

## Written evidence submitted by Royal Town Planning Institute

We welcome the chance to submit evidence to the PAC inquiry on planning and housing, set in the context of the recent National Audit Office report ‘Planning for New Homes’.

### About the RTPI

The RTPI champions the power of planning in creating prosperous places and vibrant communities. As learned society, we use our expertise and research to bring evidence and thought leadership to shape planning policies and thinking. As a professional body, we have over 25,000 members across all sectors, and are responsible for setting formal standards for planning practice and education.

### How the Department will achieve its ambition for 300,000 new homes a year from the mid-2020s

#### The achievability of the target

1. The recent NAO report concluded that the current system of policy and investment in planning is not working well in terms of achieving the Government’s target of 300,000 homes per year from the mid-2020s. It made it clear that this must be understood in the context of reductions in local authority capability and failures in the system to ensure adequate contributions for infrastructure. Whilst it welcomed some of MHCLG’s actions, for example attempting to improve developer contributions, it made it clear that the Government need “to take this much more seriously and bring about improvement”.
2. The NAO conclude that the 300,000 figure was not generated using evidence of what is possible. We would add that excessive focus on such a large aggregate target fails to take into account other crucial outcomes, including:
  - a. Meeting specific housing needs, and the need for sub-market and social housing in particular.
  - b. The location of development, for example proximity to existing infrastructure. We have published research on this topic, [The Location of Development](#), which found for example that over half of the houses permitted in the areas we looked at are not within easy walking or cycling distance of a railway, metro or underground station.
  - c. The implications of such a programme for meeting carbon targets.
3. The RTPI has responded to several recent Government consultations with detailed responses to particular proposals aimed at reaching this target, including relating to [developer contributions](#), the [revised NPPF](#), [proposals to change the standard method for assessing housing need](#), and [the extension of permitted development](#).

#### The need for regional planning structures

4. In 2017 we published research on the [deliverability and affordability of large scale housing in the South West of England](#). One finding of this research was that all of the schemes studied were the product of formal statutory strategic planning processes –either structure plans or the South West Regional Spatial Strategy. For some time housing completions have been

reliant on this legacy. Urgent steps are now needed to fill the gap left by the removal of formal strategic planning.

### **The need for better and more transparent data on land and development**

5. To operate effectively both planning and the land market require high quality transparent data. To support this [we have argued](#) that the Land Registry data on ownership should be made more easily available. We also believe it is important for the planning system to use new technology and improve data collection and publishing to support delivery.

### **Local authorities' spending on planning and their processes for dealing with planning applications**

#### **Local Planning Authority resourcing**

6. The NAO findings regarding huge cuts to local authority planning departments resound clearly with both our research and the experiences of our members. Our [research on Investing in Delivery](#) led by Arup (2015 and 2018), found major reductions in planning staff as well as evidence of other issues associated with cuts. It also found that the proposed 20% increase in planning fees would not be sufficient to address resourcing challenges. And, that even with this increase and rising funding from pre-application advice and planning performance agreements, income from development management falls far short of covering the cost of planning applications.
7. This shortfall is further compounded by the extension of permitted development rights, which not only deprives local authorities of developer contributions, but force additional unfunded work for local planning authorities.
8. We also recently published research with the University of Sheffield, [Serving the Public Interest](#), on the increasing role of the private sector in delivering what were traditionally public sector roles. It reported on “the age of reluctant outsourcing”, finding that almost a decade of UK-wide austerity has made resourcing a serious challenge for local planning authorities. The Government's pro-housing and pro-growth agendas have resulted in an overwhelming focus on these two issues –often to the detriment of other important agendas and a more holistic model of planning. In England, in particular, deregulatory planning reforms have weakened planners' ability to ensure development is coordinated and of a high quality. It has also produced a fractured, complex governance landscape.
9. Finally, our members report that the combination of cuts and constant planning reform have left them struggling to do their jobs. A survey of our members in 2016 found that 73% felt constant changes to the planning system had hindered their ability to deliver good places.

