

Likely impacts of the use classes and permitted development relaxations for London

The discussion aimed to gauge the likely impacts of the use classes and permitted development relaxations for London, including the likely boost for low cost housing as well as the take up of prior notification planning applications. Hon. Secretary Drummond Robson minuted the March Forum. Full minutes at planninginlondon.com > LP&DF

Housing Delivery following recent Policy changes.

[Formally these result from (Notification of a Proposed Change of Use to Dwelling(s) Town and Country Planning (General Permitted Development) Order 1995 (as amended) - Development consisting of a change of use of a building and any land within its curtilage to a use falling within Class C3 (dwellinghouses) of the Schedule to the Use Classes Order from a use falling within Class B1(a) (offices) of that Schedule. It lasts between 30 May 2013 and 30 May 2016]

The Chairman invited Local authority representatives for their recent experience of what is happening.

Nick Lynch: LB Barnet said that in Barnet the likely take up was from secondary office stock, which is largely twentieth century (post war) and from offices concentrated around town centres. The Council wished to safeguard town centres and their vitality and viability. To date 88 applications had been received and 51 approved to provide some 18,500 square metres of additional floor-space in 331 units.

It appeared evenly split between vacant and occupied space which was being changed and has so far impacted on North Finchley and Chipping Barnet in particular. The decisions have an impact on the collection of CIL, which stands to lose £2.5m. and on the prospects for affordable housing growth. It is too early to gauge take up rates. Formerly residential space being converted seems to produce better accommodation than formerly offices.

John Allen, Assistant Director (Planning & Regulatory Services), London Borough of Hackney said that the Borough had sought an exemption from this measure but it had been allowed for Shoreditch only. The Council is concerned about the potential loss of secondary space as rents are driven upwards and small start up businesses are

driven out of the area. The Council may seek further local exemptions.

Alan Vinall Team Leader (Planning Strategy and Policy) LB Lambeth (POS representative) said that the picture in Lambeth in February 2014 was 86 applications had been made of which 28 had been approved, 27 refused and the rest pending. 60 per cent of applications were for occupied space. 296 dwellings would be created from this source.

The principal reason for refusal was on transport grounds. Some outstanding applications may be approved. A concern is that the new notification may be used as a bargaining chip for other forms of development. Prior approval has raised land values and prices are rising.

The impacts are scattered. Some of the developments are for large units (e.g. Streatham) others small scale. There is an exemption for CAZ space in Waterloo. Lambeth policies normally allowed office to residential space without the need for this change. Loss of commercial floorspace and jobs and the review in 3 years time are also problems.

Colin Wilson (GLA) said that data was now being collected on prior approvals London wide but that staffing limitations meant that it was unlikely to be analysed very quickly bearing in mind the diversity of analyses sought. The quality of housing being produced is in question and it should be remembered that the data provides information on permissions not take up.

He commented that the object of the scheme was to encourage the housing market, but that this is happening anyway, although he qualified this by acknowledging that the severe housing shortage still continues.

Prior notification approvals were being given quite quickly – an average of 6 days was suggested.

Discussion.

Peter Eversden commented that in Kingston/Richmond some 80 applications were

producing 167 units, 60 per cent are occupied. The approvals raised concerns about occupiers being "kicked out" and there is even speculation that the SHLAA will need to allocate more land for housing as a result of the policy changes. Vince Cable is known to have concerns about the matter.

Mike Coupe said that the original object of the exercise was to make better use of vacant offices, not to drive out businesses.

Tom Ball said that Westminster was granting permissions widely, notably in Victoria Street where 4 buildings have been lost. He thought that Westminster no longer has a policy on employment and that occupation by "non doms" was of no benefit to the local community.

Ron Heath referred to Stephen Hodder and recent discussions of micro homes, notably Pocket Living. The Chairman raised the question of protecting business leases which could be lost only on redevelopment. Jonathan Manns said that this was in fact one effect of the policy where applicants also put forward redevelopment schemes as a negotiating alternative.

Some local authorities outside London appeared to be supportive of the initiative as a way of increasing housing stock.

A further implication is that recent office hotspots such as Silicon Roundabout could move again further East to areas such as Olympic Park and Docklands, driven by rising rents for housing.

Ion Fletcher: Director of Real Estate at the BPF introduced the assessment *Who Buys New Homes in London and Why?*

Key findings of the report (available online) who bought new homes in London in 2013 based on 16,500 units of schemes with 20 or more are

- Buy to Let investors: 48 per cent
- Buy to Sell investors (speculators): 5 per cent
- Build to Let investors: 8 per cent
- Owner occupiers – outright purchase: 32 per cent

• The final 7 per cent of units are those homes that were originally permitted as market sale units, but end up as affordable units usually to be delivered as shared ownership homes.

So, the various forms of investor acquire 61 per cent of new homes built in London while owner occupiers acquire the remaining 39 per cent.

This split between investor and owner occupier varies with price band, and therefore location:

• The sub £450 per square foot price band contains the greatest proportion of owner occupier purchases – 80 per cent. Relevant developments can be found in Outer London.

• The £1,000 to £1,500 per square foot band contains the greatest proportion of investor purchases – 70 per cent. Relevant developments can be found in Inner and Prime Central London.

