

they think it's all over

The Government's plans to shut down the regional planning machinery has handed over not only the freedom to plan locally, but also the responsibility, and councillors will soon find they have been slipped from the frying pan into the fire, says David Lock

Following the general election, and the creation of the Conservative/Liberal Democrat coalition Government, the roof has been pulled in on the English planning system, and the industry dealing with strategic-scale housing development is coming almost to a dead stop.

Staff in regional levels of planning are on notice, and many staff in local authority planning departments find themselves formally in redundancy processes. Private sector consultancies provide no place of refuge: they were shrivelled during the bankers' recession in 2009, and now also face the pain of the coalition's recession of 2010.

The shut-down of the regional planning machinery was openly promised in the Conservative Manifesto for the general election, so we should not be surprised to see the election victors do what they said they would do.

What has astonished everyone is the clumsiness of what has been done. A two-paragraph letter from the new Secretary of State for Communities and Local Government (CLG), Eric Pickles, dated 27 May 2010, simply instructs all local authority 'Chief Planners' (as if we had many) of the intention 'to rapidly abolish Regional Strategies...' and advises that 'Consequently decisions on housing supply... will rest with Local Planning Authorities without the framework of regional numbers and plans'. His intention clearly was that no weight is to be attached to Regional Spatial Strategies (RSSs) any more. Full stop.

Despite the rumours that CLG lawyers were present when this letter was finalised, it appears to be flawed. Parliament has not revoked its statute calling for a plan-led system, and no Secretary of State can wish away the statutory Development Plan by the waving of a letter.

But it seems that people are in no mood for the niceties of that kind of legal argument. In the real world, so to speak, the letter has been taken almost

as a cancellation of RSSs, and there have been immediate and widespread consequences.

The regional planning system was not working and needed radical change, but to appear to shut it immediately, with no evidence of a moment's thought having been given to transitional arrangements to keep England moving, is a manoeuvre that scores a political point today, but is one that will soon be regretted.

This is because all statutory Local Development Schemes hang off RSSs (among other things), from which they derive the essence of their purpose – housing numbers, and the broad spatial geography for infrastructure, employment, and everything else. Therefore the minority of Core Strategies that have actually been formally adopted are now felt to be mortally wounded in major ways, and all Core Strategies in the pipeline are now being stopped dead in their tracks while local councils await further instructions.

The great system of Planning Policy Statements (PPSs) and their voluminous appendices and supporting 'guidance' that set out national planning policy also appear to be holed below the waterline, as they, too, relate to and depend upon RSSs which are now (if you follow the Secretary of State's declaration) rendered useless. Some PPSs are thus wounded.

Strategic-scale planning permissions with trigger points for review of social housing and other financial obligations would have to be reconsidered because the triggers may no longer apply.

Strategic-scale planning applications about to go forward for approval are actually now on hold, as the officers cannot frame their recommendations as the policy framework has gone.

Strategic planning applications packages about to be commissioned are stopped.

In fact everyone is waiting for the smoke to clear

from the consequences of the Pickles letter. The glee with which news of the abandonment of the 'Government imposed housing targets' has been received in the smug parts of England is almost palpable. Growth Points and Growth Areas, all of which hung off RSS targets, are now trashed. Locally unpopular strategic allocations for development can be pushed aside, to the roaring satisfaction of pressure groups everywhere. Street parties have been organised in places that were about to be 'swamped' by new development.

They think it's all over. But it isn't. The gleeful faces will turn glum when local NIMBYs realise first that the Pickles letter carries little weight because of the strength of statute it seeks to undermine. More seriously, when that legal nicety is cleared by Parliament, they will find that the coalition Government has handed over not only the freedom to plan locally, but also the responsibility.

The Local Development Framework (LDF) system – the local plan-making apparatus – is still in place and requires an evidence base for its content. The local authority possesses that evidence base, often set out in statutory documents.

Consider the SHMA (Strategic Housing Market Assessment) which each council is required to produce as part of its evidence base for the LDF. Every SHMA is commissioned locally. Most use independent consultants. All reflect real *local* circumstances. They are not built down from 'centrally imposed housing targets', but up from real local people and their real local needs.

A stated role of SHMAs is, *inter alia*, to 'enable regional bodies to develop long-term strategic views of housing need and demand to inform regional spatial strategies and regional housing strategies', not the other way around.

My colleagues¹ have been sampling SHMAs to see what they might indicate by way of local housing requirements now that the RSS figures have been shot down.

As an example, observe the SHMA for Suffolk Coastal District that also covers all of the Ipswich Housing Market Area (which is acknowledged to be unusually self-contained). The SHMA concludes that Suffolk Coastal generates a net total of new households in need of housing of 1,065 each year. Over a ten-year plan period for which sufficient land must be identified in the LDF, this equates to planned provision for 10,650 new homes being required. For the full 15-year RSS plan period, this equates to 15,975 new homes. Suffolk Coastal's current gross target from the RSS is 10,200. The locally derived figure is higher than the RSS figure from which it has so happily been set free.

