



**NATIONAL  
HOUSING  
FEDERATION**

## **Submission**

**Title:** The Barker Review of Land Use Planning

**Reference:** **NS.PL.2006.SB.01**

**Contact:** Liz Willis, Policy Leader

**Phone:** 020 7067 1089

**E-mail:** [lizw@housing.org.uk](mailto:lizw@housing.org.uk)

**Date:** 27.03.06

Lion Court  
25 Procter Street  
London WC1V 6NY

Tel: 020 7067 1010  
Fax: 020 7067 1011

Email: [info@housing.org.uk](mailto:info@housing.org.uk)  
Website: [www.housing.org.uk](http://www.housing.org.uk)



## **Contents**

1. Executive summary
2. Introduction
3. General comments
4. Improving the policy and strategic framework
5. Effective local decision-making
6. Homes as a national competitive advantage
7. Housing shortages and economic growth
8. Balancing economic, social and environmental needs
9. Summary of recommendations



## 1. Executive Summary

The National Housing Federation supports the vision of a planning system that delivers sustainable development. However the planning system alone cannot be expected to facilitate, or be held accountable for, delivery of the sustainable development objective. **Our submission therefore includes other non-planning land use measures that would support sustainable growth.**

The planning system must build the ability to firmly deter and decline applications that serve the interests of one business but not the broader requirements for growth, productivity and sustainability. Our submission also warns against over-reliance on measures of the volume and speed of permissions granted to individual businesses, as these are weak indicators for whether land use planning supports commerce, but even more so economic sustainability.

We consider that the objectives of sustainable development, encompassing sustainable economic growth would best be supported through:

- **Strong, integrated national and regional economic visions and strategies that inform spatial and housing strategies**, that are supported with longer-term resource allocations for infrastructure, and incentives for business to integrate all three dimensions of sustainable development;
- **Clear signals to business within local plans as to the type of development envisaged for a location by economic and spatial strategies** (perhaps fast-tracking some priority uses), the baseline expectations for development quality, and, for clarity, any issues that are not material to the planning decision;
- **Modernising the UK approach to housing provision to support national growth and productivity goals** with enhanced home study and training opportunities for the current and future workforce, to provide flexible and technologically capable homes to meet the needs of entrepreneurs in the early years of their business, to encourage mixed use development, and live/work solutions to reduce commuting time and improve productivity.
- **Recognition of the continuing need for government intervention to create affordable homes in mixed income communities at varying price points** for the workers that business and other service providers need to be able to attract and retain, including tax incentives to release redundant land for development, and government leadership on the sustainable use of surplus public sector land and buildings.

A growing economy requires housing and economic policies to move in step with one another, and we urge the *Barker Review of Land Use Planning* to re-integrate these issues within its analysis, rather than arbitrarily divide them.



## 2. Introduction

The National Housing Federation represents some 1,400 independent, not for profit housing providers in England. Our members include Registered Social Landlords, Housing Associations, Co-ops, Trusts and transfer organisations. They develop and manage more than 1.8 million homes provided for affordable rent, Supported Housing and Low Cost Home Ownership as well as delivering a wide range of community and regeneration services.

We note that the purpose of this Review is to consider how, in the context of globalisation, and building on the reforms already put in place in England, planning policy and procedures can better deliver economic growth and prosperity alongside other sustainable development goals. Rather than respond to the full range of questions raised, we have limited our submission primarily to addressing the Review's stated key issues of:

- **The efficiency and speed of the planning system, and**
- **The relationship between economic and other sustainable development goals in the delivery of sustainable communities.**

This response needs to read in context of our earlier submissions to the *Barker Review of Housing Supply*<sup>1</sup>. We do not repeat our detailed case for the supply of new homes for people on moderate and low incomes. Rather we expand upon employment and economic objectives, many of which rely on improving the quantity, quality, affordability and location of housing provision. We also highlight experience from the housing arena of balancing economic, social and environmental dimensions of sustainable development and highlight measures that may translate to land used for manufacturing and service sector employment.

