

## **Delivering Housing Growth: Overcoming Opposition**

8th July 2008, London

**Caroline Davey, Shelter**, called for 'everyone to keep their heads' in the midst of the credit crunch and economic downturn, and for the housing agenda to be maintained. The Government has set a target of 3 million new houses to be built by 2020, while the CSR has set a target of 110, 000 social rented homes to be constructed from 2008-11. The necessity of this new housing is illustrated by the fact that half of those leaving 'temporary housing' have been living there for 2 or more years. The credit crunch has exacerbated the housing problem and made accomplishment of government targets difficult: limited mortgages are available, hitting first-time buyers, and house builders are cutting staff. There is significant opposition to development, despite this need for housing: 1 in 4 people in Britain have objected to a proposed development. However, those whose voices tend to be the loudest in the development debate tend not to be those who would benefit from such development. There are several ideas being floated to aid house building in the credit crunch, such as institutional investment, expanded PRS, a front-loading CSR spread, or putting pressure to lend on the banks. Opponents of further development cluster around several objections to claims of housing necessity: 'Why not use empty homes', 'What about the countryside?', 'Why do we need social housing here?'. To answer these particular objections: while the use of empty homes can be a part of the solution, it can only be a part; only 11% of British land is developed at present, leaving much countryside clear; and mixed housing helps to create mixed communities, avoiding ghettoisation.

**John East, Savills**, said that increasing housing requirements in the UK are being driven by increased longevity, smaller households and immigration. These trends have driven the government targets for house building to 240,000 p.a. in the 2007 Housing Green Paper. The National Housing and Planning Advice Unit has suggested that 270,000 new homes p.a. must be delivered, while for the South-East alone, an upper end of 50, 000 new homes p.a. has been suggested: this is contrasted with the current Draft RSS for the South East, which suggests an annual target of 28, 900 new homes p.a. The DCLG has forecast growth points for housing and no area of the country will escape the need for new housing. In terms of the realism of government targets, there would need to be a 61% increase on the current rates of house completions to accomplish targets, and Savills forecasts that housing completions could fall to 110,000-120,000 at the worst of a downturn, and expects a downturn in development activity for at least 4 years. Significant and increasing infrastructure is required to meet these targets. There has been a significant shift in onus from the public to the private sector over the last decade. The use of a tariff system, as trialled in Ashford and Milton Keynes, has been ruled out, as has a Planning Gain Supplement. The introduction of a Community Infrastructure Levy (CIL) has been made part of the 2007 Planning Bill, however it is unlikely to be introduced until 2010-11 at the earliest. The new planning requirements for sustainability, while laudable, have imposed greater costs on developers, while spatial planning has added further complexity to development and retarded planning briefs. The sequential approach associated with Brownfield regeneration slows ability to develop, requirements for improved design and quality of life add complexity to projects, and community involvement frustrates development progress. The problems facing developers include the credit crunch in the short- to medium-term, the increasingly bureaucratic planning system, the volume of planning legislation coming through, increasing sustainability demands, a shortage of public professional

expertise, and increasing financial demands such as the s106 and CIL. The DCLG is 'in a state of denial', not recognising the scale of the problems of housing. The role of RSLs and the Homes and Communities Agency will be important over the next 2 years. The Greenbelt Review by Natural England could have a major impact on future development, as could further reform of the planning system with the Killian Pretty Review.

**Nick Keable, Saint Consulting**, said that the Saint UK Index shows a disturbing picture of opposition to development. 86% of Brits do not want further development in their neighbourhood, and that figure has been and is rising. The attitude of the public varies with the type of development: schools are viewed very positively, and residential development is also viewed positively, surprisingly, though its support is decreasing, while casinos and supermarkets are viewed very negatively. 24% of adults have actively opposed development, and that percentage is rising; while only 7% have actively supported development, and that figure is static. Residential development is opposed most often, because it is the most common type of development and is most commonly located in residential areas. The environment and traffic noise are the two most common reasons given for opposition, followed by home proximity, protecting community values and protecting property values. Property values are probably much higher on the list in actuality, but people do not wish to admit to it. People blame councils for planning problems, with 65% giving councils fair or poor ratings on planning: this blame is getting worse. A growing number of people want stricter planning. Despite this, 66% of people support Eco-Towns, even when framed in a negative way, when they are thought to be distant. There are hidden issues to the debate: councils are doing a poor job of using planning gain to leverage public opinion, and 62% of people do not receive consultation for development. 'NIMBYs' tend to be male or female, Tory or Lib-Dem voters who are between 45-54 years old, with above-average income, living in urban, rural, or suburban areas. They cluster in the South East, South West, or East Midlands. Their main motivators seem to be fear of change and fear for their house values. There is a 'consultation cul-de-sac' retarding development: a culture of 'political followship' lends further influence to campaigning 'NIMBYs' and the population simply don't want development. Current consultation is not working and is in fact generating opposition. The solution is to identify, motivate and direct voter pressure among those groups who will support development, making it in politicians' interest to vote in favour. 'Concentric circle theory' should be used to 'widen the net' of those involved in consultation.