The second piece of information from this particular SHMA is that, of these new households, 585 per annum (55%) cannot afford to buy or rent in the market. This equates to 5,850 affordable homes

over the ten-year period and 8,775 affordable homes over 15 years. If the only means by which these affordable homes can be delivered is in association with market homes (and Suffolk Coastal District Council policy is that they should make up 33% of all homes), then the requirement to meet the need is 17,550 and 26,325 new homes gross over the ten-year and 15-year periods, respectively – even more in excess of the current RSS target.

Indeed, the SHMA calculates 'total net annual affordable housing need' at 211 homes per year. Again on the basis that such affordable housing will only be provided by developers as one in every three new homes, this equates to 633 total homes per annum, or 9,495 new homes over the plan period, which all by itself is very close to the now-abandoned RSS requirement.

In this and no doubt in other local areas, councillors will find they have been slipped from the frying pan into the fire. RSS housing figures were usually the result of a lot of political horse-trading, with post hoc rationalisation by a Panel appointed by the Secretary of State. Now there is no space for horse-trading – the locally-based evidence speaks for itself. Underplan, and the buck stops with you!

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A further dimension of this exquisite awkwardness – the premature celebration of liberation from the oppression of regional plans – is that the four great Growth Areas of England have no particular reason to cater for housing needs arising elsewhere. Under the Sustainable Communities Plan of 2003,² the previous government confirmed that the following areas would act as receptors of major growth in the national interest: the Thames Gateway; Ashford; the London /Stansted/Cambridge/ Peterborough Corridor; and Milton Keynes and South Midlands.

By this means other parts of the South East especially (and Kent, Surrey, the Sussexes, Hampshire, Berkshire and Oxfordshire in particular) were relieved of considerable housing pressures.

The Growth Area figures were subsequently embedded in RSSs. So the aforementioned areas, for so long happily despatching a lot of their own people's housing needs to distant Growth Areas, should now find that their locally-arising needs must be met locally. The chickens come home to roost.

Blame, when house prices rise again through shortage, and affordable housing supplies dry up owing to underplanning, will attach to the councils in the areas where the need arises.

In the present state of paralysis, while we all wait for the smoke to clear, there are two other things happening. Land with planning permission for housing is now rising in value very rapidly indeed. It has scarcity value, and if (like the housebuilders) you have a machine to feed, the raw material will rise in value as the supply shrinks. Land values in Buckingham at the time of writing, for example, are rumoured to be in excess of £1.5 million per acre for strategic land, which is beginning to approach the crazy days before the bankers' recession.

Second, there is talk that promoters of major developments will make a run for planning permission with the object of getting to appeal during the present stasis. The argument runs that the requirement in PPS3: *Housing* to maintain a five- (and ten-) year housing land supply has not been removed, and that the local evidence base³ will be cited as justification for well-designed schemes that satisfy normal planning criteria. It is true that on several major projects there are currently consultations with QCs along these lines,

councils should soon get hungry. They Housing and Planning Delivery Grant (a crude incentive system devised by the previous government) is not even going to be given for 2011-2012, no matter how many planning permissions are given. Planning application fee income is also down, owing to the hiatus in the industry caused both by the bankers' recession and general election excitements. Overall, local authority planning budgets are extremely strained, and other departments that were getting used to tapping money out of planning permissions will also be feeling the loss. So maybe incentives to plan positively are already beginning to build.

The TCPA has formulated its recommendations to the new coalition Government on how to get from the deeply-flawed planning system created by the former government to the place where the coalition seems to want to be.⁴ This includes the creation of a national spatial framework; strategic or sub-regional planning for areas subject to great change (whether regeneration or sheer growth); and giving local communities shared information about the state of their place and their people so that there is 'responsible localism'.

The TCPA's proposals should be taken seriously because they start from where we are now. When the flushed, excited faces of the NIMBYs pale, they will find theirs has been a hollow victory. Demographics cannot be switched off like a light bulb. The time to get real is soon. The new localism has no hiding places for local councillors.

● **David Lock CBE** is Chair of planning consultancy David Lock Associates, and a Vice-President and Trustee of the TCPA. The views expressed are personal, and are drawn from his contributions to a No5 Chambers seminar in Lincoln's Inn on 10 May and to the TCPA 'Making Planning Work' Conference held at One Whitehall Place on 3 June 2010.

Notes

- 1 I am grateful for input here from Lawrence Revill of David Lock Associates and his 'disaster recovery' team for public and private sector clients anxious to maintain momentum on their strategic development schemes such as sustainable urban extensions (e: lrevill@davidlock.com)
- 2 *Sustainable Communities: Building for the Future*. 'Sustainable Communities Plan'. Office of the Deputy Prime Minister, 2003
- 3 Aside from SHMAs, there are the statutory Annual Monitoring Reports (AMRs) which each council must produce, plus the informal Strategic Housing Land Availability Assessments (SHLAAs) by which a council grades land that has been offered for future allocations according to its planning merits
- 4 *Making Planning Work – A Peaceful Path to Real Reform*. A Statement from the TCPA, reproduced on pages 272-3 of this issue of *Town & Country Planning*

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but it would be a brave promoter that would launch a major appeal into today's policy vacuum.

As for this policy vacuum, at the time of writing not only has Mr Pickles declined to show any interest in transitional arrangements for regional planning, but there is a horrid silence about the incentives that have been promised to persuade local councils to plan positively for local housing needs.

But on the plus side – for those who think we need enough homes to house our people – local