



Communities and Local Government Committee

Oral evidence: Operation of the National Planning Policy Framework, HC 190

Monday 21 July 2014

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Members present: Mr Clive Betts (Chair); Simon Danczuk; Mark Pawsey; and John Pugh

Panel 1 Questions [471-535]

Witnesses: **Freddie Gick**, Chair, Civic Voice, **Ruth Reed**, Chair, Planning Expert Advisory Group, RIBA, and **David Waterhouse**, Head of Strategy, Design Council, gave evidence.

Chair: Good afternoon, and welcome to the seventh public evidence session in our inquiry into the operation of the National Planning Policy Framework. You are most welcome this afternoon in coming to give evidence to us. Before we begin, can I ask Committee members to put on record their interests in this matter? I am a vice-president of the Local Government Association.

Simon Danczuk: My wife is a councillor, and some of the staff in my office are councillors.

Mark Pawsey: I have a member of staff who is a councillor.

John Pugh: I have two members of staff who are councillors.

Q471 Chair: For the sake of our records, could you say who you are and the organisations you are representing this afternoon?

Freddie Gick: I am Freddie Gick, and I am chairman of Civic Voice, which is the national body for the civic society movement.

Ruth Reed: I am Ruth Reed from the Royal Institute of British Architects. I chair the expert committee on planning.

David Waterhouse: I am David Waterhouse. I am head of strategy at the Design Council, the Government's adviser on design.

Q472 Chair: Thank you very much for coming. Let's begin with the point that you made in evidence to us, Ruth Reed. You were talking about the danger of rushing into these planning matters and perhaps losing sight of some of the design issues as a result. But authorities have had since 2004 to get their local plans in place. Ten years is hardly rushing, is it?

Ruth Reed: Indeed not. The general point is that there has to be a review and update of all plans after the NPPF. Therefore, those plans that did not contain NPPF-compliant policies needed to be updated. The danger was that in doing that in a hurry the ability to provide a proactive and forward-looking steer on good design in a district would be lost in the need just to get in place some kind of development management policy.

Q473 Chair: Maybe this has caused councils to do a little bit more, even when they had a local plan in place, but you are saying, David Waterhouse, that you work closely with local authorities as part of their plan-making. Do you have any idea of what is causing the apparent

slowness in getting to the point where about half of them still do have not a local plan there?

David Waterhouse: Yes. One of the biggest problems is the resource cuts that a lot of local authorities have had to endure over the last spending round period, allied to the fact that, as land values pick up, more development is coming through the pipeline. That creates a perfect storm for development applications stacking up in the system, and the skills, capacity and resources are simply not within the local authority. I would argue that that cuts across both planning and urban design.

Q474 Chair: But some authorities are managing it.

David Waterhouse: Some authorities are managing it because they have those resources in place and have already had a local plan coming through the system. It is a very different picture across the country. I would argue that, two years into the operation of the National Planning Policy Framework, we are not yet in a position to have a complete picture across the country of what is working well and where. It is still very patchy.

Q475 Chair: Is it just resources?

David Waterhouse: I think it is resources, but it is also about having the confidence at local authority chief exec level and leadership at the political, community and civic level to embrace growth and the benefits that growth can bring to a community, place or city.

Q476 Chair: To all of you, is getting the local plan in place absolutely key to getting the rest of it right? Is the NPPF not going to be a satisfactory document without local plans in place to deliver it?

Freddie Gick: I would say it is absolutely necessary. There is clearly a resource and leadership problem, and perhaps there is an issue of political will. From the Civic Voice perspective, we believe that it is essential progress is made in local plans. We even wonder whether there should be some kind of approach where central assistance is provided to local authorities who are not able, within a timeframe, to move forward with a plan.

Q477 Chair: Would that not mean that if you drag your feet, you get a bit more money? It does not sound the best incentive to get on with it, does it?

Freddie Gick: Not necessarily. I did not mean money; I meant a version—I would not say special measures—where perhaps a SWAT team is put in.

Ruth Reed: A great deal is repeated from local authority to local authority in the form of standard policies. Frequently, it appears that local authorities are reinventing the wheel. There ought to be a sharing of knowledge across local authorities to reduce the amount of time spent on the more mundane aspects of plan-making and give them the opportunity to connect with a more proactive and forward-thinking vision so everybody feels inspired to go forward. There is a lot about plan-making at the moment that does not feel proactive, exciting and forward-looking. The future is not something to be welcomed but to be feared.

Q478 Chair: Freddie, you have also raised the issue of neighbourhood plans. Until you have a local plan in place, neighbourhood plans really are not a great deal of use to people, because they have to be consistent with the strategy of the local plan. If it does not exist, they cannot be. Is there anything you can do about that? If neighbourhoods have a neighbourhood plan but the authority has not got a local plan, is there any solution to that?

Freddie Gick: I am not sure what the solution to that would be. I do think, however, that a local authority ought to be paying a lot of attention not simply to a neighbourhood plan that has been fully developed but one that is on the way. The process is quite a long one, and it seems to me that account should be taken as a plan is nearing its final stages of the provisions in that plan when planning applications are being made.

Q479 Mark Pawsey: All of our witnesses are telling us that the NPPF is a plan-led system and that every local authority should have a local plan, but some are not delivering them. Should making a local plan be a statutory obligation on local authorities?

Ruth Reed: I believe it almost certainly is. The Planning Act requires local authorities to produce plans. I do not know whether it tells them how quickly they have to do it.

Q480 Mark Pawsey: Should there be a time requirement? Should that bit be beefed up?

Freddie Gick: I would argue that it should be. I go back to my earlier point. Some action would need to be taken. If within a timeframe of, say, two or three years from now a local authority has not taken steps to put in place a local plan, there ought to be some way of ensuring that a plan is prepared, not with financial support but technical planning support from the centre.

Q481 Mark Pawsey: Should there be a penalty on a local authority that does not get its local plan in place within a reasonable period of time?

Freddie Gick: If you mean a financial penalty, I am not sure that makes a lot of sense. They are already pretty strapped for cash in that area.

