

4th August 2003

Kate Barker,
Barker Review of Housing Supply,
1 Horse Guards Road,
London SW1A 2HQ

Dear Miss Barker,

Barker Review of Housing Supply

I have pleasure in enclosing my submission to your enquiry.

Unlike many of my peer group, I believe that the root cause of the ineffectiveness of the planning system to deliver housing of the quality and quantity needed lies not within the shortcomings of the planning system itself, defective though it is, but rather within the widespread failure to improve the quality of life within our major cities.

Unless an improved quality of urban build is accompanied by an equally radical improvement in social, environmental and economic infrastructure, the flight of the relatively affluent from our major cities will continue unabated. This will inevitably lead to a further polarisation of our society with white, affluent, middle class suburbs and predominantly poor, ethnically mixed, inner cities. The cycle of deprivation is self-sustaining, further exacerbating the flight of the relatively affluent to the suburbs.

Planning authorities within the affluent suburbs, rural communities and relatively affluent provincial cities view the continued out of city migration as a significant threat to their quality of life. This, coupled with generally poor aesthetic standards of much modern edge of town development has created a strong anti development culture. Consequently the planning system is seen by many in local government as a device through which unwelcome development may be resisted or diverted elsewhere.

Tinkering with the mechanics of the planning system may bring some marginal improvement, largely through the appeal system, but the problem of under supply in the South of England especially will not be solved until more fundamental issues are addressed, i.e:-

- Quality of urban life, especially for families, must be improved and tackled in a much more professional and inclusive manner than has hitherto been the case. We need to take the demand pressure off the suburbs and make urban living a preferred lifestyle choice. Frankly it is far from that at the moment.
- The quality of much modern high-density development needs to be improved. The current myriad of well meaning, often contradictory, initiatives on such matters as sustainability, on site pre-fabrication and social mix are largely unprioritised and uncoordinated. There is an excessive emphasis on physical rather than social sustainability. If the objective is to create sustainable communities then the well being and ongoing management of those communities should be the very highest priority. Currently there is little sign that this process is occurring.

Much development, especially in the South of England, can be self-financing, creating thousands of homes at relatively little public cost. The housebuilding industry has the resources to deliver but understandably continues to chase the edge of town markets whilst this is their customers clearly expressed preference.

The challenge is fundamentally to change attitudes towards urban living. The planning system itself will then be better able to deliver.

Having set out what I believe to be the fundamental cause of our problem, which is political resistance to development, the balance of my submission deals with:-

- Government objectives
- Sustainability and the failure to prioritise the many aspects of sustainability.
- The reality.
- The supply gap.
- Suggestions.

What are the Government's objectives?

Supply

To meet the nation's housing needs by providing everyone with a house they can afford. The economic implications of under supply on house price inflation is now impacting directly on the provision of the key services on which the Government have asked to be judged.

Sustainability Means

Meeting the needs of today without sacrificing the ability of future generations to meet theirs, i.e. leave the planet as you find it. In housing, this is to be achieved by delivering the three aspects of sustainability known as the "Triple Bottom Line" (whether this trinity is in fact one objective with three aspects, or three separate objectives, I will leave to environmental theologians).

Aspect 1 - Economic Sustainability i.e. the ability of a community to exist as a viable economic entity, i.e. that either within the community and/or through usable transport and communications' infrastructure, people have access to employment to maintain lifestyles etc. Alternatively, that businesses and jobs are attracted to the area and thrive. An example of this is the current debate on the £22bn of estimated transport investment needed to make the Thames Gateway proposals viable, attracting inward investment, creating jobs etc.

Aspect 2 - Environmental Sustainability i.e. meeting our treaty and national obligations on carbon use and ozone depleting gases etc. Many standards exist for the measurement of environmental sustainability but the housing specific tool is the Eco Homes measurement standards prepared by the Building Research Establishment. This is generally used for all overall assessment of sustainability but in effect is overwhelmingly but not exclusively orientated to the physical or constructional aspects of development.

Aspect 3 - Social Sustainability this basically recognises that well balanced and stable communities are an essential prerequisite for overall sustainability. For example, if you put all the poorest and least privileged people together in ghetto's then social issues will create a cycle of decay and deprivation that will

ultimately destroy the community and waste the often expensive public investment that has been made to assist regeneration. This is the most intangible and politically sensitive aspect of sustainability, touching matters such as race and social mix, access to services, crime and overall estate management.

Urban Regeneration

Although technically an aspect of sustainability, this is in effect an objective in itself. The containment of development encroaching into the countryside is seen as an important element of environmental sustainability. However, research has revealed that resistance to encroachment is more political and emotional than factual. At the rate of development needed to meet all projected housing needs, erosion of the countryside would be minimal i.e. c. .05% per annum. Research relating to car journeys and increased CO2 emissions resulting from longer car journeys from thinly populated greenfield estates, have surprisingly and counter-intuitively proved to be inconclusive, i.e. country living expends no more energy than town living. The real need for curtailment of greenfield development is not to save our countryside but to save our depopulating and decaying cities where 95% of our population live. The splendid Roger's Committee set out a way forward. Sadly, much of it has been abandoned by the Government and simply left on the back burner.

