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Rt Hon Sajid Javid MP
Secretary of State
Department for Communities and Local
Government
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Dear Secretary of State

Planning for the right homes in the right places: consultation proposals

I am pleased to enclose a copy of the Thames Gateway Kent Partnership's response to "Planning for the right homes in the right places: consultation proposals". The partnership brings together the public and private sector to promote the interests of North Kent, working to encourage, facilitate and enable sustainable economic growth and regeneration. TGKP was formed in 2001 and has worked since to help North Kent to articulate its collective voice, representing the local authorities of Dartford, Gravesham, Swale, Medway and Kent, together with leaders from key private sector organisations and wider public sector bodies.

We support the principle of improving the way the planning system provides for new homes and other development, but it is our view that the measures proposed in this paper will not deliver this. Rather than helping fix a broken housing market, they will reinforce existing market defects.

The enclosed submission provides detailed responses to the consultation questions, but there are five key areas we suggest the Government should focus to address the housing crisis in England:

- Action is needed to tackle land-banking, where it occurs, and the inequitable spread of risk and reward between landowners and developers;
- More effective measures are needed to incentivise developers to commit to and deliver on build-out rates following the granting of planning consent;
- The housebuilding sector is dominated by a small number of big players who exert too much influence over the market. We would like to see interventions which enable and incentivise smaller developers to bring a more competitive edge to both the quality and rate of new housing supply;
- The behaviour and risk appetite of lenders and institutional investors is an ongoing constraining factor in the rate of new housing delivery. We encourage the Government to explore and incentivise alternative models of funding and investment, drawing on international best practice, to unlock a wider range of development options for a range of tenures;
- Re-examine whether local authorities have the powers and resources they need to take a more proactive role in facilitating sustainable development, beyond the planning system.

We concur with the Government's wish for all authorities to have an adopted local plan, providing a clear framework for development across their areas. This is rarely straightforward and some of the proposals in the consultation paper are heavy-handed and focused on the worst performers, rather than acknowledging the differential challenges from area to area. The proposals could slow down the process for emerging local plans and much greater clarity is needed on transitional arrangements to avoid costly disruption.

Local planning authorities are able, through efficient and streamlined development control services, to facilitate the delivery of new development, including negotiating to secure required infrastructure. Beyond that, the main levers for delivering new development are not with local authorities or the planning system, but with the development industry and its financial backers.

Making a difference to the rate of housebuilding therefore needs a set of different interventions. Disappointingly, the consultation paper is predicated on the misplaced assumption that an ever increasing supply of land identified for housing will, of itself, generate a step change in the volume of housebuilding across the country with the result that house prices will reduce significantly. There is no evidence to suggest that the housebuilding industry would, nor necessarily could, deliver this outcome, and the measures proposed in the consultation document do not make it more likely.

On the contrary, we are concerned that the proposed formula for calculating objectively assessed need would result in unsustainable increases in the numbers of homes required in the South East, and North Kent in particular. The proposals are likely to compromise the five year supply and open the door to less sustainable speculative proposals on unallocated sites, rather than ensure the delivery of existing permissions or allocations. This would undermine the plan-led approach which the Government is advocating. We are also concerned about the implications of these proposals for existing and additional infrastructure, the environment and sustainable provision of employment and other uses that communities need.

These proposals seem to contradict the objectives signalled in the Government's Industrial Strategy Green Paper and do not encourage the sharing of economic growth across the country. It cannot make sense to row back on new housing provision in those areas the Government wishes to see leading economic growth – such as the North and Midlands – whilst cramming unsustainable levels of additional housing in what is already the most densely populated and economically productive part of the country. We urge the Government to reconsider how its policies for sustainable improvement in economic productivity and fixing a broken housing market can be made more coherent.

We would ask the Government to think again and to start a new kind of conversation about how the development industry, financial institutions and the public sector at national and local level can work together to address issues relating to housing, infrastructure and economic growth.

Yours faithfully



Matthew Norwell
Chief Executive, Thames Gateway Kent Partnership

TGKP Response to "Planning for the right homes in the right places: consultation proposals"

Question 1(a): Do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

A – Not sure/Don't know

TGKP supports the principle of a standardised approach to housing needs assessment. However, it is our view that the approached proposed is flawed, notably in its approach to adjustments to market signals and lack of congruence with wider policy objectives such as contained in the Industrial Strategy Green Paper.

