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

Planning consents (dwellings)

[Bar chart showing planning consents from 2000/1 to 2009/10, with a significant increase in 2008/9.]
## Densities and Sustainable Residential Quality

- **Planning consents since Plan adopted**

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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