## 3. General comments

The Federation warmly supports the government's vision of a planning system that delivers sustainable development. However we caution that the planning system alone cannot be expected to facilitate, or be held accountable for, delivery of the sustainable development objective. **Our submission therefore includes other non-planning land use measures that would support sustainable growth.**

Land use planning (increasingly known as spatial planning) is one framework to support sustainable development but it relies on complimentary legal, fiscal and regulatory measures to be effective after the planning and construction phases are complete. While we support the aims of an efficient and effective planning gateway for new development, the Federation considers that to evaluate the performance of planning by the quantity and speed of processing applications (whether for business or housing) fails to reflect the complexity of the sustainable development goal that planning is being asked to achieve.



Over-reliance on measures of speed to the neglect of outcomes can only lead to more unsustainable land use decisions, though approved quickly. A recent report from the Audit Commission <sup>2</sup> also found that the government's emphasis on speed is having negative effects on the quality of services delivered by some planning departments. Disappointingly, the announcement statement for the Review seemed not to fully appreciate this issue and said:

*“There is also evidence of the planning system effectively balancing its economic, social and environmental objectives- in terms of business needs, for example, over 150,000 applications are processed each year of which over 80% of these are approved.”* <sup>3</sup>

We also point out that granting planning permission to one organisation may result in a positive commercial and economic benefit to them, however, this may be suboptimal compared to an alternative land use, and reduce economic benefits or competitiveness to other neighbouring land users. In this regard, **volume and speed of permissions granted appear crude measures for evaluating whether land use planning meets the needs of business, but even more so economic sustainability.**

We urge the Review team to draw out unintended consequences such as these that might arise from any further relaxation of planning requirements, whether at national, regional or local level.

#### 4. Improving the policy and strategic framework

The Federation believes that the planning system should be viewed as the vehicle for implementing spatial strategy in a sustainable and accountable way. We know from our tracking of housing and planning policy that the tensions between the needs of current and future population, and between developers and residents are a key source of conflict and delay. To reach sustainable development decisions, however, the planning system must have the capability and time to enter dialogue with parties other than applicants, politicians and interested public authority strategists. On a scheme-by-scheme basis, however, the arrangements for consultation and expressing opposition to applications are inefficient for both applicants and planning authorities.

The recent planning reforms have put in place a reasonably coherent hierarchy of strategies and plans, though we believe there is still room to improve the degree of integration between housing and economic strategies. **The Federation considers that the evolving regional strategy framework should be actively monitored and the consultative dimension of the new framework refined in order to shift meaningful opposition to plans to an earlier stage.** Engaging entire regions or sub-regions in strategic planning will not be without difficulties, but needs to be tackled if more efficient and speedy local planning is to result. This approach should be considered to help rebalance decisions in favour of the



majority that might benefit from development and away from Nimby's who appear to hold disproportionate influence at detailed application stage.

We also believe that more externally focused strategy formulation at regional level, moving away from traditional political forums and meetings to more **creative consultative approaches will provide earlier and better signalling to the business market and consumers regarding the future of their locality.** Where such dialogue provides public information on planned business clusters for example, this can not only inform investment plans, infrastructure planning and funding decisions (such as from pooled planning gain supplement) but also support training and education strategy, and even young people's education choices.

We remain concerned, however, that workable regional and sub-regional strategies providing the basis for local implementation will not be feasible until infrastructure barriers are resolved. While proposals for a planning gain supplement are intended to provide resources for infrastructure, the sums generated will be variable to market conditions and insufficient on which to plan long-term infrastructure investment needed for growth. Evidence from SEEDA to the IPPR Commission on Sustainable Development in the South East estimated an extra cost of providing necessary infrastructure in the South East alone at £55.5 billion, resulting in an £8 billion shortfall against existing resources.<sup>4</sup>

While some contributors to this Review may suggest that business requires a relaxation in planning restrictions, the scarcity of funding for infrastructure points towards greater emphasis on geographically focused business clusters in order to maximise the impact of investment. However the emerging emphasis on the city-region as the future source of competitive growth in the UK<sup>5</sup> will inevitably test existing structures for regional decision-making and the political engagement of non-city-region residents and businesses. We agree that cities are the engines of their regions. Genuine concerns remain that 'second tier' cities, and towns and villages across England could fall off the radar where they have no meaningful link to a city-region. City-region policy requires investment and ambitions that match European counterparts but we must not forget the needs of those that live outside these defined boundaries, including those in areas of dysfunctional housing markets and low housing demand.