Movement for Innovation (M4I)

Contemporaneously with the above, the ODPM's Office clearly believes that part of the supply problem is that the housebuilding industry is locked into outmoded methods of production. The Egan initiative was launched, encouraging innovation in off site fabrication, standardisation of components etc. The Government attributes part of the product shortfall to such failure. The public sector, i.e. housing associations and the professional sector are leading the way on new building methods and in many other areas with innovative build, design and energy saving. In reality, the pioneers are almost exclusively those who are investing either public money or no money of their own. Anyone who has a responsibility to make a commercial return is much more conservative. An increased supply of available land and greater competition between developers will provide a more compelling incentive to developers to introduce more efficient means of production.

Design Improvement

Again, could be regarded as part of sustainability but in reality exists as an objective in its own right. Through CAFE (Commission for Architecture and the Built Environment) better quality architecture is being promoted. In reality CAFE are architecturally driven and are tending to favour modernity, although in fairness they have been enthusiastic about Crest's modern vernacular. Housebuilders are resisting, understandably claiming in many cases that this is simply misplaced elitism, ignoring the designs people want and that the entire process has been hijacked by a self appointed professional minority. On the other side of the coin, CAFE would contend that housebuilders simply want to perpetuate the same dreary standard house types which suit their volume based production objectives etc. etc. As ever the truth lies somewhere between the two.

The Reality

In the middle of all this the reality is that production is falling and urban regeneration is not taking place for the vast majority of ordinary people. City centres have seen core regeneration for the affluent few but little progress has been made on the Inner Cities. Government is preoccupied by initiatives that look and sound impressive. At best such initiatives are marginal, at worst a waste of valuable resources, misdirecting attention to secondary issues. A turf war is in progress with the public sector, i.e. local authorities, housing associations, Government Departments and N.G.O's seeing this as a long awaited opportunity to expand their influence. The developers are resisting but failing to provide a unified alternative vision due to highly partisan views as to the best way forward for their individual businesses. The reality is that neither side are compromising or forging the levels of public/private co-operation that are needed to start making a housing supply or meet the other lofty objectives they have set themselves.

The HBF is piggy in the middle of a three cornered struggle between reformist and conservative elements amongst the developers on the one side and the public and NGO sectors on the other. All parties are seeking to establish greater control over the development process and direct it towards its own commercial, social and political objectives.

The Barker Committee is basically trying to find out why progress is so poor and whether public resources are being used effectively.

The Supply Gap

Our planning system is complicated and with the passing of time a gap has emerged between the theory of land supply and the reality. Complex rules relating to how land supply is calculated allows local authorities which are politically hostile to development to prevent or delay suitable sites coming forward.

They can, for example, create a paper based supply which whilst in theory is available for development is, in reality, difficult to bring forward. The sequential testing in PPG3 has further exacerbated the problem, requiring that supply be met firstly from urban/brownfield sites before edge of town fields. In fact much of the urban redevelopment land is either difficult or impossible to assemble, either economically or within a reasonable timescale. Principles of sustainability are being used, often very effectively, by several local authorities to demonstrate that large areas of developed, often derelict, land fail the sustainability test. The entire system being orientated towards why residential development should not occur rather than how it might be enabled. Structure plans are also used as a procedural blocking mechanism with major applications having to await plan reviews before sites can be reallocated from, say, commercial to residential use. In the meantime, all attempts to bring the land forward are defended on grounds of prematurely. The overall supply system allocates a requirement to local authorities who, being able to demonstrate that they have theoretically "made their numbers," then refuse to contemplate additional releases notwithstanding an overall regional shortfall and the presence of suitable sites in their area.

Example:

A recently disused military training establishment in Chobham, Surrey could accommodate 1,500 - 2,000 houses. The land is substantially covered in old, unsightly and semi-derelict buildings. Abutting the land is a railway station to

London. To achieve residential development the site must go through a revision of the structure plan (fortuitously imminent in September 2003). Currently discussions are in hand as to whether the "certificate of existing use" known as a CLUED should be for a "sui generis" research facility as a general employment use.

There is no doubt that public enquiries, appeals, judicial reviews etc. will postpone planning on the site for many years and the likelihood is that eventually it will get permission for commercial redevelopment. However, the social need is for residential and it is needed now. The current planning system is bogged down in arcane discussion, legalistic haggling with the system being completely unable to respond flexibly to market demand. In a more realistic and business like environment discussions would revolve around how to get affordable residential development going sustainably and with minimum recourse to public funds.

Delivery Systems

Apart from the larger departments in major cities, local authorities simply do not have the quantity or quality of management needed to deal with the multitude of complex issues that are (or should be) involved in modern sustainable development. Sustainability requires a multi faceted approach to economic, social and environmental factors if we are to avoid repeating the mistakes of the past. Many local authorities regard property developers or housebuilders with hostility, believing that their sole mission is to either resist politically unpopular proposals or to extract the maximum social tax from the applicant. Genuine public/private planning management structures are rare. Whilst decisions that affect a community must clearly be taken by elected representatives, significant progress could be made if co-operation was the rule rather than the exception.

