

Fixing Housing and the Economy

Planning is notionally the responsibility of the communities department. But when George Osborne slipped into the Chancellor's robes in 2010, he sidelined Eric Pickles by making many planning and housing policy statements himself. This year there was very little on planning in the Summer Budget but two days later the government published its productivity plan: *Fixing the Foundations: Creating a more prosperous nation*. It is signed off by Osborne and business minister Sajid Javid and devotes a chapter to changes to the planning system. Communities and local government minister Greg Clark is sidelined to the press release 🏰.

'Planning freedoms and more houses to buy' is one of sixteen chapters in *Fixing the Foundations*. It begins:

The UK has been incapable of building enough homes to keep up with growing demand. This harms productivity and restricts labour market flexibility, and it frustrates the ambitions of thousands of people who would like to own their own home.

It signals the government's determination to continue to relax planning rules to get housing built.

Below (F0.00) indicates a paragraph in *Fixing the Foundations* 🏰. (B0.00) refers to paragraphs in the Summer Budget Red Book 🏰.

Local Plans

Local plan deadline. The government is to set a cut-off date by which local authorities must have up to date local plans in place (F9.10). The deadline will be announced before the summer recess. This could affect more than half of authorities, depending on how 'up to date' is defined. Is a plan found sound and adopted prior to the NPPF automatically out of date as some planning consultants have suggested? Where plans are not up to date:

The Secretary of State for Communities and Local Government will intervene for those local authorities that do not produce them, to arrange for local plans to be written, in consultation with local people.

Local plan streamlining. The government is to make proposals "to significantly streamline the length and process of local plans, helping to speed up the process of implementing or amending a plan." *Fixing the Foundations* says this will make local plans "more responsive to local needs" (F9.11).

Duty to cooperate. Cooperation between local authorities on local plans will be strengthened (F9.11). *Fixing the Foundations* recognises that some local authorities cannot meet their assessed housing needs due to constraints:

Where they cannot meet their need in full, they should cooperate with other local authorities to do so. The government will strengthen guidance to improve the operation of the duty to cooperate on key housing and planning issues, to ensure that housing and infrastructure needs are identified and planned for.

The document doesn't specify what it means by 'constraints'; normally these would be the green belt, national parks, AONBs and other landscape designations such as SSSIs.

Transport Hubs

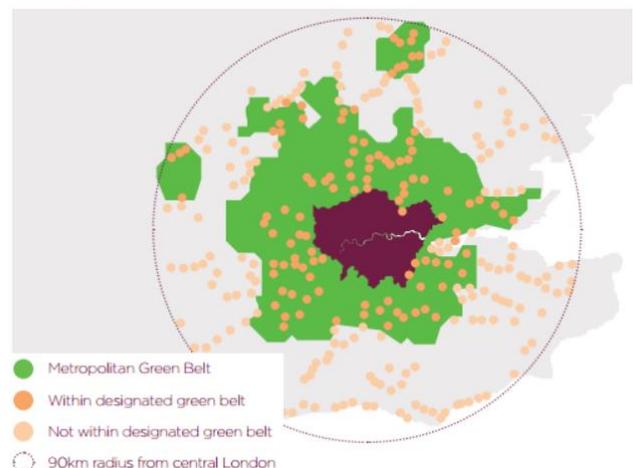
Transport hubs. Greg Clark scrapped the Labour government's minimum density target of 30 homes per hectare in June 2010. Now densification is back on the agenda, for transport hubs at least (F9.12):

Areas around commuter transport hubs offer significant potential for new homes. The government will work with mayors in London and across the country to use new powers in the Devolution Bill to use development corporations to deliver higher-density development in designated areas.

National planning guidance might also be changed to boost density at hubs:

The government will consider how policy can support higher density housing around key commuter hubs.

A number of think tanks and developers have previously called for intense development around major rail stations around Greater London, including in the green belt. Estate agents Hamptons International say their analysis suggests scope for building half a million homes on land within walking distance of railway stations in England 🏰. An earlier study by infrastructure consultancy Aecom mapped out dozens of sites in and around the Metropolitan green belt. It said there are 63,874 hectares of potentially developable land for 2.5 million homes within a mile of existing stations 🏰 | AEC.



