

Dear Ms Barker

I have received your review summary via the Branch Coordinating Officer for the West Midlands Branch of the Royal Town Planning Institute and would comment on the issues you raise, as follows:

Issue 1

I believe that the supply of land for housing is overly constrained, principally by the planning system. There is still no proper planning for housing and it is, I believe, ludicrous that we still have a system which achieves the Herculean feat of producing an all time low in the numbers of housing completions at a time when interest rates and, therefore, mortgages, are at an all time low with no foreseeable prospect of interest rates rising. Putting aside the issue of natural justice for people who aspire to own their own home, the housing market is key to the overall UK economy and the planning system is thus capable of plunging the economy back into recession by not properly planning for homes (and jobs).

I think a lot of the blame for this rests not only on the blunt use of crude planning policies (such as a blanket requirement for most new housing to be built on brown field sites, with no real sensitivity to local issues, and the planning system's unwillingness to take difficult decisions. With regard to the latter it has to be said that most Local Authority Planning Officers and Planning Committees are anti-development and exhibit all the hallmarks of NIMBYism. There is no way in which any housing shortfall is the fault of housebuilders and any decline in the number of appropriate planning applications is a reflection on the difficulties and hurdles placed upon the housing sector by the planning system.

In terms of developing brown field land, you have asked whether there are any problems associated with the land assembly; in this regard I would suggest that there can well be problems in that brown field sites often need a comprehensive approach and Local Authorities will rarely support land assembly. We also have a farcical situation whereby Local Authorities place as many hurdles as possible to stop brown field development as well as green field, in the mistaken view that many old and over mature industrial sites should be retained for employment and not given over to either mixed uses or residential development.

In short, the planning system is still slow, cumbersome and does not properly plan for not just residential development but for most development *per se*. It is the system which is constraining the whole development industry and most particularly the housing industry.

Issue 2

Finance is not a major constraint; it is certainty and the ability for major housebuilders to plan with a long term supply of housing land coming through the system that is the most significant problem.

Issue 3

I do not think that it is necessarily the problem of interpretation of planning guidance by Local Planning Authorities which is the difficulty; instead, it is the application of this guidance which is the problem. Time and time again I come across situations where Local Planning Authorities will not allow any development other than on brown field sites and then place hurdles in the way of the development of brown field sites for residential development. We are in danger of developing a classic 'catch 22' planning system. The problem stems, in particular, from Local Planning Authorities reluctance to recycle land to residential development.

In terms of incentives, the planning system generates positive disincentives to the development of brown field land through the hurdles that are put in the way of development and through the imposition of onerous Section 106/planning gain costs. Section 106 Agreements could become an effective tool but there is no consistency at all and the situation is very hit and miss, with developers and landowners alike unable to anticipate with any degree of certainty the level of Section 106 Obligations which will be imposed.

Unfortunately, the current reform programme is simple tinkering of the planning system and is not the root and branch reform that the planning system so desperately needs.

In terms of developing environmental sustainable housing, etc., you asked whether there are any market failures; again, I would suggest that it is not the market which is necessarily failing but the planning system itself which still perpetuates a free for all over scarce land reserves. Where planning permission is granted, for residential development in particular, the best value secures the site and there is thus a disincentive to develop new and perhaps more sustainable means of housing. The only way that this will be changed is if there is a major review of the overall delivery of housing; not just through the review of the land system, perhaps by way of a betterment levy, but also by way of a review of the planning system which delivers a more responsive and proactive system and one which does not rely so much upon a 'NIMBY' influence.

The tax system could be used to encourage certain types of housing and, indeed, I think that this would be a very effective tool since it would, potentially, place, for example, environmentally sustainable housing, on the same value basis as standard speculative open market housing.

Issue 4

I believe that the reason why the stock of affordable or rented housing has not expanded is that the market sector is still fraught with problems. Neither the tenants nor the landlords have any degree of real certainty or security and until this is addressed then the rental sector is going to be unattractive to the open market and will, instead, remain within the control of Housing Associations.

I trust the above comments are helpful.

Yours sincerely

Charles Robinson
CDS Development Services Limited

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