**Marina Pacheco, CPRE**, commented that she thought there was often a presumption in favour of development. CPRE is concerned with the impact of development on the countryside. Communities are feeling disillusioned with the planning system. The 'greater good' must be taken into account in development, with willingness to give up desired development for that good. There is a feeling of a loss of democracy among the population: 36,000 wrote in to CPRE to voice their concern over the Housing White Paper and there was virtually no change from the White Paper to the Bill. The Kate Barker Review called for the National housing plan to be informed by the regional plans. The 15 proposed eco-towns ignored the RSS Regional recommendations. CPRE is concerned over the justification for a target of 3 million new homes and is most concerned over the lack of transparency in the presentation of that target. The figure of 11% land development for the UK is contestable, and estimates may range up to 17%. However, the land that is not developed is not 'blank space'; it is used for various purposes, such as farming or nature reserves. The environment is important despite the economic downturn, and the appearance of development is a big driver for opposition in all areas. According to the DCLG, 80% of planning applications are approved nationally. Communities

need to be more appropriately consulted and more work needs to be done to address their concerns and objections in the progress of the planning application.

**John Slaughter, Home Builders Federation**, said that the housing industry is facing significant problems at the moment with the economic downturn and credit crunch: HBOS transactions are down 45%, mortgages for purchase are down 65%, and the CML has faced a 50% reduction in finance for mortgages. This has all hit first-time buyers hard. The industry response has been to re-trench, pushing back site starts, limiting new projects and holding back build-out rates. The industry needs the finance market to come back and government action to assist the market. Government action may include a stamp duty holiday, stamp duty threshold, loan deposit saving scheme, housing corporation purchases, or the use of public land and purchases. The industry faces further problems in the increasing range of public policy expectations: affordable housing, infrastructure, zero carbon requirements, design requirements and lifetime homes. These all increase the costs of development. These objectives, though laudable, all increase the regulatory cost burden, and are funded from land value. The indicative zero carbon cost is £1.2m/ha, as is the indicative affordable housing cost. The provision of infrastructure under s106 agreements is also an issue. The CIL will cover contributions from a wider range of development than the current system does. It will be locally based and adopted, will incorporate certainty of incidence, and will involve an infrastructure plan. There is detail to be resolved yet, but it could change the terms of the debate. To change current opinion, developers need to engage more with local communities. A problem that tends to aggravate opposition to development is the fact that current, opposing residents coalesce, whereas prospective residents who favour development do not. Developers need to ensure a voice for the 'have-nots'. They also need to increase the acceptability of their plans by increasing the quality of their designs, providing infrastructure and generally offering solutions to perceived problems. Another possibility is to provide buy-ins to planning applications. Effective housing provision will only be achieved by realism in other policy objectives, with the support of political leaders, and front-end investment.

### **Panel Discussion – How can public consultation be improved?**

#### **Nick Keable, Saint Consulting:**

- Question hinges on whether public consultation does speed development
- Councils and developers need to find more balance
- Consultation needs to be proactive and ensure a range of opinion
- Consultation on specific sites draws more attention

#### **Marina Pacheco, CPRE:**

- Increasing public awareness of consultation is difficult
- Lack of change during consultation is demoralising
- There should be a set time-period for planning applications that allows developers to plan around it and communities to be fully consulted
- Being proactive is a good idea

#### **Nick Evans, Bircham Dyson Bell:**

- Public consultation can identify problems otherwise unseen
- Root problem is feeling of non-effect

#### **Andrew Vaux, Lynx PR:**

- Variance in target audiences between areas
- Consultation may end up involving groups you had not thought to consult
- There must be a variety of communication tools utilised
- The most fundamental point is to show people that their voices count.

#### **John Slaughter, Home Builders Federation:**

- There is a need for political support of development
- Public consultation is part of a fundamental change in planning operation

