

Our Ref: GD/CLJ  
Direct Line: 01277 690541  
E-mail: [gary.Duncan@cpplc.com](mailto:gary.Duncan@cpplc.com)

1<sup>st</sup> August 2003

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

Dear Ms Barker

### **Barker Review of Housing Supply**

Countryside Properties PLC welcome the review and the opportunity to comment upon the issues raised in your letter of 9<sup>th</sup> June 2003. As an experienced and successful Company we recognise that the supply of housing is a vitally important matter. However, the issues raised in increasing supply are complex and interrelated. The supply of housing and the planning system are inextricably linked. Based on our own experience, there are severe constraints on the supply of housing and we submit that these substantially reflect shortcomings in the planning system.

For the purpose of this response we shall outline the principle factors which we consider constrain supply. Given the nature of the issues raised and the need for brevity in this response we would welcome the opportunity to meet with you to discuss more detailed matters.

Any action to increase supply will take time. One should not believe that there are any quick fixes. The laudable objectives of the new planning legislation will take some time to be readily understood and applied by local government and the Deputy Prime Minister's New Communities Initiative will take time to deliver. However, it is important that the planning system affords stability and certainty. There is an urgent need to remove the vagueries of current planning administration at the local and national levels. We believe that much stems from the operation of the planning system as a whole. Numbers of homes are the subject of planning applications which are bogged down in administrative processes. By freeing-up these processes, planning approvals can be expedited and significant increases in supply achieved

The increased supply of housing that is so urgently required can, we believe, be delivered through the following measures :

- reductions in development “lead-in” times through improved administration;
- critical examination of any backlog of planning applications for housing;
- permit investment in key infrastructure, in the process creating or adding value to development opportunities, and to consider mechanisms for Government to recoup that investment;
- simplified planning areas within which proposals may be “fast-tracked” for planning permission;
- fundamental improvements in the training of Members and Officers in the determination of planning applications;
- increased numbers of staff in local authority planning departments;
- bold and visionary development policies geared to delivery *on the ground*

### Nature of the Problem

There are around 24 million homes in the UK, of which 70% are owner-occupied. The housing stock is old with 40% being built before 1945 and nearly a quarter before 1919. Total additions to the housing stock have seen an overall decline throughout the post-war period. The vast bulk of additions to this housing stock are provided by private sector new-build (86%). The average private sector addition since 1990 has been in the order 135,000 completions per annum. In the last two years the annual figure has been 125,000 dwellings per annum.

The problem going forward is the mismatch between housing completions and demand. Demand exceeds supply. Where the private sector, and to a lesser extent the RSL sector, are principally contributing to the housing stock it is clear that any increases in supply must be geared to fundamental changes in how the planning system operates. There is a real opportunity for public/private partnership and for administrative processes to recognise the scale of private sector investment in delivering solutions to a national problem.

Where household growth is expected to be in the order 150,000 per annum from 2001-2021 (three million in total) then this will be substantially greater than recent annual completions of c. 125,000 dwellings per annum. House building rates, especially in southern England, ought to increase to meet this need. In the medium to longer term demolition of obsolete and unpopular housing stock will require further stock increases. To address this further shortfall an increase in new house building will be required. Where affordability is concerned, then an increase in supply of housing can address this.

### Increasing the Supply of New Homes

The house building industry is flexible, dynamic and inherently forward thinking. The key task must be to make net additions to the housing stock through demolition and re-use of land, through conversions or through the development of new sites. However, increases in supply are constrained by a planning system which is increasingly bureaucratic and process-led. The principle factor in determining the supply of housing is the supply of development land, i.e. land with planning permission and ready for development. Land with planning permission is still a scarce commodity

The house building industry faces particular problems in restrictive planning policy, slow administration; complex and lengthy Section 106 negotiations; and over-extended public consultation requirements. In one instance, in Cambridge, the Company has had to undertake two years of public consultation prior to consent being granted for the development of a brownfield site. Appended to this letter are two case studies of development projects in acknowledged growth areas (M11 corridor and Thames Gateway) where the delivery of development has been subject to delay and uncertainty.