David Waterhouse: We have worked with over 130 local authorities around the country on how you embed good design thinking and good design process within a local plan. Of those 130 local authorities, a large proportion have now got their plans in place. It is not necessarily about having the skills in-house; it is about having that peer-to-peer support and critical friend knowledge that you can bring in to support you in that plan-making process. We have run a whole programme of work with the Planning Advisory Service on that basis.

Q482 Simon Danczuk: We have seen Cheltenham, Gloucester and Tewkesbury local councils working together on a joint core strategy. Why have other authorities struggled to co-operate so closely? Perhaps we could go quickly across the panel, starting with Freddie.

Freddie Gick: There is an interesting history, if you take Birmingham as an example. Some years ago an attempt was made to try to pull together the local councils and for various reasons, partly to do with Birmingham being the dominant one, they really did not want to work together. I understand that now they are working together. I think a lot of that is down to the political will to co-operate. It may be to do with people having personal relationships that are either very positive or negative. I think a lot of personal and political things come into this.

Ruth Reed: Where, say, 90% of one local authority's land is green belt and they want to move their housing to another local authority, there is a feeling that that local authority is passing on its problem. This is because there is a lack of strategic planning across city regions and a broader strategic area. There is no feeling that it is a problem shared, and that is what causes relationships between authorities to break down.

David Waterhouse: I believe a strategic planning deficit is emerging across the country with the abolition of the regional structures and systems, not just the regional spatial strategy but the development agencies and government office network alongside that. What do the local plans that are delivering or are emerging add up to as a cumulative total? Spatial planning across a sub-region and a functional economic area is simply not happening. The local enterprise partnerships' strategic economic plans go some way to thinking about how to address that, but that is simply about infrastructure investment

alignment. There are no statutory planning powers vested in local enterprise partnerships.

Q483 Simon Danczuk: David, the Design Council thinks there should be a national spatial plan, does it not? Is there an appetite among Government for such a thing?

David Waterhouse: The national spatial plan is there to give confidence and certainty to investors and developers about infrastructure investment and large-scale housing growth. Where is the large-scale housing going? What is the infrastructure required to join that up, which then provides certainty to investors, both UK and foreign, as to where this investment needs to happen? There is certainly an appetite, referring to the evidence of the Royal Town Planning Institute and the Town and Country Planning Association, for that to take place.

Q484 Simon Danczuk: But the question is: do you think there is an appetite among Government?

David Waterhouse: Among current Government, perhaps not, but, as we see a mismatch and disjoint continue to emerge across these functional economic areas and we do not see the infrastructure and housing happening at the right place at the right time, I suspect evidence will tell a different story.

Q485 Simon Danczuk: So the Design Council thinks that the Government are getting it badly wrong in terms of planning.

David Waterhouse: I would not say "badly wrong". We absolutely endorse the National Planning Policy Framework. It is very strong on design; it is core planning principle. Paragraph 17, section 4, and paragraphs 52 and 62 set out clearly the importance of design. We absolutely endorse that, but at the larger-than-local level there is a need for a strategic national spatial plan.

Q486 Simon Danczuk: Freddie, you consider the need for sub-regional clusters as a possible way forward. That is what you have talked about in the evidence you have submitted. Would they be voluntary or mandatory in the view of Civic Voice?

Freddie Gick: I think "voluntary" is all very well, but there has to be a level of "mandatory". The present NPPF asks people to co-operate. They have a duty to co-operate. That is voluntary, and that would appear not to be working.

Q487 Simon Danczuk: We need some stick.

Freddie Gick: There would have to be a certain amount of stick and compulsion. What the sanctions are if you do not stick with that would have to be thought about pretty carefully.

Q488 Mark Pawsey: I would like to ask questions about the nature of design development. It is clear that one of the aims of the National Planning Policy Framework is to stimulate design. At the same time, we as politicians know that when development proposals come forward people generally do not want them; they would rather have an existing field, or whatever, rather than see development take place. One of the reasons for that is that often people picture in their own mind bad development. Is there any evidence that, if we are able to demonstrate that good development is going to take place, people will be more supportive?

Ruth Reed: Perhaps where we fall down is that we are not necessarily very good at being able to give people an idea of what they are going to get. One of the reasons for that is that at the moment planning is being done in a piecemeal way. It would be good if there was some kind of plan drawn up that was illustrated so people feared less what was about to happen. It helps if you are developing wholesale rather than piecemeal. Piecemeal is done on a development control basis. People get a letter through their door advising them there will be a planning application made and they become worried instantly.

Q489 Mark Pawsey: We went back just now to the problem of lack of local plans. The local plan is intended to direct them, so let us put on one side development control. Where the local plan is in place it identifies an area for development. People are still resistant. Are you able to show that good design means people will be more sympathetic to the idea of development, in which case how can we get those messages across?

Ruth Reed: I think we can talk about good design and modern design in a more positive way. The media do quite a bit on a small scale—the *Grand Designs* side of it—but we do not see anything about wholesale development using the media very often. That would be extremely helpful. It is difficult within an individual area to overcome the barriers that have been built over many years against development just for the case of one scheme. It has to be something that changes within the culture of the general population, and there is an anti-development feeling.

Q490 Mark Pawsey: Ms Reed, the previous planning Minister described some housing estates as being pig ugly. If I may say so, some

of the people who have designed these unpleasant developments are your members. Why have they done so if they are unattractive?

Ruth Reed: Sadly, I wish it was our members who did a lot of design of housing development. Unfortunately, the developers do not always use qualified designers. It is something levelled at our door but not necessarily correctly.

Freddie Gick: I recently attended a design workshop in Cirencester where the decision had been made that 12 and a half hectares would be developed and I think 2,500 houses were to be built there. A four-day workshop was run there at which about 80 or 90 local people turned up. The objective was that by the end of four days they would have designed the site. In the morning there were lots of people shouting at the landowner, developers and everybody else saying they did not want all this. By the middle of the afternoon they were sitting round eight or nine tables designing the site. They were designing it in a way that reflected the distinctiveness of Cirencester.

Q491 Mark Pawsey: If those are so successful, why do they not take place more often?

Freddie Gick: We think they should.