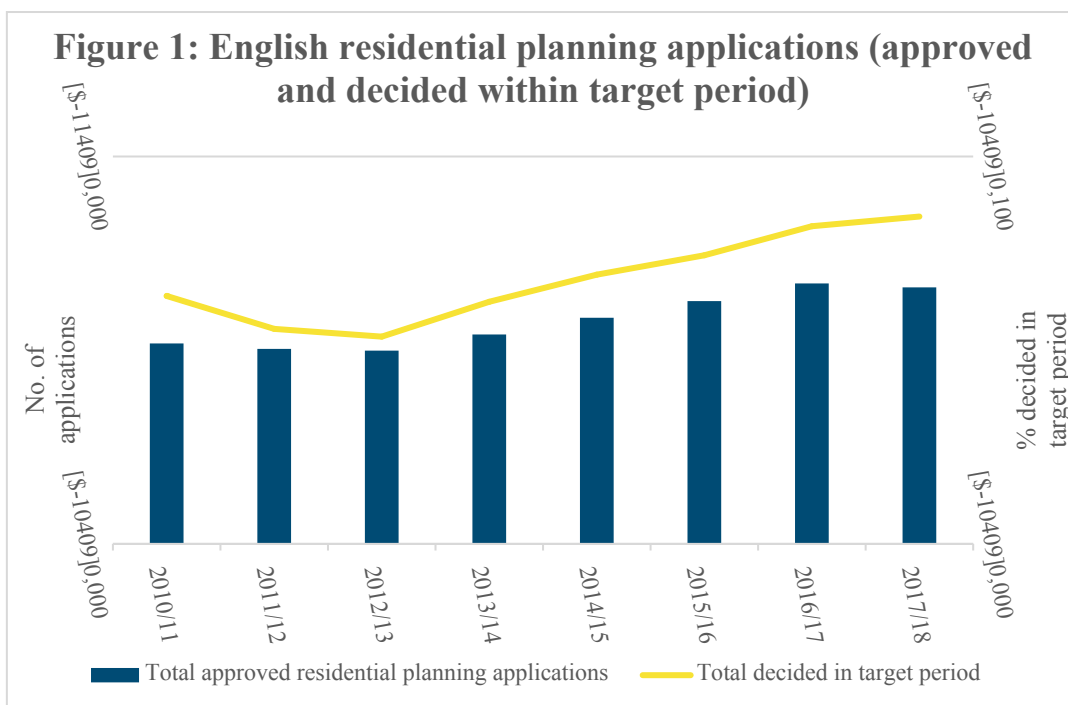
#### **The ability of local authorities to guarantee delivery**

10. The NAO report makes it clear that “The Department holds local authorities to account for providing new homes, but this is not fully within local authorities' control.” We have long shared this view, and it is reflected in the statistics.
11. Local planning authorities are granting permissions at a record rate. Over 350k permissions granted in year to June 2018 – rising for the 7th year in a row, and almost double the 2009 low (see Figure 1 below).<sup>1</sup> A greater proportion of applications are being approved and a