The affordability ratios take account of work-place based earnings rather than resident earnings and this will distort the ratio for locations, such as much of North Kent, where many residents work in locations such as London where salaries are higher.

Tweaking the affordability calculation would not, however, address the problem at the heart of this consultation paper which is that it is predicated on the misplaced assumption that an ever increasing supply of land identified for housing will, of itself, generate a step change in the volume of housebuilding across the country with the result that house prices will reduce significantly. There is no evidence to suggest that this would happen in practice and no measures are proposed in the consultation document to make it more likely.

The suggested approach to take affordability into account is demonstrably inconsistent with what can be observed in real-world situations, at any rate in Kent & Medway. In areas where dwellings are being delivered at rates exceeding objectively assessed need, and indeed in excess of the number suggested by this formula (e.g. Dartford), there has been no corresponding adjustment in prices and affordability. This is not just because of continued unmet demand, but also because this not how the private housing market currently works.

Housebuilders build at the rate where they can sell stock at the price that delivers them the profit margin they seek relative to the costs of developing in any particular location. They will not generally increase supply unless that margin is maintained. Fundamentally it is build rates rather than land availability that constrain supply; and builders will not increase supply so as to ease affordability, because there is no business incentive for them to do so.

In theory, increasing competition - e.g. by enabling more independent builders to take a greater share in the market - could make pricing more competitive. But in practice, volume house-builders have economies of scale that give them a competitive advantage over smaller builders. Smaller builders also face higher personal risk exposure which, together with constraints on bank finance, limits the scale of development that it is viable for them to undertake. This tends to focus them towards niche markets (and sometimes dealing with more difficult sites) which may translate into premium prices rather than more affordable housing.

Allocating sites to deliver significantly more housing is only likely to impact delivery and affordability if accompanied by regulatory and fiscal interventions that (a) prevent land-banking, (b) support models of delivery that accept lower yields, including public sector provision, (c) ensure capacity in the construction sectors to respond to increased demand and bring in new players, and (d) establish more effective mechanisms for funding infrastructure.

Paragraph 24(b) seems manifestly wrong. For instance, at Ebbsfleet Garden City the accelerated rate of delivery of new homes has been accompanied by sustained and rising prices. The suggested inverse relationship between supply and price simply is not true in this area.

Paragraph 33 suggests that the approach set out in this paper is consistent with the approach being taken by the Mayor of London for the new London Plan, and paragraph 26 refers to a target of 72,000 new homes per year in London. However, it is our understanding that the new London Plan will stick to the indicative target of 66,000 new homes per annum already signalled by the Mayor, with the GLA adopting its own methodology and projections rather than the figure suggested in this consultation paper.

Clearly the Government's laudable intention is that objectively assessed need (OAN), calculated on a consistent basis, will take some of the argument out of what minimum housing provision should be in each local authority area. However, that only makes sense when the results make sense. The likely outcome in many areas could be that the authority's OAN becomes a 'ceiling' rather than a 'floor'. This mechanism will not therefore necessarily support policy objectives that should be driving the approach to housing growth and spatial distribution. In particular, paragraph 14 states “...we much consider that any approach must allow an understanding of the minimum number of homes that are needed across England as a whole, whilst also reflecting the effect of our Industrial Strategy as we seek to promote prosperity in every part of the country” (our emphasis). On the face of it, the proposed mechanism does nothing of the sort. Spreading economic prosperity, particularly in the 'Northern Powerhouse' and 'Midlands Engine' currently prioritised by Government, needs a sustainable mixture of jobs and housing growth with industrial, commercial and infrastructure investment matched by housing investment. However, an analysis of the indicative figures shows that local authorities in the North and Midlands could meet their objectively assessed need by *reducing* their new housing provision¹:

- Only 14 out of 72 local authorities in the North, North West and Yorkshire & Humberside would see an increase in numbers amounting to 1,520 homes per year, compared with 58 authorities seeing a decrease amounting to 12,769 homes, a net decrease of 11,282 (-20%).
- In the Midlands (West and East), 29 out of 61 authorities would see an increase totalling 1,937 new homes, whilst the remaining 32 would see a decrease of 4,821 and a net decrease of 2,929 (-8%).
- By contrast, in the South of England (including London) out of 189 authorities, 134 would see an increase of 43,301 whilst the remaining 55 would see a decrease of 11,745, a net increase of 31,557 (+20%).