Undeveloped station catchments outside Greater London (Aecom)

Brownfield and Green Belt

Revolution to remove obstacles. *Fixing the Foundations* declares the government's commitment to "an urban planning revolution on brownfield sites". It will promote use of brownfield land and "remove all unnecessary obstacles to its re-development, including... planning obstacles" (F9.13; 9.14).

'Automatic permission'. The government announced a statutory register of brownfield land in the Queen's Speech. It will now also legislate "to grant automatic permission in principle on brownfield sites identified on those registers, subject to the approval of a limited number of technical details" (F9.15). This will give England a 'zonal' system "reducing unnecessary delay and uncertainty for brownfield development." Oliver Wainwright in the Guardian took a critical look at zonal systems . The BPF said the proposal would help get many more schemes started but said: "We would like to see more clarity on whether it applies to mixed-use schemes ". Paul Miner of CPRE said .

It is good that the government is emphasising its support for brownfield redevelopment. However, planning permission isn't the main problem. There is a gap of about 30-40% between the number of plots with planning permission and the number of plots where building starts in a given year. About 10-20% of plots with planning permission do not start at all.

Commercial sites. The government will consider how national policy and guidance can ensure that unneeded commercial land can be released for housing" (F9.12). Ministers have already consulted on streamlining compulsory purchase orders. In the autumn, they plan to introduce "additional compulsory purchase reforms to further modernise the system" (F9.16).

Green belt. George Osborne said: "We'll keep on protecting the green belt" . Business secretary Sajid Javid said: "The green belt can be rightly protected. There is plenty of land which is not green belt that we can build on and which is suitable for housing and we need to get on with it. We need to find new ways to encourage it" . Paul Miner responded: "It is welcome that the government has been strong on the importance of green belt but it must now show intent to back local authorities who cannot meet estimated [housing] numbers without building on the green belt or in protected areas" .

Other reaction. Planning consultancy Quod said: "The housing crisis cannot be solved by brownfield only. The green belt is currently not assessed for its innate value but simply for its location. It is wrong to say that all green belt land should be preserved in perpetuity" . London First was sceptical about plans for 'automatic permission' for brownfield sites .

The inherent suggestion that the grant of permission will be immediate is misleading. The critical social, transport and utilities infrastructure needed to support development, alongside key issues of environmental impact, flood risk and sustainability also need to be taken into account. Without this the areas are unlikely to come forward any faster.

Planning Performance

Eliminating planning delays. *Fixing the Foundations* refers to a 2011 report by Michael Ball of Henley Business School that claimed that planning delays cost businesses £3 billion a year (a report that has since been debunked ). It says:

Evidence suggests that delays in processing planning applications may be a significant factor preventing housing supply from responding to upturns in the market (F9.17).

The productivity plan proposes a number of measures to speed processing of applications.

Houses as infrastructure. The government will legislate to allow major infrastructure projects with an element of housing to apply through the nationally significant infrastructure regime introduced by the 2008 Planning Act (F9.17). Currently, infrastructure projects cannot be processed through the national regime if they include any housing.

Application processing. The planning performance regime will be tightened, so that local authorities making 50% or fewer of decisions on time over a two-year period are at risk of designation, meaning that applicants can bypass the council and apply directly to the planning inspectorate. Currently designation applies to councils making 40% or fewer decisions on time . The performance regime will also be extended to minor planning applications (F9.17).

Minor developments. The government will introduce a "fast-track certificate process" to establish the principle of development on site put forward for **minor development**. This will significantly tighten the planning guarantee – the government's policy that no application should spend more than a year with decision-makers, including any appeal – for minor applications (F9.17).

Section 106. The government will introduce a dispute resolution mechanism for section 106 'planning gain' agreements to speed up the often lengthy negotiations (F9.17).

CPRE reaction. Paul Miner said .

With so few councils having post-2012 local plans in place, the government's move [to speed up local plans] is understandable. At the same time, our research has shown that the main reason local plans are being delayed is because developers are challenging the housing numbers at every step. To ensure councils can bring in community-led plans quickly, the government must show its support for councils that aim for realistic numbers of new homes in their area.

To gain genuine community support for plans, the Government should give more support – and more money – to neighbourhood planning.