Q492 Mark Pawsey: That is not the answer to my question. Why do they not take place?

Freddie Gick: Because the current culture is that somebody produces a plan and consults. We would argue that there should be more participation and less consultation. Consulting is fine. I show you a plan and say, "What do you think of it?" You say yes or no, and I probably do not change my mind.

Q493 Mark Pawsey: Are there ways in which technology can help convey better what might be intended for a particular site?

Freddie Gick: There probably are, but I go back to the point that, if you simply tell somebody, "This is what we have decided we are going to do with that site", they do not get the same ownership as if they had participated in the preparation of it.

Q494 Mark Pawsey: Mr Waterhouse, the Design Council is very keen to see houses built to Built for Life standards. How is that going?

David Waterhouse: Built for Life is a partnership with the Home Builders Federation, representing volume house builders, and Design for Homes. What we have done recently is launch the commendation where we have commended 18 schemes across the country with the

planning Minister Nick Boles, looking at schemes from schemes of 20 units to large urban extensions of 3,500. The Built for Life programme is very much a tool and technique to enable that conversation to happen.

If I may turn to your previous question about the evidence, some work we undertook in 2010 with the then National Housing and Planning Advice Unit was about the whole issue of what people think about new development, and the design of that new development. One statistic was that 73% of people say that they would support the building of more homes where they lived if they were delivered to a well-designed format in keeping with what was in their area. That statistic, while a little elderly, is borne out in all the neighbourhood planning support work that we did around the country in affluent areas, regeneration areas and rural areas. If you take the existing members of the community and walk with them in their area and understand with them what they value about their area, that can be the key to unlocking some of the strong opposition you get to new housing.

Q495 Mark Pawsey: If 73% say they will support development as long as it is good, what is going wrong? As Members of Parliament, whenever applications come forward we get lots of letters telling us why development should not take place?

David Waterhouse: I would argue that part of the problem is back to the volume house builders with certain pattern books and off-the-shelf designs that pay no attention to local vernacular, local style or the connections between the proposed new development and the existing settlement and community. That is a big issue, and something we hope to tackle through Building for Life.

Ruth Reed: There has been a controlled supply of new homes on to the market, which has meant there has not needed to be an effort put in to making one developer's offer more attractive than another. There is a lack of competition that would generate design. The last time I saw design being a factor in commercial development was in the last phases of the new towns. You would have several developers building. You would be able to go round the show homes of a number of them, and comparison shopping was possible.

Q496 Mark Pawsey: We have taken evidence from large house builders. If they were sitting in front of us now they would say they build what consumers want to buy.

Ruth Reed: We know that only 20% of the population would consider buying a new home. It is not something that people aspire to have.

Q497 Mark Pawsey: But if they were not building what people wanted, they would not sell them, would they?

Ruth Reed: They have a market that they build for; they do not extend into a more discerning market generally.

Q498 Mark Pawsey: How would you change things for them to adopt better design principles? If the customers are buying what they are already producing, where is the incentive to produce something rather different and more spectacular?

Ruth Reed: If you bring more on to the market and there is more competition to sell, design becomes a factor.

Q499 Mark Pawsey: How are you going to do that?

Ruth Reed: Release more land to people who are going to build smaller schemes and are not necessarily part of the national house builder network.

Q500 Mark Pawsey: Are you talking here about the expression Sir Terry Farrell used when he came to see us, which was “design literacy”? What is your assessment of the design literacy of most local authorities, their planning officers and perhaps their councillors?

Ruth Reed: There is a tendency to be safe. A lot of our members are involved in innovative design. They struggle to get planning permission because it is something to be slightly afraid of because it is new; it does not necessarily have a pitched roof, or fit in with a perception of the local vernacular. There is always a struggle to introduce innovation and new design. Therefore, people who want to build to sell will play safe, and that leads a lot of the design thinking.

David Waterhouse: To go back to the point about leadership and skills within local authorities, we would advocate mandatory training in design for all local councillors on the planning committee. A lot of urban design skill and resource has been lost from local government alongside planning capacity. As I mentioned earlier, those two things have caused an almost perfect storm. We would certainly advocate mandatory design training for councillors and their officers. Indeed, some work we have recently been undertaking—a councillors’ guide to urban design—sets out some principles that should be advocated.

Q501 Mark Pawsey: Mr Gick, do you think planning officers are just happy to get built the right-sized houses that are not too offensive to people rather than pay attention to good design?

Freddie Gick: I would not dream of criticising planning officers in that way. I do think, however, that more attention should be paid to the aesthetics of areas, which is why I go back to local community involvement. I think aesthetics is a subject area that perhaps is not paid a lot of attention to in the planning arena.

Q502 Mark Pawsey: When Sir Terry Farrell gave evidence to us he spoke about a place review panel looking at planning, landscape, architecture, construction and engineering. It sounds great, but is that not simply going to delay the development process?

Ruth Reed: I am probably stealing my colleague's thunder. Design review already exists. It is called design review rather than place review. It is a multi-disciplinary review of a scheme. Good design usually comes through an iterative process where you are dealing first with a developer who has an intention to produce a good design and is a good designer, but also a local authority that wants to engage in the discussion, which requires a degree of knowledge and design literacy on the part of the officers involved. Design review is a great way of taking an objective view from outside that process and bringing to it new ideas and focus.

Q503 Mark Pawsey: Mr Waterhouse, is there not a possibility that the introduction of these reviews delays getting development done? We hear the Minister and Opposition talk about the need to deliver new homes. Does this review not put in place another process and hold back delivery of the homes that people need?

David Waterhouse: Design review is already mentioned in paragraph 62 of the National Planning Policy Framework. It references the importance of major schemes of significance coming to design review. I would certainly advocate that all of the work we do is absolutely multidisciplinary with landscape architects, planners, urban designers and architects in the mix, and it can provide that critical moment in time to step back from the development and understand, assess and critique in a positive way the benefits you are trying to achieve through that. I would argue that design review is the end of the process. What you need is the dialogue, debate, participation and workshop early on in the process to get that thinking right and clear, so that when you get to design review you are very clear about what you are trying to achieve. I would argue that, in effect, can speed up the planning process.

