

# POLICY SUBMISSION



## Abolition of Regional Spatial Strategies

Sept 2010

### SUMMARY

- It is too early to tell what the long-term implications of the revocation of the Regional Strategies (RS) and their targets will be for levels of housing supply
- Short-term there is a need for further transitional rules and guidance and early clarification of the details of the New Homes Bonus (NHB) – the current uncertainty and hiatus is a concern and cannot be allowed to exist for too long. This has clearly affected the position in a significant number of areas
- Neither the abolition of the RS nor the NHB will in themselves be decisive: the results of the new system will depend on its key policy details and processes
- The new national planning framework will be important in this and should be given statutory effect via the Localism Bill
- The Bill should include a responsibility for local authorities to properly assess housing requirements for their area, through a robust Strategic Housing Market Assessment
- Authorities should also have a responsibility to ensure there is a suitable supply of developable land to deliver their identified housing requirements
- The proposed housing and development incentives are important – but we think they may not be sufficient in some cases
- Probity restrictions and pre-determination rules should be reviewed to allow developers to talk properly to councillors and communities about development proposals
- Other proposals set out in pre-election Green Papers also need to be followed through – eg the presumption in favour of sustainable development
- Developers can work with the principle of localism, but this has to be subject to a framework that provides a fair opportunity for the market to make things happen where there is a clear need.
- Decisions cannot be made on an ad-hoc or inconsistent basis since this will bring the system into disrepute
- There needs to be a means and processes for assessing, planning and delivering housing and infrastructure on a cross-boundary basis – so the proposed “duty to co-operate” is vital

- Local Enterprise Partnerships are an important element of planning on a wider than local basis and need clearer rules regarding their responsibilities
- Local authorities and all other parties should have access to the regional data and research previously produced for the leaders' boards etc. and should continue to have robust and consistent monitoring processes in place.

## **SUBMISSION**

1. It is too early to tell what the long-term implications of the revocation of the RSSs and their targets will be for levels of housing supply. The implications of the abolition of regional house building targets are certainly considered to be more long term than short term. While the short term issues manifest themselves as confusion and somewhat knee-jerk reactions, the longer term effects of not having regional housing targets will not be known for some time, possibly many years. For example, there is reduced clarity in planning for large strategic housing sites which, however, take many years to promote and deliver. Lack of clear vision and planning now would result in fewer strategic sites coming forward in 3, 5 or even 10 years time.
2. The short-term problems of confusion and hiatus stem from their being a need for further transitional rules and guidance and early clarification of the details of the New Homes Bonus (NHB). This situation cannot continue to exist since what is currently only a short term problem will soon turn into a much more far reaching problem that will lead to a longer term reduced supply of dwellings. There is clearly a nervousness within both local authorities and the development industry over the current lack of clarity in the government's new policy approach, allowing many different approaches or responses towards development planning and housing provision. Coming out of a system where there were very detailed and firm rules and a great deal of central guidance into a world with very little, relying instead on collaboration and joint working is a challenge for all parties, particularly since government has not allowed for any specific transitional rules to bridge the two radically different approaches. As with any situation where the parties are thrown into the deep end some will swim and succeed, but others may sink. We cannot be clear therefore at present what the balance of these individual adjustment strategies may be.
3. Neither the abolition of the Regional Strategies nor the NHB alone will, in themselves, be decisive influences on the delivery of new homes over the coming years. The results of the new system will depend on its key policy details and processes. The Government's proposals on national planning policy and the processes that should be adopted in formulating neighbourhood and district plans are not yet known in detail. They will, however, be critical in ensuring that home builders can invest in developments with confidence and be sure that they can discuss proposed schemes according to a clear and balanced set of rules with councillors and communities.
4. The new national planning framework will be a critical cornerstone of the new planning system and it is important that the production of this framework is given priority and discussed openly with all key parties. We believe that the framework should be given

statutory effect through the Localism Bill since it will be important to be able to relate all of the disparate work being undertaken locally back to established national policy.