In the Spectator, Isabel Hardman said: "The CPRE's response shows at least that ministers have really thought about how to make this set of planning reforms different to the last ones" .

Other reaction. The Local Government Association warned it was important that planning controls remain proportionate and that local communities continue to have a say. Housing spokesman Mike Jones said: “Councils want to see brownfield sites developed and many of these new measures will help with that, such as stronger compulsory purchase order powers. [But] the fact is, planning is not what’s holding up development – it’s the cost of remediation and infrastructure” . The District Councils’ Network welcomed measures to streamline production of local plans but warned: “It is vitally important that district councils, which are close to communities and have built up years of experience and trust, remain in charge of local plans” .

Political reaction. Clive Betts, chair of the Commons communities and local government committee, praised the proposals for streamlining local plans but said other measures represented a “shift away” from localism and “fail to spell out how we can ensure development is supported by the necessary infrastructure”  .

Other reaction. Shelter said: “Zoning powers are an effective way to reduce costs and increase supply. But the key test will be whether these new plans prioritise building the genuinely affordable homes we desperately need” . The British Property Federation said: “The raft of planning announcements today really hit the nail on the head for a number of planning issues. We strongly urge government to begin a dialogue with both the public and private sectors on how to address the severe shortage of funds which is afflicting local planning departments” . The TCPA said: “The measures further deregulate planning and risk marginalising communities. [Giving] automatic planning permission to sites on brownfield land seriously undermines the ability for genuine place-making, and risks creating the slums of the future” . More reaction .

London and Manchester

Mayor’s planning powers. The government confirmed its intention to devolve powers over wharves on the River Thames and sightlines – protected views – to the Mayor of London. It will also bring forward proposals to allow the Mayor to call in planning applications of 50 homes or more from the boroughs (F9.20). London First said it was “a positive move” .

Building up. Accepting that boosting housing supply in London is likely to involve increasing densities, *Fixing the Foundations* says (F9.21): “Allowing London to ‘build up’ in this way will reduce the need to ‘build out’, helping to provide homes while protecting the countryside.” The government is proposing to give permitted development rights to skywards extensions:

The government will work with the Mayor of London [on] proposals to remove the need for planning permission for upwards extensions for a limited number of stories up to the height of an adjoining building, where neighbouring residents do not object.

If the neighbours object, a planning application will be required and “will be considered in the normal way, focussed on the impact on the amenity to neighbours.”

Manchester is expected to elect a mayor in 2017. The mayor will be able to set up development corporations and promote compulsory purchase orders, with the consent of the local cabinet member (F9.22).

Housing

Starter homes. The government confirmed its commitment to get 200,000 starter homes built by 2020, at a 20% discount for young first time buyers (F9.23). The discount is achieved by waiving the community infrastructure levy and S106 affordable housing contributions. The current starter homes scheme includes a national exception site planning policy to enable starter homes to be built on under-used or unviable commercial or industrial sites not currently identified for housing, on both public and private land. *Fixing the Foundations* says this will be extended “starting with unviable or underused brownfield land [designated] for retail, leisure and institutional uses.” Neighbourhood plans will be able to allocate land for starter homes. Proposals will be made “to ensure every reasonably sized housing site includes a proportion of starter homes.” The government will introduce new arrangements to monitor delivery. Budgets within the communities department will be focussed on supporting low cost home ownership for first time buyers (F9.25).

Social housing. *Fixing the Foundations* confirms the government’s manifesto commitment to extending the Right to Buy to housing association social homes. This could lead to social homes being declared public assets, and the £60 billion loans used to build them could be added to public debt . Social rents will be reduced by 1% a year for four years (B2.44). The Office of Budget Responsibility said this would lead to 14,000 fewer affordable houses being built over five years .

Zero carbon homes. With the aim of reducing the “net regulation on housebuilders”, the government is to abandon the zero carbon allowable solutions carbon offsetting scheme. This scheme permits developers to offset carbon emissions from zero carbon homes through remote measures where on site methods are unsuitable. The government will also scrap a proposed 2016 increase in on-site energy efficiency standards. Instead, the government says it “will keep energy efficiency standards under review” (F9.17).

Reaction. The British Property Federation criticised the plans for zero carbon homes .