• Owner occupiers dominate again in the £2,000+ per square foot band where 70 per cent of buyers are classified as owner occupiers – in many cases the homes will be held as one of several pied-à-terres around the world.

It has been hard to clarify why schemes are left empty since buy to let and owner occupiers are not likely to want to do this.

Michael Edwards asked why do you want to know this anyway? He queried whether it was for the school or shops provision they require. Much seems to relate to the economic gap between London and the rest of the Country.

The case of Warwick Road in RBK&C was cited as vacant accommodation not likely to go back on the market but even though it would provide a year's supply for the Borough it is not intended for local people.

Mike Hayes asked what was the purpose of limiting land supply? Who are we trying to help? Is it those in housing need and housing for rent. The question goes beyond developer and investor. Why are we doing this since it does not take us where we want to be. It is inadequate to say "The Market Knows Best". The principle was previously a more mixed basis for provision. Tom Ball added that the market can drive out the local community.

Ron Heath thought that ensuring that occupation was permanent rather than transient would help, with landlords managing estates for the occupiers.

DISCUSSION TOPIC 2

Mark Southgate (Head of NSIP at the Planning Inspectorate) provided an update on the nationally significant infrastructure projects regime and the latest picture on development plans in England (and London) and performance on appeals against the appeals review revised targets.

Nationally significant infrastructure projects (NSIPs) were introduced by the 2008 Planning Act. There are now 16 of them. They are on certain timescales with the very clear requirement that decisions happen on a definite date. In England, the Planning Inspectorate examines applications for development consent from the energy, transport, waste, waste water and water sectors (including tidal barrages, wind farms and Thames Tideway Tunnel).

On 1 April 2012 the Planning Inspectorate took over the role of the National Infrastructure Commission and this is now delivered by its National Infrastructure Directorate. After pre application, pre acceptance and pre examination stages the Inspectorate has 6 months to examine the scheme, and three months for a report giving a total of 15 months. It is front end loaded with no scope to change the proposal.

The principle is based around National Planning Policy Statements. There is no discussion of need, which has already been decided by the State and so it considers merely impact. The result at Hinckley Point Power Station was that it was remarkably uncontentious (unlike airports) working to statutory timetables to provide a land use planning case. If cpo powers are needed it is up to the developer to justify and obtain them. The steady rate of applications is around 25-30. 60 decisions have been taken to date. The system seems to be working without the need for significant further change. The application by Presall for underground gas storage was turned down in Lancashire and is now the subject of Judicial review. This is one of four rejected schemes. The schemes are treated as call in or recovered appeals.

Discussion

Peter Eversden was critical of the scope of the applications. In the case of Thames Tideway Tunnel

only one solution was being considered. He contrasted this with Chicago where a similar problem was responded to with lower cost solutions involving greening, SUDs etc. In the Thames Tideway case Mogden Sewage Works will still be overloaded and the Tunnel will not tackle this.

Mark Southgate said that nevertheless this is now the policy. The examination is into the scheme's impact, not the need for it. This is the basis for National Policy Statements. It would not preclude SUDs at Mogden. He also asked how long it was sensible for the debate on major infrastructure policy to last. Clearly T5 was too long. The current convention is now 5 years although the time to implement the decision should also be recognized.

Mark Southgate gave a progress report on plans adoption. He said that in London 94 per cent of plans were now in place, although outside London the picture was less complete with just 52 per cent. 56 per cent had been found sound and 72 per cent of these had been adopted.

The main reasons for unsoundness were that the Duty to Co-operate had not been met or a 5 year land supply had not been demonstrated.

DR was critical of the excessive emphasis of plan making on a process rather than ensuring sound land use plans as the basis for applications. In particular real evidence of genuinely sustainable placemaking with places genuinely accessible by public transport was not always the norm.

Mike Hayes, reviewing the applications process since 2008 said that major strides had been made with pre-application discussions, which he thought sensible. Mark Southgate said that appeals benefited from parties providing their cases "without holding their powder dry". He also said that local authorities should make clearer to applicants what was essential to determine applications and not simply ask for everything they could. The excessive numbers of reports often sought merely favour those with deep pockets rather than assisting in sound decision making. Brian Waters added that authorities often ask for everything simply for fear of judicial review. The emphasis should be on proportionate evidence to the case. Mark Southgate said that no one had consulted PINS yet on Neighbourhood Plans. ■

Attendance on Monday 10th March 2014 at City Hall hosted by Colin Wilson

Brian Waters: Chairman

Andrew Rogers: ACA

Brian Whiteley: Planning Aid for London

Colin Wilson: GLA

Jon Fletcher: British Property Federation

John Allen: LB Hackney

Jonathan Mann: Colliers International and RTPi London

Judith Ryser: Isocarp/Ugb/Cityscope Europe

Mark Southgate: The Planning Inspectorate

Nick Lynch: LB Barnet

Michael Coupe: London Society and Coupe Planning

Michael Edwards: UCL

Mike Hayes: National Planning Forum

Peter Eversden: London Forum (Ch)

Ron Heath: RIBA

Drummond Robson: Honorary Secretary and Robson Planning

Apologies were received from Bob Dolata, David Bradley, Duncan Bowie, Martin

Simmons, Nikos Karadimitriou, Own Wainhouse, Tim Wachter and Yasminah Beebejaun.