Q504 Chair: Do you react with enthusiasm or horror to the self-commissioning that goes on in places like the Netherlands where planners have a much lighter touch? They simply say, "You go and build

your own house on lots of plots of land.” Everyone buys their own plot and puts up what they want within very broad guidelines.

Ruth Reed: If you go round these schemes, some of them are wonderful and some of them are not, but it is a great feast for the eye. Some of the constraints are about how they sit on the plot, how tall they are and how much of the volume is built out. There is a consistency within the form but not necessarily the overall design.

Q505 Chair: They do not all look the same, do they?

Ruth Reed: They definitely do not look all the same.

Freddie Gick: There is a place for that so we do not have the swathes of housing like I passed on the train coming down from Cheltenham today. It was a building site where loads and loads of houses all looking exactly the same were being built. There is a place for the large developments, but there is certainly a place for two or three-house developments, or individual houses.

Q506 Chair: I was talking about probably 300 or 400 individual houses on the same site.

David Waterhouse: As to the approach in Almere and various other places in the Netherlands, there is a very clear zoning master plan in place, which sets out that this area is for custom-build, or whatever it might be. You do have that strategic city and region-wide plan, and within that you have the freedom and flexibility to develop custom-build, or whatever it might be.

Q507 John Pugh: Can I ask about sustainable development and sustainability in general? When we spoke to the Home Builders Federation they were very happy with NPPF. They seemed to think that sustainability was exactly what it was going to deliver. Do you have the same confidence? Do you have a variation of sustainability that might look a little different from what the house builders think of as sustainability?

David Waterhouse: As in paragraph 56 of the NPPF, design is a key aspect of sustainable development. We talk about social, economic and environmental considerations in the balance, but design is clearly set out in paragraph 56 as being a key aspect.

Q508 John Pugh: What I am really asking is whether that is understood in the same way by everybody.

David Waterhouse: I suspect not.

Ruth Reed: The notion of sustainability is that the three tenets should be taken in the round, so there is not a requirement to score 100% on all of them. Unfortunately, given the way of our world, economic sustainability is taking pre-eminence in determining whether or not things should go ahead. There are aspects of design—good design for social need and good design for environmental need—that at the moment seem to be taking second place to economic sustainability.

Q509 John Pugh: Would you share with the building federation a similar view on what economic sustainability is?

Ruth Reed: Economic sustainability should not drive choice over important matters, such as the availability of affordable housing. If it is failing to deliver affordable housing, there is a problem with the system.

Freddie Gick: It is inevitable that economic sustainability is going to be a major driving force for developers. One would like to see that not being the case, with a greater emphasis on social sustainability and sustaining viable communities.

Q510 John Pugh: How would you distinguish the two: social sustainability and economic sustainability?

Freddie Gick: Economic sustainability is much easier to define. They are building places, where we like the—

Q511 John Pugh: A place is economically sustainable if people can afford to live there; it is socially sustainable if they actually like living there. Is that it?

Freddie Gick: There is an element of that. When we look at quality of place, we think about places that are fit for purpose, are pleasant to live in and are distinctive. I think we must not lose sight of distinctiveness as an important driver of growth. Quite often, distinctiveness is related to heritage. Those are the kinds of things that need to be taken into account, as well as simple economic sustainability.

Q512 John Pugh: Ruth, in your submission you spoke about “types of embedded value that may not be easy to articulate financially in the short term”. What do you mean by that?

Ruth Reed: It is a development that is not socially sustainable and is not a desirable place to live in the long term, or somewhere that is not environmentally sustainable, either in terms of transportation or the way the buildings themselves perform. It is a long-term, non-economic

way. It is more difficult for a developer who is building to sell to take account of those matters, because, quite frankly, as soon as they have sold it their responsibility goes. That is why it is more difficult for people to require these things of schemes rather than simply getting the volume of new development built to be sold on at a time when there is a phenomenal need for new housing in particular.

Q513 John Pugh: Can I take you to the associated topic of brownfield sites in general? Freddie, I think you spoke about the lack of funding for affordable housing on brownfield sites. Can you back that up a little bit? Do you think it needs funding?

Freddie Gick: Sorry.

John Pugh: You think that the reason brownfield sites are not being developed for affordable housing in a way that possibly you want them to be is primarily because of an absence of funding. Is that what you are saying?

Freddie Gick: I think it is to do with the economic viability of the sites. Developers would much prefer to build on greenfield sites rather than deal with all the issues of brownfield sites, so the only way you will get development on those brownfield sites, particularly for social housing, will be if there is some change perhaps to taxation.

Q514 John Pugh: You are in favour of what the Chancellor has done recently, are you, in terms of putting some money behind it?

Freddie Gick: Money has to go behind it if you are going to get brownfield sites developed.

Q515 John Pugh: David, in your experience has the viability provision in the NPPF impacted on the quality of developments?

David Waterhouse: Quality of design and place is one aspect in the round, as we have discussed, along with affordable housing and other provisions. A key point to make is that there is a different situation in different parts of the country across greenfield and brownfield sites, and design quality is absolutely impacted by the viability test. In certain places you are seeing better quality development come through because, simply put, you have higher land values. In places in the north of the country, where you have major regeneration challenges and remediation costs and other costs, the margins are much lower for developers, so you have a greater argument to make to embed some good design principles and good design thinking into that development. My argument would be that good design does not necessarily cost more.

Q516 John Pugh: You are saying that on a brownfield site the quality of development, at the moment, is likely to be less good than it would be on a greenfield site.

David Waterhouse: I am not making it as black and white as that.

Q517 John Pugh: That is what you think is happening.

David Waterhouse: I think there is a preponderance of that at the moment looking across the country. There are good examples of both. I am not saying that it is as black and white as that, but in large-scale mixed-use urban regeneration schemes I would question some of the design quality, legibility and the way the actual place is laid out. How it connects to the existing community is a big issue. Of course, you get that on greenfield sites as well, but it is interesting to see the mix, particularly as land values are still lower in the north. We may be seeing an economic upturn. None the less, land values are lower.