**Martin Hendry, Adams Hendry**, said that housing and water infrastructure were ‘two sides of the same coin’, but that up until now water companies have not interacted with planning authorities. There is significant water stress in the South East, where South East Water operates. South East Water serves almost 900,000 properties, and forecasts a 25% increase in the number of properties, with a 15% increase in population. The underlying increase in water use is 0.3% p.a. Non-household demand is also increasing. Water use is controlled under Water Resource Management Plans (WRMP), which are a new statutory process including public consultation. The WRMP is supposed to identify the need for resources in its lifetime, evaluate new resource options and ways of managing demand, put in place ways to meet customer needs, and ensure environmentally safe and sustainable ways of operation. Water supply and planning now interact in several areas: resource developments need planning consent, water efficiency measures in new buildings are secured through planning policy (Code for Sustainable Homes), and an adequate water supply is a key part of demonstrating delivery of LDF proposals. Areas of concern include the discrepancy of long-term planning and short-term funding, the complex responsibilities for infrastructure, the demonstration of ‘deliverability’, the difficulty of proving need in time for allocation and provision, and uncertainty over future water efficiency gains with the resultant difficulty in effective prediction of need. Clay Hill Reservoir is located in South East Water’s Eastern Region. It has faced narrowing from 620 unconstrained options for development to 200 feasible options, which will be evaluated using detailed optimisation modelling. Its current proposed delivery date is 2017. There will be multiple consents to obtain and processes to go through to deliver it. There will be ongoing engagement with the community and stakeholders. There are multiple environmental balance issues to consider. The decision will be made with the Planning Authority, regulators and other possible parties. Water planning is insufficiently supported by policies in spatial planning. Water regulators’ roles are not related to meeting housing demand, and the unpopularity of reservoirs can frustrate efforts to place them near to demand.

**John Downer, Jacobs Engineering UK Ltd**, discussed household waste, a part of the category of municipal solid waste. The most common form of waste disposal is landfill: this has become a smaller part of the disposal solution over time, while recycling and incineration have become larger parts. There are several important pieces of legislation and targets directed towards the promotion of this trend, such as the EU Landfill Directive 1999. The current strategy for waste management is predicated towards reduction, reuse, recycling, and recovery before disposal. The quantity of waste not recycled has declined below 1990 levels in recent years. The current strategy utilises multiple collections and further transport, is motivated to a degree by the landfill tax, with the result of having a higher cost. Waste should be managed in accordance with carbon targets, environmental protection, energy usage targets, sustainability, plans for self-sufficiency, and containment of cost. Storage of waste will continue to add complexity to waste management and attempts to achieve sustainability. Public opposition to current waste management should be overcome with proactive public consultation, public knowledge-building, Environmental Impact Assessments, consideration for design, and consideration of the means of opposition to come. In the future, battery and electronics disposal will add further complexity and cost to waste management.

**Simon van der Byl, Quarry Products Association**, described the QPA as the main trade association for the aggregates industry, which represents all types of aggregates. The materials represented by its portfolio are used for almost everything that is built. The total volume of aggregates consumed annually in the UK is 284 million tonnes, of which 210 million tonnes are primary aggregates and 67 million

tonnes are recycled wastes. The UK is currently the best in Europe in terms of aggregate recycling, driven heavily by the Landfill Tax. The production of aggregates is an issue because of 'NIMBYism': the impacts associated with the fact and processes of quarrying. This is inconsistent with the reality of quarry operation, which is at a higher standard in terms of health, safety, the environment, energy usage, or community sensitivities than it has ever been before. The QPA has undertaken several important biodiversity projects, as well as multiple sustainable development initiatives, including the annual publication of an SD Report with improvement targets. The QPA has also undertaken several Carbon Reduction schemes, setting targets, measuring its own energy use and shifting emphasis to local deliveries. In the longer term, perception of the industry can be changed with programmes such as the 'Make the Link' campaign, which links quarries and deliveries to their end results, such as schools or housing. or education programmes and the maintenance of local links.

**John Qualtrough, Bircham Dyson Bell**, explained that the legal background to the use of planning gain to benefit local residents includes, s.106 of the Town and Country Planning Act 1990, extensive case law, and the Circular 05/2005 Planning Obligations. The Planning Gains must be relevant to planning, necessary to make the proposed development acceptable in planning terms, directly related to the proposed development, fairly and reasonably related in scale and kind to the proposed development, and reasonable in all other respects. There are two types of planning document: bilateral, agreed between the landowner and the Local Planning Authority (LPA), and unilateral, giving planning obligations to the LPA. There are four types of planning covenant: restrictive, positive, requirement of physical works, and requirements of payments of money. The former method of negotiation, involving the production of a 'shopping list' of benefits by LPA, the attempt to 'negotiate down' by the developer and the agreement of Heads of Terms with little or no third-party involvement, has been replaced by the more modern system which involves pre- (and post-) application consultation, allowing the developer to take stock of objections and feed this into discussions with the LPA, and a greater emphasis on predictable, formulaic charges, rather than benefits in kind. This will only satisfy residents if the monies obtained are used correctly. There are many types of benefits of interest to residential objectors, and if provided they will reduce cynicism among the public about development. The reduction of such cynicism regarding developer payments to the LPA can be achieved by the substitution of payments for the carrying out of physical works, and the obtaining of tough reciprocal covenants from the LPA to use the money for the purpose paid and within a certain time limit. There is much potential to the Freedom of Information Act to enable public awareness of and engagement in the process of Planning Gains.

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