

**Strategic planning interventions
in the post recession period
A London case study**

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Subject of Research

- **To analyse:**

Impact of 2008 recession

Impact of change of Mayor- Boris Johnson succeeded Ken Livingstone in 2008

Impact of change of Government in 2010

Objective of research

- **To consider interaction of governance changes and external economic factors**
- **To assess whether pre 2008 model of planning and funding housing still viable ; and if not**
- **Set out preconditions for a new model**

Research methodology

- **Analyse data on housing output in London 2008-2011 period relative to 2000-2008 period analysed in author's previous study**
- **Development viability analysis on impact of recession on pre 2008 development schemes**
- **Study of 50 strategic planning decisions in 2008-2011 carried out for London Assembly**
- **Review of policy changes at national and regional level – differentiating impacts by governance scale – and examining interaction of policy changes**

Research challenge

- **Differentiating between impacts of different factors**
- **Scales of governance - national, regional, local**
- **Policy changes: housing; planning; funding priorities**
- **External economic factors – recession and recovery**
- **Interaction between factors – intentional or unintentional; predictable or unpredictable**
- **If unpredictable, were negative impacts avoidable ?**

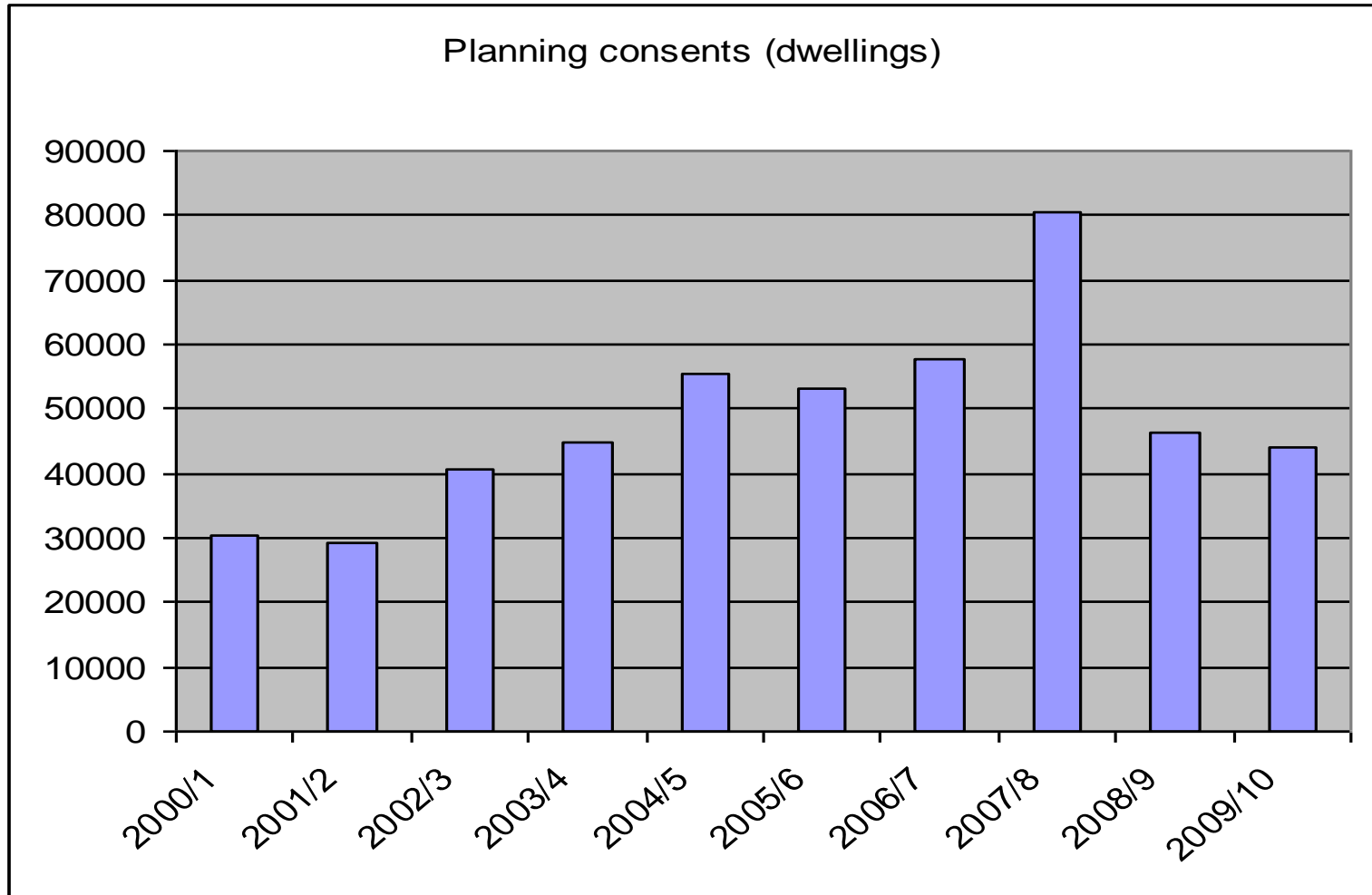
The Mayor of London as Strategic Planning Authority