Q518 John Pugh: Does it affect density as well? We have the cost of remediation and so on. You will want to make a reasonable return, and therefore you will increase density beyond possibly ideal values.

David Waterhouse: Yes, correct. Once you start to increase density, you get into certain issues. The provision of affordable housing is still a real issue, and once you have denser schemes on a brownfield site you get over some of those costs, but you get into other things in major cities like view corridors. If you are increasing into tall buildings or larger development, on occasion that can have quite a detrimental impact on the existing community and surroundings.

Q519 John Pugh: As a general response to you on the long-standing housing dilemma, immediately after the war there was considerable pressure on housing but some very good efforts were made with immediate post-war housing—the Bevan standard and so on—and those properties are still much sought after. Come the 1960s and 1970s, things changed quite dramatically and people thought, “We have to get a move on”, and quality was to some extent sacrificed. Quality of build, design and environment turned out to be less sustainable. One thinks of places like Kirkby and Skelmersdale in my area. As things are rolling out at the moment, there are two dangers: that we will not build quickly enough and that we will not build well enough. Which do you think is the greater danger at the moment?

David Waterhouse: Gosh, I am not sure I could polarise it into either, but clearly we need to be building, as we know from the statistics, north of 240,000 units per annum. That is a fairly well-evidenced

rough number, not taking into account backlog, but it is critical to get the quality right.

Q520 John Pugh: It can be done.

David Waterhouse: It absolutely can be done. We have done it before in mass building. The new towns were a product of their time, as were garden cities. I am not advocating either as the panacea for the current housing crisis, but there were some good design principles embedded in both. The new towns were a product of their time and they are ageing. There was some well-planned green infrastructure, well-planned public space and well-planned transport infrastructure as part of the new town programme, which was developed at scale. Of course, it is all ageing, so we need to think much longer-term about how we plan for these settlements, but I would argue that you can do both.

Q521 John Pugh: But you are not likely to get that if you are building very intensely on non-viable brownfield sites.

David Waterhouse: My argument would be very much that you need a portfolio approach to where you are putting the housing. You need to look very much at brownfield sites; you need to look at urban extensions and new settlements, where appropriate and relevant. I would cite the example of Cranbrook near Exeter as a very good free-standing new settlement that has come forward through the local and sub-regional planning system. You also need to think of green belt release in the mix, but it is about the right type of development in the right place, but underpinning all of this is the local plan.

Q522 John Pugh: Is there anything you want to add to that?

Ruth Reed: Just to observe that this is the first time we have driven the volume of house building almost entirely through the private sector. Previously, there was a great deal of social housing built by local authorities.

Q523 Chair: On the comment just made that good design does not necessarily cost more, in many cases there is a trade-off, is there not, between development happening and design? If you are a volume builder with a fairly expensive brownfield site, you can call up your computer program that picks out your boxes and sticks them on the site, and away you go; it must be cheaper than employing one of your expensive architects to come in and custom-design the development to meet the local circumstances.

Ruth Reed: If I may intervene on behalf of RIBA, if you are going to build at density it is very difficult to build off standard house types anyway, so you do need to bring in design skills, not only architects but engineers as well, to produce structures to deliver that kind of density. Oddly enough, you are more likely to get a more design-driven solution with high density than with low density.

Q524 Chair: So there is not necessarily a conflict between the two.

Ruth Reed: There is not necessarily a conflict.

Q525 Simon Danczuk: Freddie, you say that the Association of Convenience Stores report on retail planning decisions paints a disturbing picture. Surely, this is all down to economics. This is where these large supermarkets want to build, is it not? That is the nature of economics, is it not? Why is it a disturbing picture?

Freddie Gick: It is a disturbing picture because the distinctiveness of our towns and villages depends greatly on having small independent retailers. As you will know, if you go to a town or city overseas, lots of small independent stores make a city more distinctive and attractive. Of course, economics says that you must have large department stores, supermarkets and so on, but, if our city and town centres are going to be viable and distinctive, small retailers are an important component of that.

Q526 Simon Danczuk: So you think the NPPF is failing.

Freddie Gick: There are some ambiguities. One of the big things that I see in the NPPF is a series of ambiguities. If you try to compress 1,000 pages into 50 and use words like “significant”, “severe”, “major” and so on, those words are easily interpreted very differently across the country. One of the big deficiencies of the NPPF is the way it can be interpreted differently in different situations, which ultimately means that decisions on planning matters are often made by inspectors rather than locally. If a decision goes to an inspector, he uses his interpretation of the wording. We would much prefer to see—I think it is more appropriate—those decisions to be made locally, and therefore the deficiency in the NPPF is that the precision of wording is not there.

Q527 Simon Danczuk: But the evidence from the Association of Convenience Stores is quite clear. It is suggesting that these decisions are going in one direction and that is for more out-of-town shopping centres to be built. You are agreeing with that and that the NPPF is failing, because it suggests town centre first, but that is not what the ACS evidence is showing, is it?

Freddie Gick: There is almost a conflict within NPPF, because it makes provision for out-of-town centres. The provision says that a local authority can give permission for an out-of-town centre where there is inadequate availability of space within the town centre. However, with permitted development rights, at the same time landowners and property owners have freedom to change commercial premises into residential premises, so almost one hand is saying, "You can reduce the availability of space in town centres for commercial activity", and, on the other hand, it is saying you can use that lack of availability to justify having an out-of-town centre. I think there is a conflict there.

Q528 Simon Danczuk: Do you conclude that the NPPF is failing in terms of town centres?

Freddie Gick: I would say there is still a lot of work to do.

Q529 Simon Danczuk: Why are you avoiding being critical of the NPPF?

Freddie Gick: Because there are some good things in the NPPF, so I would not want to damn it and say it is a failure.

Q530 Simon Danczuk: There are some bad things in relation to town centres.

Freddie Gick: There are some deficiencies in relation to clear policy in town centres and what should happen to town centres.

Q531 Simon Danczuk: Let me ask a more general question, perhaps starting with you, David. What else beyond its current focus on retail development could the NPPF do to help councils shape the future of high streets?