What this indicates is that the current structural distortions in the housing provision across the UK would be perpetuated. New housing provision will not increase in those parts of the country where the Government is trying to focus economic growth unless (a) more ambitious targets are agreed locally and (b) markets respond accordingly. Meanwhile, the expectation of much higher housing growth than is already in plans is greatest in those parts of the country which are already the most economically productive. It is therefore hard to see that the approach would result in “the right homes in the right places”.

If London is removed from the calculation the analysis is even starker. Without London, the indicative assessment would produce a net reduction in the rest of England of -3% (5,787 homes) compared with current plans. The East, South West and South East would grow by +8% against current plans whilst the rest of the country's housing provision would shrink by -15% against current

¹ Where DCLG's “Application of proposed formula for assessing housing need, with contextual data” shows a range for local plan numbers, the mid-point has been taken as the basis for comparison.

plans. In London the suggested increase would be +47% - well in excess of the 40% cap - and account for 27% of the national uplift despite having only 15% of England's population.

Across the South East, the revised formula would indicatively require a 5% increase over existing plans. But in Kent and Medway, the increase would range between +22% (against the higher figures in local plans) to +31% (against the lower figures), averaging +26%. For Thames Gateway Kent, the range is from +28% to +63%, averaging +43%². Notwithstanding the proposed cap on increases to no more than 40% above existing plans, this indicates that even in a corridor which is ambitious for and delivering growth, the expectations of higher provision are extreme compared to the regional and national picture.

The difficulties of delivering radically increased housing numbers are compounded when examined in the context of the duty to cooperate. For the four North Kent authorities, the neighbouring authorities (disregarding the other side of the Thames Estuary) are the London Boroughs of Bexley and Bromley, and the Kent Districts of Sevenoaks, Tonbridge & Malling, Maidstone and Canterbury. For the London boroughs, it is our understanding that the Mayor of London's strategic aim is for London's housing needs to be provided within the GLA boundary. On the basis of DCLG's model, LB Bexley and LB Bromley would be faced with finding increased provision of 79% and 94% respectively above current plan levels. For the neighbouring Kent districts, their own increased requirement would range from +13% in Sevenoaks to +40% in Maidstone. Meanwhile, on the basis of the constraints included in the DCLG table, these include some of the most geographically constrained authorities in the country. With 94% of its area subject to some form of designation, Sevenoaks is equal first as the most constrained authority in the country, and at 77% Tonbridge & Malling is ranked 25th most constrained. Of the Thames Gateway Kent authorities, Gravesham is the most constrained (78%, ranked 24th) and Medway the least (23%).

We recognise that the listing of constraints reflected in national and statutory designations is not comprehensive, but there are other constraints that may be significant locally, including flood risk, air quality, ground conditions, contamination and safety issues (e.g. exclusion zones around military sites such as firing ranges, and around industrial installations such as petro-chemical storage). Within their limitations, the estimates of land constraints provide a strong indication that securing increased housing numbers outside boundaries through the duty to cooperate would be extremely challenging.

Our conclusion is that whilst we support the principle of a standardised assessment methodology, it risks becoming a blunt instrument which elevates the allocation of land for housing above all other considerations that make for sustainable communities, whilst doing little to address the structural imbalance between markets in the North, Midland and South of England. It could undermine intelligent planning that holistically reflects local circumstances, ambitions and constraints.

Our partnership is seriously concerned that there is not capacity to accommodate this scale of additional growth in North Kent, above the ambitious levels already being pursued, without placing unacceptable pressures on infrastructure and the environment. We are uncertain that the development industry could, or would wish to, deliver this additional volume of new housebuilding in the area over the timescales envisaged. There are also issues of capacity and access to development finance in the housebuilding sector, together with consideration of market factors that influence the release of new homes, which the Government's current proposals do nothing to address.

² See footnote 1. If Medway's own OAN figure of 1,281 were substituted, the average increase across Thames Gateway Kent would be 33%.

Question 1(b): How can information on local housing need be made more transparent?

No comment.

Question 2: Do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

A - Not sure/Don't know

Two years is still a relatively short time in the overall scheme of plan preparation and review. We suggest that anything up to five years from the Draft Submission Local Plan should be allowed for calculations of housing need to be relied upon as part of a plan's evidence base.

Question 3: Do you agree that we should amend national planning policy so that a sound plan should identify local housing needs using a clear and justified method?

