability, and are fully supported by all parties involved. It is difficult to see how LEPs, as currently constituted, could acquire planning powers when they are not democratically elected and not accountable to the residents of GM. While we may wish to consider the acquisition of specific powers over time, with the complete agreement of the Local Authorities, we would need to be convinced of the probity and demonstrable benefits that a LEP with planning powers would bring to all communities in GM before we could decide to pursue this course of action.

DELIVERY OF HOUSING

AGMA is concerned that the rationale behind the abolition of RSS appears to be that the “imposition of housing figures” at district level resulted in the lowest housing figures for many years. GM has produced high housing figures up until 2009–10, a period which coincided with RSS, but more crucially, with a period of unprecedented economic growth. What is constraining the delivery of housing is clearly not the imposition of regional targets, but rather the lack of development and mortgage finance. We are firmly of the view that this situation will not change until finance availability increases.

The incentives offered through the New Homes Bonus pre-suppose that development will go ahead—that is not our experience. A recent review of our housing supply, including sites under construction and those in the pipeline (with planning permission or allocated in development plans) indicates that there is an abundance of land for housing, but little possibility of development starting on site in the short to medium term, due not to local opposition, but, as above, to the shortage of investment and mortgage finance.

The AGMA authorities are committed broadly to the figures which were in RSS as these were figures which reflected or demographic projections. In general all districts are attempting to bring forward significant housing growth over the new 15 years.

AGMA considers that financial incentives which underpin development viability of schemes to “kickstart” development would be more beneficial in a GM context and could result in significant levels of new house building—our emerging development plans are making provision for around 200,000 new homes. This funding needs to be “up-front” whereas the New Homes Bonus funding seems likely to be retrospective. We are currently working with the Homes & Communities Agency to maximise the impact of the funds remaining in their capital programme for 2008–11. Through close collaboration with housing association and private developer partners, we currently anticipate a mixed programme of NAHP, Kickstart, Homebuy and local authority new build investment will secure in excess of 700 new homes from a programme of less than £30 million

This illustrates the potential impact of relatively minor investment, even when this is constrained by the rules of existing programmes and the need to focus only on projects able to start on site this financial year. If New Homes Bonus funding could form part of a more flexible cocktail of funding in line with Government’s decentralisation ambitions, then we see an opportunity to bring it together with other levers such as the use of public sector land assets, new models of private sector investment in housing delivery focusing perhaps on opportunities to develop for private renting, etc, to help drive housing delivery. We will pursue those other options with our partners through our second GM Local Investment Plan, but it would seem to be a missed opportunity if the terms of New Homes Bonus funding prevented it being used to add further momentum.

DUTY TO COLLABORATE

AGMA’s history of collaboration means that a duty to collaborate is not of itself a matter for concern. The establishment of our Combined Authority and Local Enterprise Partnership are a natural extension of our effective collaboration over the past 20 years.

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