David Waterhouse: From some of the work we have been doing, it is about how you can create activity and investment in a high street or town centre while waiting for major development to take place. I would cite the example of Swindon in Wiltshire where you have public sector land waiting for development to come through the system, and you can think about meanwhile uses, community hubs, festivals and different elements to create activity and interest, but also to demonstrate that this is a place that is changing, growing and diversifying. You can do some very interesting meanwhile uses to demonstrate that while waiting for the major stuff to come through the system.

Q532 Simon Danczuk: But we do not need the NPPF to do that; we just need local authorities to be a bit more imaginative.

David Waterhouse: Absolutely. It is about imagination, but also about having a very clear retail policy. High streets and town centres should not just be about retail; they should be very much about a mix of uses. We all know of issues in various town centres at night where there are no other functions and uses. They become no-go areas because you do not have the vitality and vibrancy you often get in many continental towns.

Q533 Simon Danczuk: Do you have a view, Ruth?

Ruth Reed: We did not comment specifically on town centres, but we do consider it extremely important to keep the architectural infrastructure of our town centres, which is the cultural hub of our identity within communities. There is also a need to recognise that we need walkable facilities. All of the out-of-town stuff requires the car. Not everybody has access or wants access to a car. Because they are by their nature the hub of infrastructure you can, as was being said, concentrate other facilities, such as health and welfare and cultural activity within town centres to keep them alive. I am not convinced that planning alone will ever change the way we are starting to shop. We may have moved on from the concept that everybody goes shopping on Saturday round a town centre.

Q534 Simon Danczuk: Freddie, do you have anything to add to that question in terms of what else the NPPF could do to stimulate our high streets?

Freddie Gick: I am not sure the NPPF can do it. We are going through a period where the evolution of town centres is proceeding quite quickly. There is no particular reason, as I see it, why a town centre should be a commercial retail centre. It can increasingly become a residential and social centre. I am not sure the NPPF will do that. I think it is going to be another social movement of some sort.

Q535 John Pugh: Following on from that, what you are suggesting is that the NPPF does not have enough planning tools in the box, as it were, to get the town centres as vibrant and exciting as we would all wish them to be. Do you think, therefore, that that vacuum has to be filled by something like a neighbourhood plan, or are you aware of any NPPFs that do say a great deal about their town centre?

David Waterhouse: There is a good opportunity with the business-led neighbourhood plans that are now starting to come through the system. There is one emerging in central Milton Keynes, one in Liverpool Innovation Park and a couple in central London. That is also

done in partnership with the business improvement district to generate ideas about how you can have different flexible uses within that location, so it is perhaps not necessarily down to the National Planning Policy Framework; it is about how you can do things differently with other existing policy tools.

Freddie Gick: It is not simply the NPPF. The NPPF is the tool. There are other ways of slicing this. I would point to cities such as Canterbury where the local civic society developed a vision for Canterbury. There are lots of other ways of producing characterisation studies, for example. A lot of conservation areas will have a characterisation study to indicate the character of that area and how it might develop in the future. I see NPPF as a tool. It is like a hammer. Unless you have a plan to do something with the hammer, it is still just a hammer. I believe that NPPF is a tool and not the design.

Ruth Reed: If you were revisiting the NPPF, I would suggest it would be good to focus the commentary on town centres to be broader than just retail.

Chair: Thank you all very much for coming to give evidence to us this afternoon.

Panel 2 Questions [536-580]

Witnesses: **Ian Achurch**, Board Secretary, Planning, Regeneration and Housing Board, Association of Directors of Environment, Economy, Planning and Transport (ADEPT), **Phil Crabtree**, Chief Planning Officer, Leeds City Council, and **Stephen Joseph**, Chief Executive, Campaign for Better Transport, gave evidence.

Q536 Chair: Thank you very much for coming to give evidence to us this afternoon in our inquiry into the National Planning Policy Framework. For the sake of our records, could you say at the beginning, going down the line, who you are and the organisations you represent this afternoon?

Ian Achurch: I am Ian Achurch, representing ADEPT, the Association of Directors of Environment, Economy, Planning and Transport.

Phil Crabtree: I am Phil Crabtree, representing Leeds City Council as chief planning officer.

Stephen Joseph: I am Stephen Joseph. I am the chief executive of the Campaign for Better Transport.

Q537 Chair: Thank you all very much for coming this afternoon. I want to ask particular questions to each of you to begin with. Ian Achurch, you talked about the provision of infrastructure being frustrated by issues of land acquisition and instances even of ransom. It sounds a bit dramatic. It is going to catch the headlines, but is it a problem that exists on a regular basis in terms of infrastructure and problems with planning?

Ian Achurch: Would you draw my attention to the relevant paragraph?

Chair: In your submission you talk about the provision of infrastructure being frustrated by "issues of land acquisition and instances of ransom". That is the evidence you gave to us.

Ian Achurch: It is holding back the delivery of infrastructure, because to secure the land required for a major infrastructure project can be very problematic. To give an example in Northamptonshire, which is my authority, we are currently looking to deliver a major development link, which involves working with a number of land owners. It is tricky under the current system to be able to acquire the land and deliver the infrastructure in a timely fashion because of the processes we need to go through.

Q538 Chair: You talk about plans that need to be done positively to ensure there is a reasonable prospect of planned infrastructure being delivered in a timely fashion. That is paragraph 177 of NPPF. You are saying that this process in particular is being frustrated. Do you think local authorities need more powers in planning to acquire land by compulsory purchase to make these things work?

Ian Achurch: Yes. There is the issue of compulsory purchase, which is notoriously slow, but there is a more fundamental issue in terms of the draft NPPF, which ADEPT has raised, about the lack of a strategic infrastructure plan and framework. The planning system does not really address infrastructure in a strategic way, which means that often where you have a major piece of infrastructure that crosses more than one local plan area to deliver that is very problematic. You have to try to sequence the relevant policies and any planning gain and development income associated with that, particularly in light of the community infrastructure levy, the new homes bonus and the new incentives schemes that we have in place.