5. We also believe that it is vital for central government to require local authorities to properly assess housing requirements for their area. Such assessment should be undertaken in a comparable way across the whole country in order to provide a clear and transparent data set to enable robust monitoring of planning for housing and housing delivery. This might best be achieved through establishing a responsibility on local authorities to produce a robust, fit for purpose, Strategic Housing Market Assessment, specifically including evidence and advice from housing delivery agents in both the public and private sectors.
6. Local Authorities should also have a responsibility to ensure that there is a suitable supply of developable and deliverable land to meet their identified housing requirements. It is vital that monitoring of housing provision is forward looking as well as retrospective. Trajectory plans, assessing the delivery timeline of each site proposed for development are, perhaps, more important than historical data of housing completions since it is easier to spot gaps or shortfalls in housing provision from such plans with remedial action having a faster impact than merely responding to historical data.
7. The proposed housing and development incentives are very important. They are a necessary carrot for local authorities and local communities, rewarding those who ensure housing delivery that meet their clearly identified needs. Our concern is that such incentives may not be sufficient in some cases to encourage a positive focus on meeting housing requirements. The details of the NHB are still currently uncertain with a consultation promised for the autumn. This is unfortunate since the clear details of the NHB would help counterbalance the removal of the regional housing targets – reducing transitional uncertainty and ensuring that local communities and local authorities do not turn away from their responsibilities for housing provision. At the present time, in some areas, the freedom to drop previous housing targets appears to have enabled some authorities to duck this responsibility with apparently no repercussions. Not only will this not be true in terms of future housing stress in such areas, however, but the lack of knowledge of the details of the NHB (and its relationship to local authority funding from central government) have not been appreciated by all local authorities.
8. Localism presents many challenges for both communities and elected representatives. There are currently tight rules regarding probity issues surrounding the involvement of elected councillors in the evolution of development proposals. Under localism this must be reviewed. It is essential that the ground is cleared so that developers can talk properly to councillors and communities about development proposals and that so called pre-determination rules are removed.

9. Other proposals in the pre-election Green Papers published by the Conservative Party also need to be followed through and enhanced in order that everyone involved in the development process understands how they relate to the actions of each of the players and their responsibilities. For example, the concept of the presumption in favour of sustainable development lies at the heart of the new planning process yet there is currently no definition of the term nor how it might act upon decision makers. Once again, it would have been extremely helpful for such clarity to have been in place before the removal of regional housing targets in order that the transition to the presumption in favour of sustainable development did not suffer from the current policy vacuum.
10. Developers believe that they can work with the principle of localism, but this has to be subject to a clear and transparent framework that provides a fair opportunity for the market to make things happen where there is a clear need. Decisions cannot be made on an ad hoc or inconsistent basis since this would quickly bring the system into disrepute and lead to great uncertainty within the development industry, so threatening investment decisions and long term projects.
11. Perhaps our main fear of the potential shortcomings of the process of localism is the apparent lack of process for assessing, planning and delivering housing and infrastructure on a cross-boundary basis. This is essential in areas such a city region where a major development needs to expand beyond its own administrative boundary into the neighbouring hinterland. We have seen examples of this problem in Bristol and Milton Keynes so far with no apparent solution to this lack of “growth area” status previously determined at the regional (or more than local) level of planning. We believe that this issue is due to be addressed through a “duty to co-operate” to be included within the Localism Bill but we currently have no clear idea of how this duty will operate in practice or whether or not it will actually address the issue of cross boundary development as cited in the above examples.
12. One such tool to assist cross boundary working and planning might be the new Local Enterprise Partnerships. Although potentially a very important, business-informed focus on development issues for sub-national economies we have been slightly disappointed with the current approach of most of the LEP proposals which are public sector dominated and few of which have suggested a role in planning or housing on a cross boundary basis. This is, perhaps, unsurprising given the very open brief provided by the government for such partnerships. While it is, of course, more important that they can achieve a business / local government consensus on what is needed rather than having planning powers per se they would appear to have significant potential for guiding the “duty to co-operate” and guide sub national spatial decisions regarding development and infrastructure provision.

13. Perhaps the key to transition from the old planning system based on regional plans to a new locally based process is the continuity of data and monitoring processes. Local authorities and all other parties should have access to the regional data and research produced for the leaders' boards etc. in order that we do not have to start from a blank canvas and re-invent these essential processes. Going forward we should ensure that such data is collated by local authorities in a comparable way in order that we can monitor trends and outputs in a consistently. Without such a requirement it will not be possible to measure the success (or failure) of the new localism system.

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