Research has recently undertaken research into migration and travel to work patterns in the north-east.<sup>6</sup> This appears to show travel to work distances are greater with higher income employment and higher skill level employment. There appears to be a danger that high value job growth centres may not touch low-income communities even when they are located nearby. **Land use decisions, particularly in renewal areas, must therefore also support neighbourhood employment opportunities as the employment skills base is developed.**

We argue that the planning system is not well placed to resolve opposition to development arising from inadequate infrastructure, and welcome the



Chancellor's budget announcement of a cross-cutting review of infrastructure requirements to support housing related growth. **We recommend that the cross-cutting review also considers infrastructure requirements, especially transport and utilities, essential for business.**

## 5. Effective local decision making

Earlier in this submission we highlighted the importance (in terms of efficient and effective local decision making on land use) of focusing consultation and negotiation at the strategic and tactical phases of land use decisions. Debates on these issues should not be permitted to slow the local decision making process on individual planning applications. Instead we would welcome more focused scope for scheme-based dialogue that recognise sustainable development objectives.

We also note the political context for local planning decisions and believe that a more objective set of criteria would assist applicants, local stakeholders, officers and members in resolving disagreements on the nature of development that may be suitable. Similarly, in a climate where there is much good practice guidance, both on planning practice and sustainable development, **we support the setting out of minimum criteria in local supplementary planning guidance, but consider that national baseline standards may aid efficiency for both planning authorities and applicants.** It cannot be efficient for every authority in the country to develop and consult on its own policy for sustainable development. Neither can it be good for business to have to abandon any standardisation efficiencies to create bespoke development for each authority in which it plans to invest.

We urge a continuation of efforts to streamline the system of planning obligations and note the proposal for Planning Gain Supplement was founded in part on the aims of giving developers greater certainty and local authorities a financial benefit from approving rather than declining applications that create value. **We recommend close monitoring for the effects on land use and land supply at local level, particularly as changes in use are likely to yield the highest PGS revenues.** In this context it will be increasingly challenging for local planning authorities to demonstrate transparent and fair decision making that balances cash today against longer term sustainability goals.

Consequently the Federation believes that it may be more effective for government to progress a vision for ethical business in the UK through other non-planning incentives. Capital investment by business is one element of operations and cannot be expected to fit with sustainable development policy in planning when sustainability has not been mainstreamed in UK business, or in the consumer values to which businesses respond. **Government needs to persuade organisations that sustainability offers a competitive advantage if there is to be a better fit between planning policy and commercial objectives.**



## 6. Homes as a national competitive advantage

The impacts of housing conditions on health, education and life chances are well documented, but consideration of the implications for economic growth have tended to be limited to housing supply issues. An argument could be made that the nature of the nation's housing stock currently creates a competitive disadvantage in building a high-skill, growing economy.

Within many housing markets, households struggle to find space for learning or home working if available. For people on low incomes, and those allocated affordable rented housing, overcrowding can also limit the educational chances of any children in the home. Educational and employment aspirations of young people are also limited by the planning system's continuing tolerance of income segregation in new housing development. With skilled labour shortages limiting growth in many regions, the impacts of overcrowding and concentrated areas of deprivation should be of concern to business and economists. The trend towards smaller new homes, including affordable housing, needs to be considered as a potential break on educational attainment, lifelong learning, home working and even new business start ups, which tend to begin in the home.

A recent JRF study<sup>7</sup> asked what the government and the Housing Corporation might do to make it easier for tenants to work from home. Housing association respondents suggested revisions to the rules on space standards and under-occupation; better links between government policy on IT, education and social housing; changes to benefit and tax rules; and more encouragement for tenants to undertake home working. We know from this study, and from a number of our member housing associations, that converted loft space can meet the needs for learning and workspace. Resources for this come from a number of sources including, in one case, a regional development agency that recognised the economic advantages.