Given the need to expedite the delivery of new housing, we consider that bold and visionary proposals are required. Local authorities should recognise that community benefit through Section 106 packages is best addressed where there is a "critical mass" of development to support this. In the case of Great Notley Garden Village in Essex, a scheme of over 2000 dwellings and associated employment land supported the development funding of a by-pass for the existing village (now connected to the dualled A120), together with a 100 acre country park. A key question in the increasing the supply of housing is *how can the community benefit from this ?*.

### Delays in Plan-making

The process of preparing Development Plans is too slow, with practice varying across the Country. Since 1990 it has not been possible to rely on the principle that a planning application could be considered *on its own merits*. In the case of Chelmsford, the local plan review process began in 1998 with a local plan inquiry scheduled for October 2003. Now cancelled, following the May 2003 Local Government Elections, the inquiry is expected in 2005 following a radical overhaul of the plan's content. In East Hertfordshire the local plan review process began in 1999. Adoption is not expected until 2007. In both areas the supply of housing land through the planning system is restrained

Countryside Properties has experience of development sites taking up to 15 years to translate from site identification through to a planning permission being granted. The Government's initiatives aimed at speeding up the planning process through the forthcoming Planning and Compulsory Purchase legislation

remain to be put into practice by planning authorities. Unfortunately our experience is that of a culture where it is easier for Local Authorities to say “no” than it is for them to say “yes”. It is the link between policy *in principle* and policy *in practice* that strongly interferes with the ability to supply housing.

The planning system is in a state of transition and this has led to Local Authorities putting on hold their forward planning activity and in certain instances progress has been stopped. The current reform programme being unfolded by the Government is not sufficient to address this. There remains a cultural ease of resisting development, but no obvious ability to sanction poorly performing planning authorities, or for their planning responsibilities taken over by a third

party. Our experience indicates that bold and committed local authorities with strong leadership are best placed to deal with growth pressures. However, all local authorities should be involved in addressing their own housing and planning problems. There exists the opportunity to have area-based policies which actively encourage development; where the principle of development is accepted. These areas, akin to Simplified Planning Zones, would allow for the managed delivery of housing in key areas.

#### Training & Understanding

Development proposals reflect very complex analysis by a range of professional disciplines. Unfortunately, this is not often matched in the determination of planning applications by Members.

In the case of Chelmsford following the May 2003 elections 40% of Members now have no experience as Councillors or of the planning decision-making process. We believe that greater training should be given to Members in making decisions and also in understanding development economics. Such training should also extend to Officers negotiate Section 106 Packages. In the absence of such training local authorities will continue to have unreasonable and unrealistic expectations (“wish lists”). This compounds the delay in bringing forward not only the supply of housing, but also the community benefits which they can deliver.

#### Public Participation

In the case of the Company’s Brooklands Avenue, Cambridge (a nationally recognised growth area) site public participation added a total of 24 months to the lead-in time. This is not acceptable and is prejudicial to the delivery of much needed housing. Whilst we support the broad function of the planning system and the necessity for public consultation, the actual value of the engagement is open to question.

The policy environment, but equally the administration of it, is critical to the operation of the house building industry. Whilst you state that a number of reforms are already in the pipeline, these will take some time to be interpreted by the Local Planning Authorities and put into practice.

We trust the above comments will be taken on board in determining your findings. Planning, development and housing are complex and interrelated areas. It is impossible to examine issues of housing supply without the need to consider the operation of the planning system as a whole. The connection between development plan policy and *development* requires to be fundamentally examined.

Yours sincerely

Gary Duncan  
Associate Director

## **CASE STUDY 1 : Priors Green, Takeley, Essex**

### **Major residential development proposals in the M11 Corridor**

Prior's Green was allocated in the adopted Uttlesford Local Plan (1991-2001) for a residential development comprising 700 dwellings with associated social and community facilities. The site was allocated to meet the housing requirements associated with the expansion of Stansted Airport up to 15 million passengers per annum. Current throughput exceeds this and no development has taken place on the site to date. From the time of the Local Plan Inquiry to a grant of planning permission has taken 10 years

The Company's involvement in the site dates to 1987. although the broad principle of development in the area was not identified by the local planning authority until 1991. Following a Local Plan Inquiry in 1993, the Prior's Green site was recommended for release by the Inquiry Inspector. The Local Plan was not formally adopted until 1995