- **Mayor is responsible for Spatial Development Strategy for London – The London Plan**
All borough plans must be in general conformity with the London plan
London Plan is part of each borough's Local Development Framework (under 2004 Act)
- **Mayor has development control powers-**
- **Under 1999 GLA Act, power to direct LA to refuse planning consent on strategic schemes – housing schemes over 500 homes**
- **Under 2007 GLA Act, power to directly determine strategic schemes. New threshold of 150 homes (Revised London Plan could increase threshold to 400)**

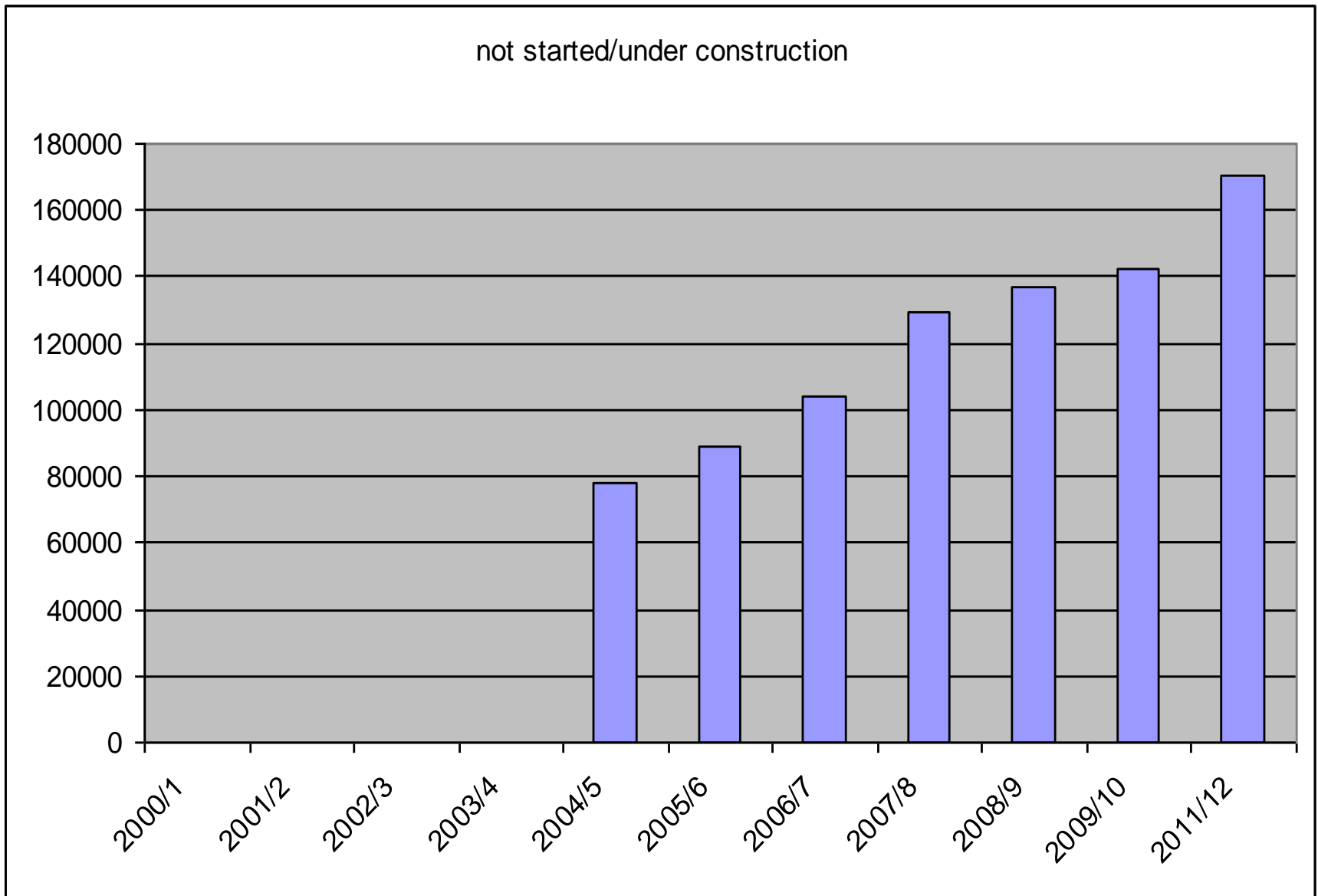
Differentiating between impacts

- **Changes in availability of funding more important than changes in Mayoral policy or targets**
- **No significant changes in Mayoral policy or practice between 2008 and 2011**
- **Fundamental impacts of recession in slowing down housing starts and new development proposals**
- **But recovery in prime markets by 2012 – but major schemes on peripheral sites still stalled**

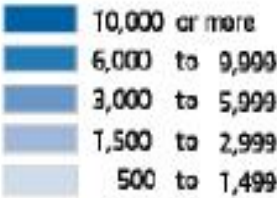
The development pipeline: Consents



The development pipeline 2



**Housing pipeline:
Net homes not started or under
construction, as at 31 March 2011**



Source: London Development Database

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Greater London Authority 100032216 (2011)

Densities and Sustainable Residential Quality

- **Planning consents since Plan adopted**

	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
Above range	62%	65%	60%	55%	53%	56%
Within range	31%	28%	36%	40%	41%	39%
Below range	8%	7%	4%	5%	7%	6%

- | | 2010/11 | Average over 7 years; |
|---------------|----------------|------------------------------|
| Above | 58% | 58% |
| Within | 37% | 36% |
| Below | 5% | 6% |

Mayoral Strategic planning interventions since 2008

- **Analysis of 45 cases – random sample mainly housing schemes**
- **Case files including working papers , supporting documents from applicant as well as committee reports**
- **Policy and process checklist**

Conclusions from case study analysis

- **Johnson's approach to planning interventions not dissimilar to Livingstone's**
- **Tried to apply 2008 Plan until 2011 plan adopted**
- **Proportion of schemes outside SRQ matrix parameters did not fall**
- **Consents for towers continued to be granted (Johnson had originally opposed)**

- **Lack of consistency in policy compliance assessment (especially on density, viability, housing mix)**
- **Cases considered by Mayor average 21% affordable housing output (while London consents overall stayed at 37% as in previous period)**