Q539 Chair: Phil Crabtree, one of the dilemmas for plans at present is where developers are saying, "If you carry on insisting that we make more and more contributions towards infrastructure, which may be necessary to support the scheme, the scheme is not viable, so, if you insist on all this, you are not going to get the scheme or any infrastructure either", so where does that leave you?

Phil Crabtree: It leaves you in a dilemma, because the constant cry from the communities that are facing housing growth is that the housing growth is unsustainable because of the absence of sufficient infrastructure. By that they mean roads and transportation infrastructure, medical infrastructure and most often schools. The challenge is to try to find a way of delivering those in an uncertain world. The absence of that certainty of delivery increases the level of opposition they will experience.

The provisions in the NPPF we now have about viability create particular problems. To refer to Ian's point, we too have some major road infrastructure. There the debate about the delivery of vital infrastructure is being constrained, because there is an expectation of a land value from the developer and also a rate of return for the housing developers involved, so you get squeezed both ways. There is a demand from the house builder that a certain level of return is provided. While one has no qualms about the need to make a suitable profit, that requirement is now about 4% greater than it used to be in the early 2000s, even on greenfield sites, and yet there is a demand from the land owners for a level of return on the property. What suffers in the middle of all that is the provision of the infrastructure. You either do not get your affordable housing or schools or you cannot provide your road. As a consequence, quite a cost falls on the public purse. We would look for a stricter interpretation of viability than is currently on offer, particularly on greenfield sites.

Q540 Chair: Mr Joseph, you have said that developers are using these viability provisions to try to avoid their obligations to provide affordable housing as well as infrastructure. Do you have any hard evidence of that, or even examples, where developers are trying to hide behind viability as an excuse for not doing things when perhaps they could afford to in reality?

Stephen Joseph: Our evidence is very clear that we have not done lots of detailed survey work on what is actually happening on the NPPF. What we have done is look at a certain number of developments that have come forward. I am not claiming lots of knowledge of that. That is quite important. However, it is a bit more complicated than the discussion we have just had. One of the consequences, particularly in transport, of the catch Mr Crabtree referred to is that in practice the

result has been that a lot of the related infrastructure for development is being provided by the public purse. For example, if you look at many of the settlements under the local growth fund the other week, many of the schemes, particularly transport schemes, are for unlocking land for development. Therefore, in practice the public are now funding the unlocking of land for development. The developers are being asked for a contribution, but for many development sites the bulk of the contribution is now coming from the public purse. Our concern is that that will conflict with the other transport principles in the NPPF, about actively managing patterns of growth to make the fullest possible use of public transport, walking and cycling, because the tendency is to provide just road access to new sites. The work we have done suggests that the preponderance of big developments is now out of town, out of centre and edge of town.

Q541 Chair: But if the public purse is providing the money surely it can direct what sort of transport provision there is.

Stephen Joseph: That does not seem to be happening, because there is a tendency to say, "We want this development at any price". If the developers say they want a road, they get a road. In some cases, the local authority thinks the developers want a road and measure their success by how much road space and car parking there is. In practice, our view is that the planning principle in the NPPF was right and we should manage patterns of growth to make the fullest possible use of public transport; otherwise, we will store up problems of serious congestion around some of these sites. They will be very car-based and also socially exclusive, because it will be very difficult to provide non-car access to these developments. In practice, what we have seen from the local growth fund settlements is that increasingly it is the public sector that is paying for the unlocking of land for development.

Q542 Chair: Do you think there is a conflict and that we have got the two issues of viability skewed? One is viability in terms of whether the developer can afford to build with all the additional cost there might be. The other is viability from a wider public point of view about the site being viable from a public transport, environmental and social sustainability point of view. All those factors have got a bit lost.

Stephen Joseph: I think that is right, but this is not about green versus grey, or economic growth versus the environment. In practice, if we have lots of car-based development next to motorway junctions, existing road users and business users will be disadvantaged because it will store up congestion for them. When the NPPF was in draft, we and the RAC Foundation wrote a joint letter—we are not normally bedfellows in this area—pointing out a concern that that was what was

likely to happen. What we have seen since is a tendency for what one might call a “growth at any cost”—or “development at any cost”—policy coming through, in which most retail schemes coming forward are edge-of-town or out-of-town, because that is what developers want to look at.

Chair: We will come on to those specifically.

Stephen Joseph: Yes, of course, but I think the issue of viability has translated, in this case, to the public sector paying quite a lot of the unlocking—certainly in transport; I could not answer for the other areas.

Q543 Chair: Is one of the problems, Phil Crabtree, that planners have had the wool pulled over their eyes by these developers who come along and say, “Put this cost on and it is not viable. You will not get any scheme at all”? How do you prove and test that that is the case in practice?

Phil Crabtree: I think there are various components to the question. First of all, is the wool being pulled over your eyes? One would hope not. When you get a viability assessment, where, if I take an example for Leeds, we have a 6,000-dwelling urban extension with the road infrastructure scores, affordable housing, green space, etc, and a clear policy base set out an approved plan—the 2006 UDP Review—in the old days, prior to the NPPF, the policy set out in the plan would prevail, the costs of the infrastructure would come off the land, the developer would take a profit, normally and historically, around 16%, and you would get a residual land value. What is happening now is, first, the developers’ demand for a return has increased to 20%, even in very viable greenfield locations, and I can understand their taking a higher risk in a market-averse brownfield location; and secondly, they are saying that the level of price they want for the land is X, so, in the middle, the infrastructure provision gets squeezed.

How do we test that? We test that in two ways: one is what the appeal record on viability nationally is, and the answer is it is very mixed; and secondly, we test it through an independent valuation undertaken by a valuation expert, paid for by the developer but employed by and reporting to the city council, to see whether we have a fair assessment. The ultimate decision is: do we take what the developer says at face value, do we come to a horse-trade somewhere in the middle, or do we take the developer on and say we will risk the position at appeal? That is, effectively, what you go through, but it is a prolonged process and it does not help speed of delivery.

