

Housing needs enterprise

The 'golden goose' of section 106 Agreements has been well and truly cooked. A fresh approach is needed to get housing back into production at a rate which may make it 'affordable'.

The taxation of housing development values by the use of Section 106 Agreements has distorted the market and no longer works. We predicted the demise of this golden goose in these pages, though it has taken a while. So cooked is this goose that the Town & Country Planning Association (TCPA) has now proposed the creation of specially-designated development sites, offering substantial tax incentives, to be used to revive building as part of a 'radical new housing model'.

Calling for a brave new housing strategy, the TCPA warns that while time is short in addressing the country's housing needs, the Government's commitment to a new 'localism' has the potential to increase building to meet local and national requirements – provided the coalition is prepared to be radical and acts quickly. "With government funding drying up, and a withdrawal of so-called 'planning gain agreements' – under which developers agree to provide affordable homes and community facilities in return for planning permission – the TCPA argues that housing 'enterprise zones', allied to council bonds, would provide an alternative route to kick-start building.

Kate Henderson, Chief Executive of the TCPA, says the proposed 'general power of competence' in the forthcoming Localism Bill could make it easier for councils to issue bonds, provided the Treasury shows flexibility: "While we

welcome the coalition's commitment to a more responsive planning system, we all have to recognise that if building is to take off at a time of huge financial challenges for the Government, alternative delivery models ... are urgently needed."

This seems unnecessarily complicated (und unlikely).

Just scrap the imposition of s106 taxation for affordable housing. Councils might make a quick start by designating housing priority zones using their Local Development Order powers. As a matter of policy they might require adherence to design standards applicable to 'affordable' housing so that social housing providers have the option to develop or acquire the homes built under the Order, but the homes should be 'tenure blind'.

By far the best way to make homes more 'affordable' is simply to build more of them. The homes themselves do not require subsidy; that is for those families who, by way of rent or loan, need assistance to afford them. Under a simple national benefits system such households may qualify and, once their circumstances improve or they 'trade up' in their housing, the subsidy can be released and, where capital is involved, it can be recycled to other families in need. This is the most valuable policy opportunity presented by the current house building crisis. ■

Planning in a pickle

National and local government should invest in a new planning regime and new methods for engaging local people and economic interests.

For nearly all the professional bodies representing built environment interests to write to communities secretary Eric Pickles criticising the Coalition's planning policies, as they did recently, is unique. No other legislative issue, with perhaps the exception of Development Land Tax, has coalesced the professional property, architecture, planning and construction classes to the same extent. The thrust of the letter was directed at the strategic vacuum that the abolition of regional spatial strategies appears to generate (with the exception of London), and the need to develop new ways of engaging communities so these wider issues can be resolved at a local level.

But it isn't just the strategic issues that need addressing. Communities feel excluded from planning as a strategic and tactical tool for organising our futures and enhancing what we want to preserve. We do need new methods of empowering people and engaging them. They might be a central plank in reinvigorating local democracy because planning encompasses so many pragmatic local issues. Powerful professional and economic interests fear local involvement because they think people will reject change and retreat into Nimbyism. This "we know best" top-down professionalism is what people distrust and will always do so, especially after the lessons of the >>>

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The London Planning and Development Forum (LPDF)

The LPDF was formed in 1980 following an all-party inquiry into the development control system. It selects topics to debate at its quarterly meetings and these views are reported to constituent bodies. It is a sounding board for the development of planning policy in the capital, used by both the public and private sector.

Agendas and minutes are at planninginlondon.com. To attend please contact secretary Drummond Robson: robplan@btconnect.com

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recent past delivered by the planning system.

Prior to the 1947 Town & Country Planning Act, a central pillar of the Welfare State, the way we planned our communities and controlled development needed to become less chaotic and more coherent (cue ironic head-shaking from today's developers and planners for whom today's system feels not so much chaotic as Kafkaesque). In the decades since, there has been regular revisionary legislation requiring the preparation of various incarnations of local plans, and a gradual shift from the realisation that rigid 'zoning' of uses, governed by an equally rigid Use Classes Order, has not been entirely beneficial. The vibrancy of "mixed-uses" is something we prize and is an essential ingredient in our cities and settlements. The dominance of the car, which has had some disastrous effects when pandered to, is also falling from public favour in some major cities at least. The antiseptic separation of component parts of cities was an historic product of the desire to clean up the industrial revolution's effects on our major settlements and to facilitate new car-based economic activity. Good intentions that in major respects went awry and spawned a mass of inflexible minor regulations and obstacles to good urban and architectural design.

Add to this the increasing sophistication and energy of the property development industry as the commando force of commissioning international investing institutions, which sought to provide specialised work and retail space according to rigid investment criteria, and parts of our cities became highly specialised and polarised organisms, not devised by local people, but the consequence of expensive and lengthy planning battles between increasingly 'dirigiste' local authority planners and orthodox investment interests.