Political rather than Economic Objectives

The economics of regeneration are complex, involving a multitude of factors, whether a particular area can become successfully regenerated. The public sector understandably and correctly seeks to put its investment in those areas of greatest need. However, if the underlying causes of decline are not addressed and remedied, public funds provide little more than a temporary respite to an inevitable process of decline.

The process of "rolling forward value" i.e. starting and maintaining a process of market led regeneration that allows urban regeneration to be addressed with little or no recourse to public funds is highly complex involving not just development but social and physical infrastructure, management, local democracy etc. The plain fact is that there are answers to how we may create an urban land supply and persuade people to repopulate our cities, but there are no easy answers or quick fixes. Success requires a level of public/private co-operation and multi disciplinary co-ordination that is singularly absent from the process at the moment.

Example

Birmingham City Council entered into a tripartite agreement with Optima Housing Association and Crest Nicholson for the redevelopment of Phase I of its notorious Attwood Green estate. Throughout the process the City acted with professionalism and was concerned that the development was commercially viable as well as providing the regeneration needed. In the first phase, being undertaken by Crest, modest level of social housing, i.e. 15%, were required to pump prime the process of owner occupier led regeneration. Building on the site's proximity to areas of

relatively high value the City worked closely with the developer on planning and estate management. Density on the site increased from 450 units to 1,750 units without any loss of amenity.

The first phases put up for sale have all been reserved. In view of the level of demand the developer is investigating new means of production to meet demand.

Regeneration will then roll forward from an established base of value and consumer demand.

Suggestions:-

1. Suitable sites, i.e. sites that are already developed with access to transport or convenient to an existing road network should be earmarked for a simplified planning procedure. This would, in effect, bypass the current structure plan system and (possibly on the direction of the Secretary of State) establish the principle of residential development. The emphasis would be on the provision of affordable and medium priced housing and other matters needed for the facilitation of sustainable residential development. The orientation of discussion should be towards facilitation not blocking. Prematurely should not be an insurmountable objection to planning.
2. Where proposals fail the sustainability test then rather than a simple refusal a proactive step should be taken setting out, if possible, how sustainability objections may be overcome.
3. Housing need should be appraised on a regional not local or county basis. If a site is, in environmental terms, suitable for development then in a time of significant under-supply, this degree of compartmentalisation takes away valuable sources of supply
4. There should generally be a presumption in favour of change of use to residential unless clear overriding environmental, social or economic reasons are given why such change of use would not be suitable or in the public interest. The onus should be on the planning authority to rebut the presumption.
5. Much wider use should be made of public/private partnerships set up to plan and implement re-development opportunities. Powers for the Secretary of State to set up such partnerships on large projects should be taken and used to "force" co-operation.
6. That Councillors and officers need to receive significantly more training in planning and the principles of modern sustainable development.
7. Departmental objectives within local authorities are often pursued to the detriment of the project. Departments attempt to extract their pound of flesh or, in some cases, refuse to accept modest best practice, resisting all attempts to create sustainable development in the name of safety, departmental budgets or other priorities. Local authority Chief Executives should apply "the proviso" i.e. that provided the overall proposal is satisfactory, marginal failures to meet specific departmental requirements should be waived, e.g. open space. They have this ability but in practice it is used infrequently.

8. Councillors that attempt to thwart development by instructing officers to make technical objections to development should be at risk for costs should that objection subsequently prove unfounded.
9. Many so called "guidelines" are treated as a rulebook. Again a proviso should be applied consenting projects which infringe "the rules" yet, in the round, provide a high quality of environment.
10. The provision of social housing within open market schemes is an essential component of affordable supply. Some local authorities have taken the opportunity to misuse this provision to demand levels of social housing which make redevelopment for housing either uneconomic or unattractive and in effect prevents residential development. The demanding of high levels of rental properties creates negative land values causing landowners to defer their sale decision. Additionally, over egging the social housing content on developments risks creating exactly the same social polarisation and inevitable spiral of decline that is created in the public sector "sink estates" of the 60's and 70's and their legacy of crime, despair and consequent edge of town migration. A ceiling on the level of affordable housing provision that can be demanded on a single project by a local authority should be set to limit such tactics.
11. Much greater use should be made of shared ownership thus allowing an entire segment of the population to own their homes and achieve a better social balance on urban regeneration schemes.
12. The creation of a regeneration bible, setting out the means by which urban regeneration can be initiated and managed by public private partnership, should be created in which experience was shared. This would be a massive undertaking but would immediately set out a best practice platform for local authorities that were either inexperienced and/or under resourced.

Conclusion

The Government has got the right idea and many of its individual initiatives are sensible and morally defensible. The problem is one of delivery and I am sure that the ODPM's Office is well aware of this need. However, the multitude of initiatives need to be prioritised, stitched together and implemented in a much more professional manner. There is no easy solution, top quality management is needed to focus the resources of Central and Local Government and the private sector to deliver a clearly defined objective. Until this occurs no meaningful progress will be made.

Yours sincerely,

JOHN CALLCUTT