Another sustainability concern lies in the links between economic growth and traffic growth, congestion and pollution. While business cluster development may assist in limiting traffic growth, it is clear that increases in home working and live-work development could contribute to less polluting growth, as well as productivity improvements. BT estimates that home working earns the company £5-6m in terms of productive time saved.<sup>8</sup>

**In the light of these issues we recommend that the Review explicitly consider how land use planning and regional strategies can support modern housing solutions within mixed income micro-neighbourhoods to underpin sustainable economic growth.**



## 7. Housing shortages and economic growth

Now that the Barker Review of Housing Supply has been concluded and responded to by government, there is a high risk that the links between housing supply and economic performance will again be forgotten. Local and regional economic conditions influence housing demand and prices, population migration and affordability. As recent ODPM household figures<sup>9</sup> have demonstrated, nationally, and within growth regions, the demand for housing can change rapidly based on economic and demographic shifts.

Kate Barker has responded to the figures estimating the number of new households by warning that the housing supply crisis could be worse than she predicted in her 2004 report. The figures show that 5 million new households will be formed up to 2026 in England, an average 209,000 a year. The figures show that Northern and the Midlands regions will have 40% of the growth, up from the previous figure of 32%. Effective regional economic strategies have contributed to many cities in the north and west-midlands developing successful economies and reversing decline in population growth, demonstrating the interdependency of economic conditions and housing demand.

Yet in most regions, housing and economic strategies remain tenuously linked, if linked at all. The planning system cannot be expected to reconcile strategic gaps and conflicts that are in part a symptom of a fragmented framework for regional policy formulation. As a minimum **we recommend that regional economic strategies are required to test labour force forecasts against the supply and affordability of homes planned by the regional housing strategy.**

*We agree “a stable and flexible housing market is essential to a productive economy. Housing market imbalances between supply and demand are a potential brake on economic development, as the cost and availability of housing influences the geographical distribution and mobility of the labour force and may affect capacity levels in local labour markets.”<sup>10</sup>*

The Federation wishes to emphasise **the continuing need for government intervention to support the creation of affordable homes within mixed income communities at varying price points** for the workers that business and other service providers need to be able to attract and retain. Housing associations currently assist those on typical incomes of £20-£28,000 into affordable home ownership. Any new schemes must be accessible to people on these incomes if they are to be successful. Given that skills shortages arise in both public and private sectors, government must also face the difficult question of who should be eligible for such schemes, and how much local flexibility should be permitted, given that demand for low cost home ownership in high cost locations is reported to outstrip supply by a ratio of at least 5:1.

Housing associations also have a strong track record in seeking out partnerships with business and public sector employers to deliver homes along with



employment space.<sup>11</sup> We consider that the mixed-use concept offers business, social and environmental sustainability benefits (usually derived from more efficient land use) and has scope for increased implementation. It is likely that many of the **public sector sites announced for disposal in the Budget Speech will lend themselves to sustainable housing or mixed use development providing opportunities for homes close to work for many more people, and resulting productivity improvements for business.**

We therefore believe that public sector sites allocated for disposal should not automatically be auctioned to the highest bidder, allowing the market to dictate the use. **Instead government should take this opportunity to show leadership in the land use agenda, by evaluating how these sites can best be used to meet their stated sustainable development objective.**

## 8. Balancing economic, social and environmental needs

When considering ways of balancing social, economic and environmental needs it is useful to look at the government's approach to the delivery of additional housing within sustainable communities. Measures to promote sustainability have included the prioritisation of brownfield land, a mix of voluntary and regulatory undertakings on quality standards and density, and receipt of public funding triggering application of the Code for Sustainable Buildings. We have also seen the creation of mixed income neighbourhoods supported by S106 planning obligations and regeneration policy, often overcoming considerable opposition.

The planning system is not therefore the only vehicle being used for promoting sustainability in housing. We argue that to achieve sustainable commercial capital investment will also require non-planning levers, as short-term market conditions will not balance economic, social and environmental pressures. **We do not agree that voluntary codes will be effective in this respect and urge for fair and universal application of any standards through the building regulations.** However in a bid to improve land efficiency and environmental outcomes, the planning framework may be able to promote higher density commercial development, and certainly more environmentally sensitive design concepts.

