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Planning and the Politics of Housing Growth: A Case Study of
Northamptonshire and Milton Keynes
November 1st 2012



#### What the presentation covers;

- Background to the crisis of housing delivery
- Who is to blame?
- The ESRC research project
- Findings on Growth
- Findings on Sustainability
- Conclusions and thoughts....



#### Crisis of housing delivery; completions in England

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    Completion target approx. 250,0000 per annum
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2000-1 133,260
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• 2001-2 129,870	Rapidly rising house prices
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2002-3 137,740

2004-5 155,890 Barker Review (call for 70k more)

2005-6 163,400

2006-7 167,870

2007-8 167,680

2008-9 144,990 Credit Crunch

• 2009-10 119,910

• 2010-11 107,890 Recession

2011-12 118,190

### Why?

- It's the planners fault (planning delays)
- It's the house builders (stranglehold on land and the market)
- Its NIMBYs (communities don't want new housing next door to them)
- It's the Government (who wont fund infrastructure)
- Its about mortgage finance (from excess to famine)

UK housing stock

**Brick by brick** 

# Red tape stops us building or growth, say developers

en belt rules offer hope of boosting ain's economic overy, reports

rdre Hipwell

t is not hard to find evidence of Britain's housing crisis. A visit to the borough of Reigate and Banstead encapsulates many of the challenges facing a country that cannot meet its growing need for new and affordable homes.

Nearly three quarters of this East Surrey borough is in the "Metropolitan Green Belt" — protected open space around London — meaning that available land supply for new homes is constrained. Yet demand for homes to rent and buy in the commuter borough remains high, keeping prices at a level that is unattainable for many buyers, especially first-timers. The delivery of affordable housing is also struggling as

grant funding for housing associations is cut.

Jonathan Higgs, chief executive of Raven Housing Trust, the borough's largest housing association, with 6,000 homes, said: "We built 181 homes in 2010-2011 but after the new government changes [which cut grants] we can now only build 114 homes over the next four years. It is a pretty dramatic cut."

To try to make up the shortfall in funding, Raven has had to increase its rents to 65 per cent of the market rate—it could raise this to 80 per cent but will not, as its tenants could not afford it. "Our objective is not to maximise income," Mr Higgs added. "We have to build homes for people who cannot compete in the open market. It should be about providing affordable homes for low-paid workers without having to resort to housing benefits."

Jade Dudley, 19, who was born in East Surrey, has recently moved into a Raven home after being temporarily housed by the council in a hostel for more than a year and a half. The full-time mother of a 13-month-old girl said that throughout her pregnancy she had to "sofa jump" with her boyfriend, who is unemployed, at friends' and relatives' houses.

"We were basically homeless, and eventually got put into accommodation where we lived with loads of other people in one room with shared bathroom and toilets. We kept bidding and bidding for a home and eventually got

## Owner-occupied Private-rented Social-rented **Dwellings** 17.8m **Dwellings** 18% Market value

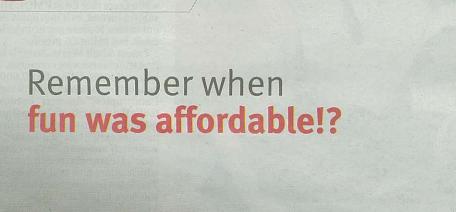
65%

£3.2trn

£839bn

£318bn

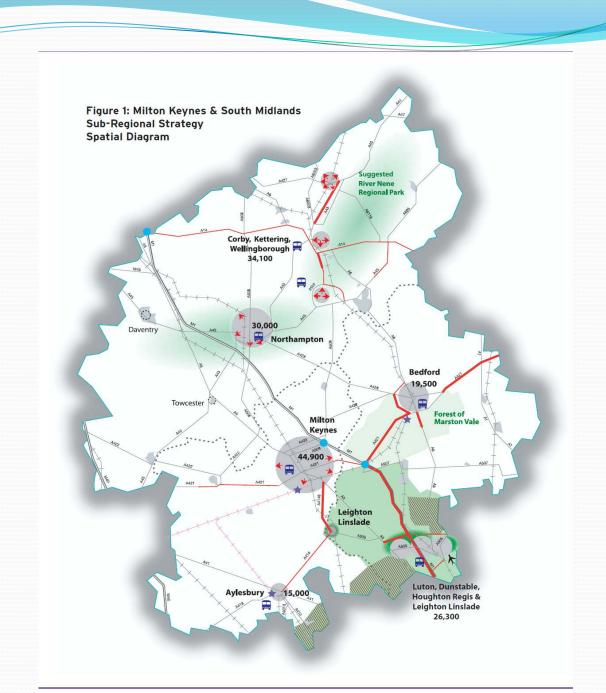
Predicted five-year growth



Exclusive to subscribers

#### The Research study

- Aim to analyse "sustainable communities" plan response to the crisis of delivery using a case study of one of the Growth Area - MKSM - see map
- Interviews with stakeholders, documents/reports
- Focus on Perspectives, tensions and prospects for "growth"
- And on Perspectives, tensions and prospects for "sustainable housing development"
- Next year we will be looking at alternative approaches to spatial planning for housing, and at alternative housing development models