A - Yes

Again we support the principle enshrined in the question. But there is a major difference between adopting any figure for new homes and (a) identifying the sites where new homes can be delivered sustainably, (b) securing the infrastructure needed to support the delivery of those additional new homes, and (c) identifying and securing the funding that will deliver that infrastructure. We suggest that Planning Inspectors should give no less attention to these issues than would be expected currently; otherwise there is a risk of unsound planning.

It is unclear how the consultation paper can claim (para 40) that the proposed approach "will...give communities greater control of where much-needed homes should be built". There is nothing in these proposals to support that statement. Indeed, the opposite seems likely to be true since the incentive it will create for speculative development on sites not identified in plans will limit community engagement to the specifics of proposals, and planning by appeal, rather than positively shaping what happens through local or neighbourhood plans.

Question 4: Do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from the Planning Inspectors?

A – Not sure/Don't know

We would expand upon the point made in our response to Q3: adopting a figure, especially a higher figure than produced by a standard method, does not mean that level of housing is sustainable. Where planning inspectors give less scrutiny to the assessment of housing need, it is vital that they should continue to give adequate scrutiny to whether appropriate provision is made for employment sites, including commercial, industrial and mixed-use sites, to ensure a sustainable balance between new homes and jobs.

Para 46 of the consultation paper implies recognition of a causal link between homes and jobs, i.e. where increased employment or investment strategy could be the driver for more ambitious levels of new housing. This principle needs to be applied in reverse too, i.e. that ambitious levels of new homes need to be complemented by appropriate employment land provision and measures to encourage economic growth.

Paragraph 46 also indicates that the Government would use the Housing Infrastructure Fund to support local planning authorities to step up their plans for growth. Perversely, in a local authority whose OAN would reduce under the Government's formula relative to the numbers already in their

local plan, adhering to existing plan numbers could give the appearance of stepping up plans for growth without demonstrating any raised ambition. Meanwhile, an authority with a raised requirement under this formula might find it far more challenging to demonstrate ambition for growth above OAN, and thus be comparatively less well placed to make the case for investment in the very infrastructure that such growth would require. It will therefore be important that HIF allocations take account of the degree of challenge faced in any particular locality.

Question 5(a): Do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

A – Yes

It makes sense for the Secretary of State to be able to use discretion to allow additional time before any new baseline applies. Otherwise there is risk that emerging plans might be further delayed by re-working proposals and undertaking further consultations. This could arise not just where authorities have ambitious proposals for new homes, but also where there are other complexities affecting local plan preparation timetables.

It should be recognised (paras 45, 51 and elsewhere) that UDCs are not necessarily plan-making authorities but may only exercise development control (as in the case of Ebbsfleet UDC).

The implications for five year land supply need to be given further consideration - see response to 5(c).

Question 5(b): Do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five-year land supply and / or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

A - Not sure/Don't know

Question 5(c): Do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five-year land supply and to be measured for the purposes of the housing delivery test?

A - Yes

The proposed arrangements for introducing the revised numbers risk undermining the five year housing supply. It is an ongoing struggle, particularly for authorities where it is taking time to get a local plan adopted, to demonstrate a 5-year housing supply and thus to take a plan-led approach to development. As a consequence, authorities are vulnerable to speculative planning applications from developers and landowners promoting sites that are not in the emerging plan or part of the identified pipeline of potential housing land allocations.

Under the proposed arrangements, the new projections would have the effect of inflating the baseline and future years' projections against which authorities have to demonstrate a five year supply. That could have unhelpful and possibly unforeseen consequences. In particular, it will create a situation where more authorities can no longer demonstrate a five year supply, and/or

widen the gap between existing supply and the new projections. This will increase vulnerability to speculative development in less sustainable locations, resulting in sub-optimal outcomes.

Analysis of data contained in KCC's Housing Information Audit (Residential Land Supply) published 6 December 2016³, indicates that for Kent (excluding Medway) dwellings already with planning consent and either not started or under construction already provide for 101% of the five year requirement (2016/17 to 2020/21). The estimate of capacity on allocated sites (56,476 dwellings) is 150% of the five year requirement (37,657); and the identified five year supply (45,760) is 122% of the five year requirement. In other words, there are plenty of developments already consented and sites allocated awaiting planning applications. Housing delivery – that is, the response from the development sector – is not keeping pace with existing consents and allocations. This reinforces the point made earlier in this response that an increase in housing targets does not automatically translate into an increase in supply.