Throughout the 80s, 90s and Noughties, as Britain struggled to address its post-war, post-empire de-industrialisation driven by economic globalisation, the need to address urban blight became central to government policy. Each of the major parties developed their own approach. Conservative governments from 1979 took a property-focused approach reckoning that if the market was freed from constraint, in Enterprise Zones which built on de-democratised New Towns experiences and were initially manned by officials from those organisations, it would deliver the necessary economic activity.

In the 90s there was a growing recognition that 'sustainable' regeneration required rather more than the pyrotechnics of an unhindered property industry, and although schemes like Canary Wharf captured an enormous new market and provided a new *raison d'être* for London's East End, they did so without doing much for the local community – initially at least. New Labour took these lessons to heart and shifted the focus of regeneration back to community-led initiatives. But what resulted was unincentivised bureaucratic bumbling which achieved little in the absence of a real economic engine pumping new money into areas.

Regeneration, delivered by planning, is an arduous political process which involves radical change and the timetable for which is invariably at odds with the local political timetable. The political imperative for vote-winning results often undermines the 'natural' process of regeneration and the need for an apolitical pragmatic approach. To state the obvious, communicating ideas plays a key role in mobilising support over what is likely to be the span of several administrations of varying political hues.

Where does this leave us after 2008's global Credit Crunch and in anticipation of the new Localism Bill out this autumn? Aside from our current torrid economic circumstances, the Planning and Compulsory Purchase Act of 2004 (the most recent incarnation of the 1947 Act) required local authorities to reinvent – yet again – their local plans and create a suite of documents called a Local Development Framework. This includes one document which is supposed to set out how communities will be involved in the creation of the Framework and its ideas and policies. These Frameworks, are, as you probably guessed, running years behind time. Only a few have been completed in

London. Many of the policies they embody have already been superceded by economic reality, never mind social reality, which is evolving equally rapidly as IT transforms our lives. Having attended one or two of the meetings connected with the production of these policies I can vouch for their unappealing content. Big ideas and visions are swamped in detail which only professionals understand.

What has happened to planning is that in an attempt to regulate market forces, resources have been concentrated on "development control" – the professional quasi-legal battle between planners and developers in which ordinary people find themselves sidelined. Little resource is actually spent on "planning" using all the talents available to us, professional and local. Still less resource is spent on communicating these ideas imaginatively, widely and regularly to communities, by local authority planning departments whose authority, skills and creativity have been whittled away and whose communication skills are restricted to producing 500 page, out-of-date plans unintelligible to ordinary people. The process is deeply defensive on all sides and distrusted by all who engage in it – particularly when there are major proposals required to achieve urban renewal, which is pretty much the lifeblood of economic survival for any community.

Yet when local people, politicians, planners and developers do engage successfully, before proposals are formulated and presented as a fait accompli, the process can be incredibly energising, reducing risk and increasing certainty for developers and communities alike. To empower local people and to fulfil the political ambitions Eric Pickles is shepherding, national and local government needs to invest in devising a new regime and new methods for engaging local people and economic interests in a process which is open, accessible, enticing and a prominent and valued part of how we live. There are models in Europe and some in the UK for an improved process. The problem is it takes increased resources which are unavailable to local authorities at present. There is also a case for independent means to be used to facilitate this engagement, which could be funded by interested parties in major development proposals. There also needs to be a clearer separation between the "ideas" and "visioning" stages and the consideration of actual proposals – the latter occupy most of local politicians and planners' time when they are largely matters that could be dealt with by regulation, not political consideration. Public meetings need to be more successful and frequent, and the availability and communicative quality of information needs to be much improved.

The availability of "affordable" housing in many communities is a polarising issue, but there is less money around to provide it. It is for example at the top of the agenda for London's Mayoral candidates now limbering up for next year's contest. Oona King and Ken Livingstone, and Ed Balls in the Labour leadership contest, all acknowledge this. King and Livingstone are sticking to the unrealistic, demagogic notion that simply stating planning requirements for "50 per cent affordable housing" as the price for granting planning consent will provide what is required are unrealistic and will further restrict supply, especially as viability has all but evaporated in most areas. People (and politicians it seems) do not have a grasp of what this "tax" on development does to economic viability – which is arguably the fault of the development community for failing to communicate its realities. The distortions in the UK housing market are massive and contributed substantially to the recent boom and bust, as they did to previous booms and busts. They are a central planning issue. If there was one discussion above all others that needed to be held at both strategic and local levels simultaneously, it is this.

If we had a permanent, imaginative conversation about housing provision within the planning system which involved local people, politicians and professionals that would be a good place to start putting some strategic foundations under the notions of Localism and The Big Society. ■