Detailed local plan policies restricted the development of the site. This was contingent upon the growth of passenger throughput at Stansted Airport and on the construction of a dualled A120, Stansted – Braintree road. Funding for this road was confirmed in 1997 and construction work began in 2001. In addition public consultation requirements were imposed. The first stretch of the new A120 road (Stansted – Great Dunmow) is anticipated to be open in December 2003. Any construction on the Prior's Green site cannot begin until this stretch is opened

Following extensive public consultation in 1999 in relation to the master plan principles, an outline planning application for the development of the site was submitted in June 2000. The Council's request for an Environmental Impact Assessment revealed an inconsistent handling of airport-related planning applications. Nonetheless this request was acceded to, resulting in an 12 month delay. The master plan was approved in December 2000 and in April 2001 the District Council resolved to grant outline planning permission for the development of the site. Section 106 and Section 278 Agreements were required and negotiations in respect of these took over three years to conclude. At the time of writing these agreements are in the process of being signed.

Prior's Green falls within the Stansted/M11 corridor. Its development was required during the 1990's . The supply of housing has been bound up in an awkward and unyielding planning system and is now well behind schedule. Total procurement time from inception to delivery (which at the time of writing is only anticipated) is 15 years.

## **CASE STUDY 2 : Lathams Yard, LB Hackney**

### **Recent experiences of trying to promote mixed use regeneration on a major site in Hackney.**

This 13 acre site comprises the former timber yard for James Latham plc. The company took a decision in the late 1990's to relocate on the basis that 100% of their timber products were coming in by road from outside the M25 and 85% were going out to locations beyond the M25.

Countryside Properties entered an agreement with Lathams early in 2000 to promote the site for a residentially-led mixed redevelopment through the review of the 1995 Hackney Unitary Development Plan (UDP), which was due to go on deposit later that year. The site is shown as a defined employment site on the adopted UDP, primarily for historic reasons. Access is constrained by the river and it is served by what could be described as a residential cul-de-sac. Its future as a major employment site is extremely limited.

Agreement was reached with officers to identify it as a Site of Opportunity for a mixed use redevelopment in the draft plan that was reported to Members. However, it was never formally approved and work on the UDP was delayed and then suspended due to financial constraints, and eventually staff shortages, at the end of 2000/early 2001.

We were left with no option but to pursue promotion through an outline planning application and to seek to justify a departure from the adopted UDP. The Principal Planning Officer advised us shortly before he left in the Spring of 2001 that an Environmental Impact Assessment would be required. An Environmental Statement was duly prepared and we also carried out a major exhibition of our proposals in September 2001 prior to lodging duplicate applications in October 2001 for in excess of 600 homes, including 33% affordable, 100,000sqft of commercial, community uses and open space.

Our applications were not registered until February 2001, nearly four months after submission. Following further publicity and consultations, we carried out protracted negotiations with the Council's case officer over a period of several months. Amended plans were subject to further publicity before being lodged in October 2002. We were then advised at the end of 2002 that the new Head of Planning would not support the amended applications, despite discussions with officers previously. Following another round of negotiation further revisions were made at Easter this year to one application, on the understanding a decision would be made in April. An appeal against non-determination was also lodged on the other application at the same time.

Notwithstanding broad agreement on the principles of a Section 106 agreement a decision has still not been made on the amended application and will not be made before the beginning of September, making it difficult to avoid an unnecessary and wasteful inquiry, which is now due to be heard in December.

Furthermore, running in parallel with this process we have been working with Southern Housing Group to secure in excess of 200 affordable units on the site. This represents a significant element of Hackney's targets for the next few years. At best it will be further delayed and at worst funding could be jeopardised.

The site has now been vacant for over 6 months, causing problems of security and safety for both James Latham and local residents. It is enormously frustrating for both our company and the landowners that a major regeneration initiative, which so clearly meets the Government's agenda, continues to be delayed by the inability of the Council to determine the application and the apparent lack of priority or importance that such a proposal attracts from the Council. Whilst one accepts that the Council has to exercise its statutory duty as planning authority, it should not be totally divorced from the corporate priorities for regeneration. Given a more positive approach from the Council this site would now be delivering much needed housing for the Borough.