#### The Growth Areas

- Four growth areas in the south-east identified (TG, MKSM, Ashford, and London- Stansted-Cambridge)
- Government set very ambitious ("step change") targets for the Growth Areas
- Assumption was that in these Areas the private sector would deliver with limited role for government (£450m in total)
- Role of local authorities was the facilitate growth through Core Strategies, allocating land for housing, including large urban extensions
- LDVs with varied powers e.g WNDC established by Government; others as a result of local initiative



#### Response of stakeholders to growth plans

- Major towns in study area (e.g. Corby, Northampton, Daventry, Milton Keynes) had ambitions for growth or regeneration
- Most Las supported MKSM, or took a pragmatic view, and in N'hamptonshire agreed to set up JPUs to prepare Core Strategies
- Towns and parishes on edge of major urban extensions were more critical of growth with a vocal community campaign on the western edges of Northampton – criticism that growth was not "infrastructure-led"
- Friction with Las and some communities over West Northants Development Corporation; but Milton Keynes Partnership (MKP) more embedded and largely non-controversial
- MKSM was acknowledged by house -builders but did not make a great difference to their own plans – they were actively acquiring land purchase options well before the growth plans

#### Changes to growth plans

- Evidence of programme slippage in the study area pre 2008 then accelerating as recession took hold
- Review of Core Strategies in 2010-2012 was inevitable leading to a 25% reduction in housing numbers to 2026 in N'hamptonshire; 16% in MK
- But LAs did not retreat from their ambitions for growth and investment
- New targets nevertheless regarded by planners as "very challenging" and emergence of a flexible approach to section 106 and planning gain

#### Comments on growth

- Programme slippage pre 2008 due to unrealistic trajectories, slow delivery of infrastructure, slow delivery of large sites
- Private sector capacity and willingness to delivery comprehensive development was never assessed strategically
- No clear public sector delivery mechanisms e.g. variation in powers and effectiveness of Local Delivery Vehicles
- There is no clear evidence that plan making or lack of planning consents held up growth; though house-builders take a more critical view of planning, as a matter of course



#### Perspectives on sustainability

- Strong policy directive in EC Directives and 2004 Planning Act
- Willingly adopted by local authorities and government partly to make growth more "palatable", and also to improve quality
- Spirit of optimism embodied in Egan Wheel principles current until 2009/10 and in Code for Sustainable Homes
- Detailed sustainability policies and criteria included in plans, along with Sustainability Assessments of plans
- House-builders very sceptical, seeing sustainability measures including affordable housing and CSH, as an extra cost that had to be "taken out of land value"
- Community groups saw sustainability (infrastructure) as a way of including community facilities and services and of mitigating impact

#### Sustainability - what happened?

- A very limited number of "sustainable communities" achieved; increase in CSH in public sector new build
- Reliance on s106 and "roof tax" was precarious and in any case at best (in MK) could fund only a part of total sustainability and affordable housing components
- Under pressure to deliver, for Government, quantity became more important than quality; with "viability" becoming a dominant consideration (rather than policy) post 2010
- Reduction of ambition from holistic approach to sustainability to more limited environmental (green) and physical (construction) requirements, rather than social (mixed tenure, community facilities) or economic (jobs, transport schemes)

#### Conclusions on growth

- Growth in the study area was not "imposed" from Whitehall as often claimed but was an expression of local authority ambitions and aspirations and was what the housing market wanted. MKSM gave shape to these pressures, but some local communities were opposed on the edge of towns, and it suited politicians to go along with this and use as a way of demanding more resources from Government
- Does the apparent failure of MKSM to deliver "step change" discredit strategic planning (versus Localism)? No, there were achievements in strategic coordination but weaknesses over delivery, powers and governance.
- The growth targets were over- ambitious and even if they did reflect demand, why was there was little criticism of the reality of delivering them at a local, regional, or national level?

#### Conclusions on sustainability

- Despite the outpouring of reports and policies on sustainability, the approach appeared superficial or naive - i.e. writing policies that people hoped, but did not believe could be delivered in practice
- There was no clear idea of what sustainable communities meant or how it could be delivered; or how the gap between best practice and what is normal housing development could be bridged. The house builders delivery model was not strategically assessed --- and this remains the case today.

#### **Final Thoughts**

- Financing of infrastructure from S106, CIL or Roof Taxes is inadequate to meet standards and ambitions; other models were barely considered (next years research!)
- There is a reduction in democratic accountability in the planning process as 'viability' becomes more important than policy. This must be reversed.
- There are conflicting Government messages about strategic planning versus localism in relation to major housing growth – e.g Garden Cities and the Major Infrastructure debate