

Planning enables; it doesn't deliver

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Endless changes to the National Planning Policy Framework since it was created, itself intended to cut out systemic delays in the planning system as a whole, have by definition not worked. Or at least if the measure of success is the number of dwellings being delivered. Unfortunately, the latest changes look like the result of displacement activity on the part of politicians who seem incapable of answering a simple question: who exactly will deliver 1.5 million net additional homes by the end of this government's first (and possibly only) term?

Will it be local authorities, many of which seem incapable of producing Local Plans, let alone delivering housing? Will it be the house-building sector, with its proven track-record of market failure on an epic scale? Will it be City of London financiers, with their siren call for more build-to-let, where you pay rent for 25 or 30 years but end up with no real property asset? In London, will it be the Greater London Authority, which has built zero homes – a disgraceful history which insults the huge programmes administered by its predecessors, the London County Council and the Greater London Council?

Will it be Homes England, which appears constitutionally incapable of actually building anything as a direct client, instead acting as a form of sewerage system for billions of pounds flushed from Whitehall for redistribution, to no great effect?

The current government, like its predecessor, seems to have little idea of how to proceed, other than pretending that it is the 'planning system' which is responsible for housing supply shortage. Neither has offered any explanation as to why this system enabled the construction of millions of homes in every decade since the last four. That is because politicians will never admit that the political class is responsible for anything other than success.

Historians will ponder what turned a country that liked house-building into one that seemed opposed to it, with the concomitant and inevitable inflation of house prices, rents, and shortages made even worse by decades of more or less uncontrolled inward migration.

By contrast, our transport planners have done an excellent job, especially in London. Perhaps that is because trains and buses are easier for politicians to understand than the world of property. Incidentally, all that useful transport was enabled by exactly the same planning system that is supposedly unfit for purpose.



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Measures that ensure nothing will change soon

>>> The NPPF continues to ignore the basic error of expecting the private sector to pay for affordable provision

A singularly depressing discussion took place at December's London Planning and Development Forum looking at 'Measures to kick-start house-building in London' which the latest revisions to the NPPF seem unlikely to relieve.

We are now down to less than 5,000 annual starts in 24-25, down from 20,000 only two years ago. And we've all read about local authority budgets eviscerated by temporary housing costs. There is an inverse relationship between housing starts and housing targets. London's target of 90,000 a year from 2028 onwards is currently an incredible fantasy. Populism thrives on such gruel.

Politicians must expect trouble, which their ignoring of reality has contributed to. While the 'default yes' for station-orientated developments mentioned in the changes to the NPPF will help, they do not address the fundamental lack of viability which has almost stopped delivery and killed off SME developers.

Other levers pulled recently to encourage delivery, changes to the threshold approach, temporary CIL relief, increased Mayoral powers, changes to design guidance and adjustments to cycle parking requirements, are likely to prove ineffectual, according to planning consultant Boyer (see our Forum report from page 46), in encouraging more delivery over the next three years.

Stories abound of developers renegotiating S106 deals, and of housing associations, in the same financial boat as developers, refusing to acquire those affordable units that have been built. Especially where inefficient numbers have been provided.

The consequences have been looming for five decades. The 1970s and 80s were in hindsight a golden period for small and medium sized developers who proliferated. Some like Berkeley, Redrow and Persimmon originating then have grown into today's giants. But our national delivery of homes peaked when the number of SME builders was at its highest. Land was cheaper, finance was available, and planning was simpler.

Today SMEs account for a mere 10% of the UK's housing, perhaps less in London. As Pocket Living's communications director put it to the Forum, from the 1990s on 'policy makers treated housebuilding like a shopping trolley they could keep adding to'. A tsunami of legislation and taxes has wiped out SMEs' interest in delivering homes. Recently there has been a £1m drop in returns from a typical nine-home scheme, eliminating what was a £700,000 (21%) profit four years ago, replacing it with a £340,000 loss today, Pocket estimates. No wonder little development is happening.

But a trans-party consensus may be emerging about the solution. Colin Wilson, Southwark's head of regeneration for Old Kent Road, was crystal clear in his message to the Forum which is that all layers of Government by pursuing affordable housing policies that tax development are effectively saying the shortage of affordable housing is 'not our problem'.

The disregard for the realities and abnegation of social responsibility for provision of a key element of national infrastructure is no longer tenable and the NPPF continues to ignore the basic error of expecting the private sector to pay for affordable provision. They won't because they can't.

The state's underfunding of social housing has become a national scandal, and if you don't know the cause you mistakenly blame planning or developers. Wilson summarised what half a century of being let down by politicians on housing policy, especially in London, means: 'It has become a threat to the world we enjoy living in.' ■