We suggest that the Secretary of State should use discretion, pursuant to 5(a) above, to treat authorities that are given additional time before a new baseline applies as having a deemed five year housing supply until the agreed commencement date for any new baseline.

Question 6: Do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?

A - Not sure/Don't know

The table of proposed transitional arrangements leaves unclear what would happen where, for instance, there has already been a completed call for sites, consultation on issues and options etc. Would that all have to be done again to take account of new requirements arising from the standardised method?

Question 7(a): Do you agree with the proposed administrative arrangements for preparing the statement of common ground?

A - Not sure/Don't know

We agree with the principle of a statement of common ground. However, it is important to recognise that this does not mean that a complete solution to neighbouring authorities' requirements can necessarily be found through the statement of common ground and duty to cooperate process. The statement may therefore be as much about what cannot be done as what can.

We are concerned that, as laid out in this paper, the Government appears to expect that effective cooperation, distilled in statements of common ground and the tests of soundness that relate to the duty to cooperate, will solve the issue of where additional growth can be accommodated. What cooperation will not do, however, is address the fundamental problem of over-heating pressure in London and much of the South East, nor help to engineer redistribution of growth in ways that would support the objectives of the Industrial Strategy. Whilst recognising that objectively assessed need is just that - it is not designed to deliver other policy objectives or ambitions - it is vital that the instrument that is used as the major determinant of the levels and distribution of housing growth should be better able to reflect joined-up policy objectives across Government. Otherwise it is hard to see the Government's emphasis on 'sharing the benefits' of growth around the UK being realised.

³ http://www.kent.gov.uk/__data/assets/pdf_file/0004/65740/KCC-Housing-information-audit-residential-land-supply.pdf

Our response to Q1 illustrates the challenge that exists in North Kent. This is an area ambitious for economic-led growth and regeneration. The target set in our Growth Plan for 52,000 new homes between 2006-26 was both realistic and ambitious, and it is accepted that looking ahead to 2030, 2040 and 2050 will mean raising those ambitions further. Various constraints upon land availability both within North Kent and in neighbouring authorities mean that cross-boundary solutions to deliver significantly higher housing numbers than already being contemplated are not necessarily realistic. There also remains the wider question of how the Mayor of London decides to accommodate London's growth pressures (mentioned in our response to Q1), the implications for the Wider South East and what a statement of common ground between the Mayor and WSE authorities might cover. It would be helpful to have more clarity about that before finalising expectations of the scope of more localised statements covering housing market areas, which are in any event complex and overlapping in the South East London - North Kent corridor.

Question 7(b): How do you consider a statement of common ground should be implemented in areas where there is a mayor with strategic plan-making powers?

See comments on Q7(a). The nature of any statement of common ground between the Mayor of London and local authorities in the Wider South East needs to be understood in determining the scope of bilateral or multilateral statements agreed between individual planning authorities.

Question 7(c): Do you consider there to be a role for directly elected mayors without strategic plan-making powers in the production of the statement of common ground?

A - Not sure/Don't know. No comment. This is not a situation that applies within TGK's area.

Question 8: Do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?

A - Not sure/Don't know

One additional complication not mentioned in paragraph 62 is the different stage that neighbouring authorities may be in their local planning cycle, and how that affects their dialogue under the duty to cooperate.

With this in mind, we would voice cautious support for the proposition that statements should be produced within 12 months of amended National Planning Policy Framework and Guidance being adopted, but suggest that careful consideration is given to the timescales likely to be involved in London and the Wider South East, and whether 12 months after the revised NPPF is published will be sufficient.

Question 9(a): Do you agree with the proposal to amend the tests of soundness to include that: i) plans should be prepared based on a strategy informed by agreements over the wider area; and ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?

A - Yes

We agree in principle, subject to the caveat expressed in response to Q7(a) that statements of common ground will not necessarily articulate a complete solution in places where the combination of local ambitions and constraints in neighbouring authorities cannot be reconciled.

Question 9(b): Do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

See response to Q8.

Question 10(a): Do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?

No comment.

Question 10(b): Do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

No comment.

Question 11(a): Should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

No comment.

Question 11(b): Do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

No comment.

Question 12: Do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?