The abandonment of the allowable solutions mechanism is short-sighted with respect to both the Government’s long-term carbon budgets and the European Union’s obligations for nearly-zero energy buildings from 2020. Keeping the on-site energy efficiency regulations ‘under review’, with no discernible end in sight, undermines the regulatory certainty that industry requires.

The Green Building Council was equally critical: “Let us be in no doubt this announcement is the death knell for zero carbon homes. It is short-sighted, unnecessary, retrograde and damaging to the house building industry” . Other reaction on Edie .

Broadband and Mobile

Broadband rollout. Noting that that geographic coverage and take-up of superfast broadband in the UK is already the highest of the five largest EU economies, the government reiterates its often repeated promise that speeds of at least 24Mbps will be available to 95% of UK households by 2017 (F7.1-7.3). To achieve “near-universal 4G and ultrafast broadband coverage”:

The government will take decisive action to make it easier for the market to roll out the fixed and mobile infrastructure that the UK needs [and] proposes to extend permitted development rights to taller mobile masts in both protected and non-protected areas in England.

It is also planning to make the **2013 relaxation** of planning rules for broadband rollout permanent (F7.3).

Consultation. The government has revived its **abandoned pre-election plans** to allow taller masts in the countryside, including national parks and AONBs, under permitted development rights. UK masts are typically a maximum of 15m (50ft) tall, compared with 25m in other European countries 🇪🇺. The communities department has issued a call for evidence on the plans. Closes 21 August 🇬🇧. Among the questions its consultation asks are:

- ◆ Can additional coverage can be achieved by taller masts and would this reduce the number of masts needed overall?
- ◆ What are the successful approaches to mitigating the visual impact of infrastructure on landscape?
- ◆ What is the case for introducing permitted development rights for masts in protected areas?
- ◆ How could we future proof any new permitted development rights?

The consultation does not specify a new maximum height for masts under permitted development rights but the government is widely thought to be aiming for 25m (82ft). In June, David Cameron told the Commons: “While there are often very strong campaigns against masts, we need to see them built if we are to crack the problem of ‘not spots’” 🇬🇧.

Reaction. Shaun Spiers of CPRE said 🇬🇧:

We are worried about the landscape impact taller mobile phone masts would have, but at the same time we are aware people living in the countryside want to be able to use their mobile phone. These are areas that are national protected for their landscape value. If you plonk big phone masts in the middle of a hill it will have an impact.

Matt Thomson, head of planning at CPRE, said 🇬🇧:

While we agree that it is essential to improve mobile phone coverage in rural areas, care needs to be taken to avoid any unnecessary harm to the character of the countryside. If permitted development rights for mobile phone masts are to be increased, there should be exemptions for protected areas. Operators should only be able to use these rights where they have

exhausted the possibilities of mast sharing, roaming and using other existing structures.

Transport

Road fund. George Osborne announced that the government will fund “high and stable” investment in the strategic road network by ring-fencing revenue from road tax:

Four fifths of all journeys in this country are by road, yet we rank behind Puerto Rico and Namibia in the quality of our network. In the last 25 years, France has built more than two and a half thousand miles of motorway – and we’ve built just 300.

From April 2017, three new vehicle excise duty rates will be introduced: zero emission, standard – which will cover 95% of vehicles – and premium (F5.8, B2.145). From 2020-21, all proceeds from VED in England will be allocated to a new Roads Fund and invested directly back into the strategic road network (F5.9, B1.250). The government says: “This will ensure a better future for the nation’s motorways and major trunk roads.”

New roads plan. The government promises a second Road Investment Strategy for the period 2020-25 “which, as a result of the Roads Fund, will be underpinned by another multi-billion pound programme of investment.” The strategy will be published before the end of the current parliament (F5.10, B1.252).

Transport for the North. The chancellor confirmed £30 million of funding over three years for TfN (B1.301).

Fuel duty will remain frozen this year 🇬🇧.