This Review also needs to consider whether the social and economic problems posed by land release for low wage industry expansion, not just in terms of divergence from the high skill strategy, but also in terms of implications for public welfare expenditure, justify creation of planning barriers.

**Conversely, fast-tracking of planning applications for recognised ethical businesses or social enterprises could be one incentive to promote a better balance between economic, social and environmental dimensions of sustainability.** As social enterprises, housing associations pledge a long-term commitment to the neighbourhoods in which they work, providing services that range from childcare and after school clubs to internet training for senior citizens and car share schemes. We believe that housing associations offer a sustainable



and ethical business model that should be supported as a delivery option for sustainable development. Although housing associations reinvest any surpluses in neighbourhoods rather than distribute them to shareholders, there may be elements of the sector's model that promote sustainability that could be translated to equity-based companies through investor tax incentives.

Finally, the Federation questions whether it is socially and economically sustainable for vacant land to be held back without penalty by owners seeking higher future returns. In the Budget the government has said that it will explore further tax measures to stimulate increased land supply. We welcome this and **we urge consideration of charging landowners a Land Value Tax as an incentive to bring forward suitable land for affordable housing, or in other suitable locations mixed use development including homes.**

## 9. Summary of recommendations

The planning system must build the ability to firmly deter and decline applications that serve the interests of one business but not the broader requirements for growth, productivity and sustainability. Our submission also warns against over-reliance on measures of the volume and speed of permissions granted to individual businesses, as these are weak indicators for whether land use planning supports commerce, but even more so economic sustainability.

We consider that the objectives of sustainable development, encompassing sustainable economic growth would best be supported through:

- **Strong, integrated national and regional economic visions and strategies that inform spatial and housing strategies**, that are supported with longer-term resource allocations for infrastructure, and incentives for business to integrate all three dimensions of sustainable development;
- **Clear signals to business within local plans as to the type of development envisaged for a location by economic and spatial strategies** (perhaps fast-tracking some priority uses), the baseline expectations for development quality, and, for clarity, any issues that are not material to the planning decision;
- **Modernising the UK approach to housing provision to support national growth and productivity goals** with enhanced home study and training opportunities for the current and future workforce, to provide flexible and technologically capable homes to meet the needs of entrepreneurs in the early years of their business, to encourage mixed use development, and live/work solutions to reduce commuting time and improve productivity.
- **Recognition of the continuing need for government intervention to create affordable homes in mixed income communities at varying price points** for the workers that business and other service providers need to be able to attract and retain, including tax incentives to release redundant land for development, and government leadership on the sustainable use of surplus public sector land and buildings.



---

## References

- <sup>1</sup> National Housing Federation, *Submission to the Barker Review of Housing Supply*, [www.housing.org.uk](http://www.housing.org.uk), 2003.
- <sup>2</sup> Audit Commission, *The Planning System: Matching expectations and capacity*, Audit Commission Publications, 2006.
- <sup>3</sup> HM Treasury, *Pre-budget report*, HMT, 2005.
- <sup>4</sup> IPPR *Commission on sustainable development in the South East*, IPPR, 2005.
- <sup>5</sup> Professor Michael Parkinson et al, *State of the English Cities*, ODPM, 2006.
- <sup>6</sup> TRL Ltd, *Commuting and workplace in the North East: Part 2*, [www.nerip.com](http://www.nerip.com), 2005.
- <sup>7</sup> Tim Dwelly: *Disconnected: Social housing tenants and the home working revolution*, JRF, 2005.
- <sup>8</sup> DTI, TUC & CBI, *Managing Change: Practical ways to reduce long hours and reform working practices*, DTI, 2005.
- <sup>9</sup> ODPM, *New Projections of households for England and the Regions to 2026* (SR 2006:0042), ODPM, 2006.
- <sup>10</sup> HM Treasury, *Lisbon Strategy for Jobs and Growth: UK National Reform Programme*, HMT, 2005.
- <sup>11</sup> London Housing Federation, *Homes for London's workers*, [www.housing.org.uk](http://www.housing.org.uk), 2003.

Liz Willis  
23.3.06