A - Not sure/Don't know

It may be unrealistic to expect that, at plan-making stage, the source of all funding for infrastructure will have been identified. In Kent and Medway, extensive work has been undertaken to prepare a revised Growth and Infrastructure Framework (GIF, updating one produced in September 2015). The GIF provides estimates of the infrastructure needed to support planned growth, known sources of funding including developer contributions, and identifies likely funding gaps. This should provide useful evidence to aid planning authorities and developers alike, and also inform funding bids for infrastructure to support delivery of growth.

Question 13: In reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

No comment.

Question 14: Do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?

A - Yes

This makes sense in principle, though where significant time has elapsed since a Plan's adoption local circumstances might also have changed. At planning application stage more detailed work e.g. site surveys might uncover additional factors that have not been taken into account at Plan Policy stage. The onus should perhaps be on the planning applicant to demonstrate why, in the circumstances of any particular case, the issue of viability merits re-examination.

Question 15: How can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process including in circumstances where a viability assessment may be required?

A frequent comment from both developers and planning authorities is around the difficulty of engaging utility providers and aligning planning and investment so as to secure timely delivery of utility services. Some of this difficulty derives from the regulatory and funding regimes under which the various utilities operate. In preparing guidance, we suggest that the Government should review best practice in how utility companies, planning authorities and developers can work together to optimise delivery outcomes.

Question 16: What factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?

No comment.

Question 17(a): Do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?

A - Yes

This seems desirable in principle, provided appropriate contextual information is provided and that the existence of this requirement does not inhibit the actual negotiation of agreements.

Question 17(b): What factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?

Question 17(c): How can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?

No comments.

Question 18(a): Do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

A - Not sure/Don't know

Planning authorities will no doubt welcome an increase in fee income. But if the core issue is around the resourcing of planning departments then it may be more appropriate to review whether there are other areas of activity where fee income may not be proportional to the amount of work involved (e.g. Prior Approval notifications).

Question 18(b): Do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

Question 18(c): Should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

No comments.

Question 19: Having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?

A - Yes

By far the biggest impediment to a great many development schemes is the inadequacy of infrastructure, including utilities, and the need to bring forward infrastructure both physically to enable development and to generate market confidence and community buy-in. We suggest that Government should look positively at forward funding mechanisms, including recyclable loan schemes and borrowing freedoms to enable timely delivery of infrastructure to unlock development and increase build out rates.

Paragraph 112 of the consultation paper states that "developers and landowners should ensure that they are considering the cost of any policy requirements when proposing schemes". As we commented in response to the consultation on the Housing White Paper, until the price that developers pay for land fully reflects the expectations that accompany development, and internalises the externalities associated with the use of the land, we will not see an equitable spread of risk and return nor a meaningful shift away from market inflation that burdens the customer and hampers viability. Land owners who extract too much profit from sale of the land for development, and land-bankers who have either paid too much for the land or abuse their market position to ration supply, exert a disproportionate influence over the housing and development market and drive up prices beyond what ordinary people can afford, whilst bearing limited risk relative to the return on their investment (or inheritance). The time has surely come to create a framework whereby the hope value generated by allocation of land for development or granting of planning consent is moderated so as to deliver a fair deal all round - for land owners, developers and the customers ultimately paying for the final product. We suggest that a radical review of land valuation, drawing on lessons from overseas, should be a priority.

The policy thinking around this consultation paper and the Housing White Paper needs to be meshed coherently with policy thinking around stimulating the economy, so that economic growth in targeted areas such as the North and Midlands is matched by their taking a greater share of housing growth. Measures to address the dysfunctionality of the housing market need to be more explicitly positioned in a broader economic context and reflect a holistic, cross-Government policy response.

Historically it is well known that the highest rates of housebuilding in the UK have been achieved when the public sector had an active housebuilding programme. The Government has taken small steps in allowing Councils once more to build affordable homes, but there are various ways in which it could take its hand off the brake and encourage councils to undertake much more substantial house-building programmes for a range of tenures.



The Thames Gateway Kent Partnership is a public-private partnership, established since 2001, promoting sustainable economic-led growth and regeneration in North Kent.

The top priorities in our *Plan for Growth 2014-20* are:

- Delivering growth in key locations
- Attracting and retaining investment
- Focusing on quality
- Supporting businesses – growth key industry sectors
- Supporting businesses – increasing innovation, enterprise and creativity
- Improving skills, qualifications and employability

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