- **Pressure to provide social rented housing maintained to 2010: SR completions in 2010/11 was 57% of affordable (compared with 55% in 2007/8) – partly assisted by increase HCA funding for social rented homes in late 2008 – the Kickstart programme.**
- **Shift of planning agreement (s106) contributions from affordable housing to public transport**

Planning obligations (sample schemes)

- **Transport provision** £276m 82%
- **Affordable housing** £18m 6%
- **Other infrastructure** £41m 12%
- TOTAL** £335m

Impact of coalition Government

- **End of funding for social rented housing – so social rented completions will fall to close to zero as current pipeline completed (some LAs still funding small social rented programmes)**
- **New focus on sub market rent**

Government policies and London

- **Change in affordable housing definitions in National Planning Policy Framework and London Plan**
- **Impact of benefit cuts on social polarisation – lower income households being driven out of central London**
- **Mayor has limited influence on countering national policy or mitigating these impacts**

Intentionality and avoidability - 2012

- **Impact of funding cuts on housing benefit costs could have been predicted but was not**
- **Assumption that market would self correct was not justified (self correction means should have been greater product differentiation rather than just delaying investment)**

- **Impact of abolition regional planning targets and going for localism not thought through**
- **Impact of welfare reforms on private finance for Housing Association and Private sector provision not understood**
- **Social polarisation agenda intentional but negative consequences not understood in terms of negative impact on London economy, or quality of life. Employment prospects for households effected**

Preconditions for a new model

- **Re-establish a strategic planning framework**
- **Consider all development options against sustainability objectives (economic, environmental and social)**
- **Local planning authorities to set needs based framework for site development**
- **Develop at sustainable densities and avoid raising landowners expectations about land value**
- **Assess need and fund transport and social infrastructure**
- **Housing targets must be need based and not constraint by viability assessment relating to current negative public funding context**
- **Re-establish a public funding regime to fund investment rather than relying on revenue support to households**