Rail. “Railways are also important... As problems at Network Rail have become clear, the government has acted decisively to start to put the rail investment programme back on a sustainable footing” (F5.5). The government has asked the new chairman of Network Rail to produce a plan by autumn 2015 “to get the rail investment programme back onto a sustainable footing” (F5.12). Nicola Shaw, Chief Executive of High Speed 1, will advise on the longer-term future shape and financing of Network Rail (F5.14). The government has already decided to reform funding for Network Rail and channel public money through the train operators: “This will put the customers of the railway back in the driving seat in demanding efficiency and improvements that matter to them.” It wants the company to devolve power to route managers closer to the front line, “to drive comparative benchmarking of the efficiency and effectiveness of individual routes.” It will also set up a new body to oversee land sales and redevelopment of stations (F5.13).

South East rail. The government is to extend the scope of the Lewes-Uckfield study to look at wider improvements to rail links between London and the south coast, including improvements along the Brighton Main Line corridor and a re-examination of the feasibility of a second Brighton Main Line (B2.31). The rail industry has also been asked to explore options for extending High Speed 1 services to Hastings and

Rural Matters

Rye in the forthcoming Kent Route Study, which reports to ministers in 2016 .

Air. *Fixing the Foundations* says very little about airports. “Airports provide critical international connectivity. Aviation contributes £18 billion per year to the UK economy and supports 220,000 jobs” (F5.6). The government will assess the Airports Commission report (F5.15).

Cycling and walking are not mentioned in *Fixing the Foundations* or Summer Budget 2015.

Reaction. The LGA said it was disappointed that the Road Fund will be restricted to motorways and said it should apply to all roads  . Sustrans said: “The chancellor has kept the tax on fuel frozen at 57.95p a litre for more than four years, which is a populist policy but one which fails the public in that it serves only to lock them into having to use their cars... Investing in cycling and walking is an economic silver bullet and government must... create a Cycling and Walking Investment Strategy that guarantees long-term funding for active travel”  .

Energy

Fixing the Foundations promises to promote shale gas, “which has the potential to increase energy security whilst supporting thousands of jobs in producing areas” and to continue “the long term decarbonisation of the UK’s energy sector.” It also plans “a significant expansion in new nuclear power” (F6.4).

Renewable exemption removed. George Osborne announced the removal of the climate change levy exemption for renewables  (B1.262). The green industry reacted angrily. Drax said it was “surprised and disappointed at this retrospective change to a support regime” . The Anaerobic Digestion and Bioresources Association said the move would cost the anaerobic digestion sector £11 million a year . FoE said: “Making renewable electricity pay a carbon tax is like making apple juice pay an alcohol tax” .

Fossil fuels. Osborne also promised continued tax breaks and subsidies for North Sea oil and gas (B1.261). FoE said: “The next five years are crucial for breaking our dependency on climate-wrecking gas, coal and oil and dirty transport – so it’s appalling that the Chancellor has only added fossil fuel to the fire” .

Fracking. The government has this week demonstrated its commitment to promoting shale gas by confirming that exploration for shale gas will no longer be banned in England’s 4,000 SSSIs. It is arguing that the shale gas industry would be held back because SSSIs are so numerous  .

Reaction. Editor of Business Green, James Murray said: “The flurry of environmental policy announcements amounted to a series of body blows to the green economy that will make it ever harder to deliver on the government’s stated goal of limiting temperature rises to 2C... Some of these moves run directly counter to the [Conservative] manifesto’s central climate policy pledge” .

Rural business. The government says it is “committed to supporting small cider makers given their important role in rural communities.” It will retain the current duty exemption “until and unless a replacement scheme is established” (B1.215). The government is inviting towns and districts to work with LEPs to develop bids for a new round of enterprise zones “ensuring that all places in England can benefit, including rural areas where appropriate” (B1.288).

Devolution. The government is working towards further devolution deals with the Sheffield City Region, Liverpool City Region, and Leeds, West Yorkshire and partner authorities (B2.38). The BFP welcomed the measures but warned: “It is critical that we don’t get stuck in a constitutional quagmire and fixate on elected mayors” . The government announced that Cornwall is to be the first county to gain new powers. It will gain control of bus services, adult skills and regional investment, fewer powers than it was hoping for  .

The CPRE eBulletins

CPRE South East eBulletin is independently written and edited by Andy Boddington: cprenews@andybodders.co.uk. Views expressed in the eBulletin and its editorial approach are those of its editor and not any part of CPRE.

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