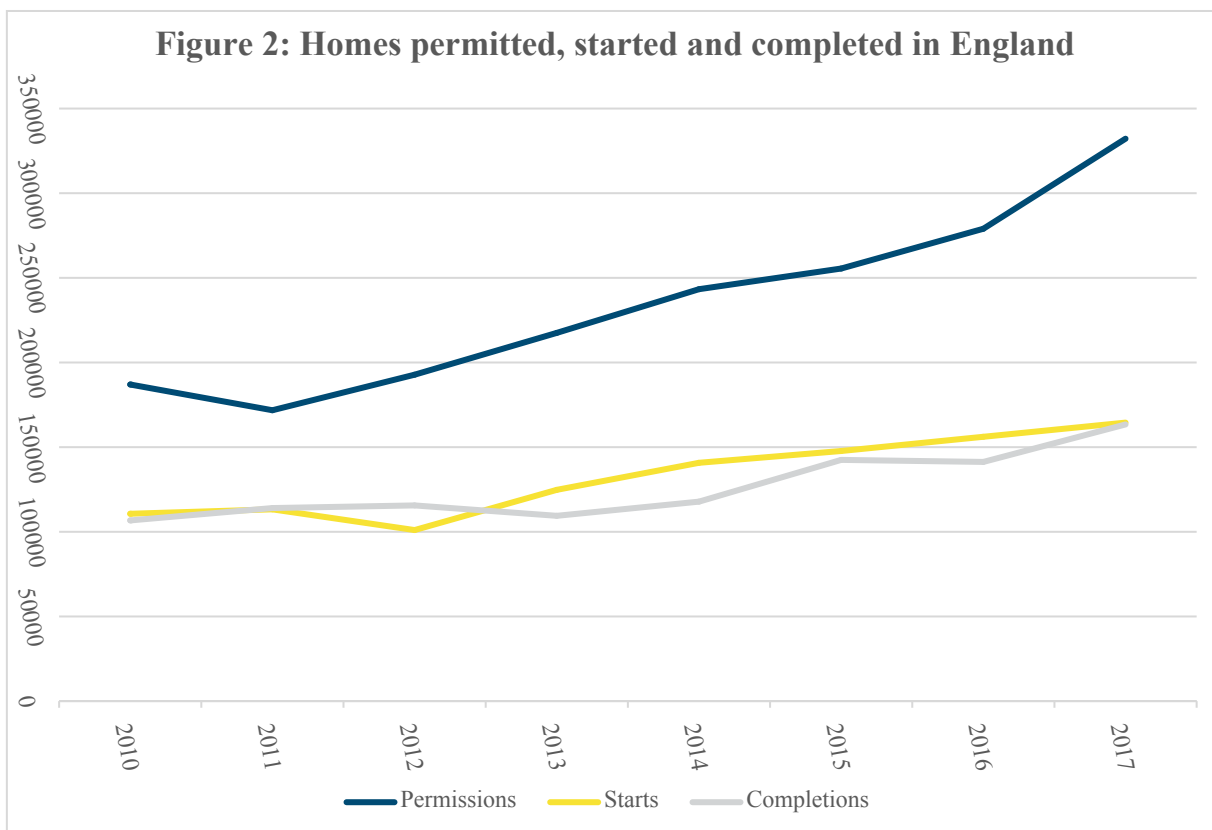
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<sup>1</sup> [MHCLG Live Table P120a](#)

greater proportion being decided within the target period. However, as shown in Figure 2, this has not been matched by an equivalent increase in the number of starts.



Source: MHCLG Live Table T120a



Source: Table 213 House building: permanent dwellings started and completed, by tenure, England (quarterly). Source 2: Glenigan planning permission data cited in MHCLG (2018)

12. In some cases local authorities are so frustrated with their inability to control delivery that they have begun to directly delivering housing themselves. Our 2017 UCL-led research into [local authority direct provision of housing](#) found that many local authority planners commented that one of the major benefits of directly delivering housing is that all the developments are completed and that they generally available far more quickly than in those private sector developments. However, extension of local authorities capacity to deliver housing will require additional powers and funding.
13. Furthermore it is unfair that recent policy punishes local authorities who are not meeting their targets with further penalties which may make it harder for them to take control of development. This includes penalties associated with failing the housing delivery test. And proposals to limit the additional 20% fee increase to local authorities who are already successfully meeting targets.

### **Delivering local plans**

14. The failure of many local authorities to deliver up-to-date local plans is directly related to lack of resources. Our research on [Investing in Delivery](#) found that resources are being diverted from placeshaping activities such as local plan-making to core statutory functions. Where the funding of local authorities is reduced they are forced to prioritise their statutory function of development management, meaning other tasks cannot be properly resourced. The 2015 Investing in Delivery research found a 37% drop in planning policy staff in the North-West. The recent [Rainsford Review](#) reported that in one local authority they visited, the capacity dedicated towards the Local Plan process was 1.5 full-time-equivalent posts.

### **Long-term funding for infrastructure to support new homes**

15. The NAO found that infrastructure funding is complex and lacks cohesion and certainty, in particular because “government departments are not required to align their investment strategies with local authorities’ infrastructure plans”. Our ongoing research into [Integrated Infrastructure Planning](#), led by the University of West England and Peter Brett Associates is exploring this very issue. The project has not yet published findings, with a final report due to be published in Summer 2019. For more information please contact [james.harris@rtpi.org.uk](mailto:james.harris@rtpi.org.uk)
16. The NAO mentions that more data needs to be collected on what infrastructure contributions (e.g. through section 106) are actually being collected by local authorities. We strongly agree with this, as such information is crucial to understand whether existing policy is working. We are currently feeding into the ONS survey on Housing and Planning Statistics to emphasise this point.
17. We have also argued in a response to the [Select Committee for Housing Communities and Local Government inquiry into land value capture](#), that the Government should consider more comprehensive forms of land value capture in order to securely fund infrastructure in the longer term.

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