What I would argue is that there are two outcomes of this: one is that land values get inflated by the granting of planning consent anyway and, as the NPPF is working in greenfield locations at the moment, that inflation value is passed on to the land value at a far greater extent than hitherto; and secondly, that the challenge over delivery is taking that much more time to work out, and the public purse, as has just been said, is carrying the cost of the infrastructure. The winner in all of this, then, becomes twofold: one is a profit rate set by a house builder and, secondly, by inflated land values. You are moving, say, from an agricultural value of £4,000 or £5,000 an acre to a development-land value, in this case, somewhere towards £400,000 an acre, so there is plenty of play there.

Q544 Chair: Just on to Ian and a completely different point, just in terms of county councils, should they be doing more to help district councils in two-tier areas with the infrastructure issue? We went the other day on a visit to Cheltenham, Gloucester and Tewkesbury, and looked at the three authorities working together on a core strategy. They said they felt that the county council was rather detached from all this: they came to meetings occasionally and charged the districts for work such as traffic assessments. It did not seem like terribly proactive engagement.

Ian Achurch: I think there are lots of examples around the country of where county councils do play active roles. My own authority are members of two joint planning committees, active members, providing in-kind support in terms of transport modelling. Authorities will take different views in terms of how they need to cover their costs. I think it probably it is a little ad hoc in the way that county councils involve themselves in the preparation of plans. I think that could be helped by strengthening the duty to co-operate, which I think is a little loose and vague. That could be strengthened considerably to make clear in terms of the expectations of the county council as education authority and as transport authority, and in terms of water management and all those issues, which are not really clearly set out in the NPPF.

Q545 John Pugh: Just going back to the community infrastructure levy regime itself, I think you said, Mr Crabtree, that it is difficult for some councils to operate it in practice, and certainly some developers say that councils are pretty slow off the mark with it as well. Why is this, how can it be improved, and are those councils who are not getting into the game early missing a trick?

Phil Crabtree: Yes and no. It depends on what you believe the future of CIL is. First of all, from a Leeds perspective, we have recently been through an examination of our CIL regime. It lasted half a day and we expect to get an inspector's report on that next month. We will then be

in a position, if we so wish, to implement our CIL regime next year. Some of the other major urban authorities have decided not to go down the CIL route at all and have done nothing. They capture their planning gain, if I might use that term, in different ways, perhaps by drawing a red line around a planning application rather generously, for example, and capturing the improvement of the public realm and whatever else within the scope of that application. That has not been the case in Leeds, which, because it has not historically enjoyed a high level of public funding, has really relied on a combination of funds released from Section 106 agreements relating to green space, educational contributions and funds for public transport, from a combination of planning documents and supplementary planning guidance, which have underpinned that. We will no longer be able to do that from next April, which is a pretty strong motivation for putting something else in place.

The difficulty we have with CIL is particularly when you are dealing with large-scale infrastructure. If I take you back to the example I gave you earlier about a large piece of road infrastructure, required because there was not going to be enough capacity on the network to support 6,000 houses, we have seen lots of opinions from many eminent lawyers, because we had been working with other local authorities. The view we came to was, on the first phase of this—2,000 houses—the best way of securing provision for support for the road was through a roof tax, through a Section 106 agreement. When the second, third or fourth tranche of this land comes forward in time—and there are some quite complex land-ownership issues—we will then be into a CIL regime, because we cannot have more than five planning applications that contribute to a collective pot in the future, so we are going to be into a hybrid situation about how we collect funding, which is most unsatisfactory.

My personal view was that Section 106s were simple and understood and, in a period of resource complaint, would make a much better way of dealing with matters of infrastructure provision, and you could do it collectively, in the way that I have described that we do so in Leeds. In the various discussions I have had with political figures—and we have Hilary Benn as one of our MPs—there is some doubt as to whether the regime may or may not feature in the next manifesto. My preference would be that it disappears, because I think 106s are simple and easily understood, and the benefit accrues directly to the communities affected.

Q546 John Pugh: Is it a more flexible vehicle from the point of view of the council in terms of getting what it wants out of development? I came across—a propos not of any submission to this particular inquiry—some statements from Asda, who feel they are vulnerable to all kinds of

planning-gain applications. They were voicing a view that they could be clobbered both ways and end up supporting more kinds of development that is nothing to do with their development. From the point of view of some of the big developers, there are concerns, but you are saying that, from the point of view of councils, the previous regime is preferable.

Phil Crabtree: I have never known the likes of Asda, Tesco or whatever big food-store operators to regard Section 106 negotiations as an easy passage for local authorities. If they offer a large sum of money, it is normally because there is some commercial advantage to be had for them, and they do have to pass the basic 106 tests of being directly related to the development and reasonable, etc.

Q547 John Pugh: Any others?

Stephen Joseph: We know of examples—I would agree about the roof tax—where this has worked for funding major transport projects. For example, East West Rail, which is a reopened railway line between Oxford, Milton Keynes and Aylesbury, is being part-funded by a roof-tax arrangement across a number of local authority areas. That seems to have general support, both from the authorities and from the developers, because they can see what they are getting and that it is framing development around a new rail-alignment service. Similarly, Cambridgeshire have used roof-tax arrangements to fund things like the guided bus there. I think, at that kind of scale, this kind of thing works.

When you get to much smaller developments, I think it is much more difficult, but I think one way of doing this is for the local authority to set some frameworks. We are aware that the South Yorkshire Passenger Transport Executive has done a rather interesting exercise of grading sites by how public-transport-accessible they are, which gives a very clear signal to both district councils and to developers about what would be needed to make a site accessible by public transport. They have said they have seen the number of red-rated sites—in other words, sites that are very inaccessible by public transport at present—come down, and the number of green and amber sites go up.

We thought that that was quite an interesting way into this, because it means that, before you even start a development process, the transport authority is giving a very clear signal to both the planning authority and the developer about what the status of a particular site is and points them in a direction of sites where the infrastructure requirements might be less and, therefore, it might be easier to get development. I know that is not precisely answering your question; the point I am making is that it precedes the whole levy discussion because it means that development is more likely to happen where the transport

requirements are less. As I say, I would not argue about whether this could be applied across.

Q548 John Pugh: Ian, would you be encouraging councils to get on to the CIL? If discouraging, why?

Ian Achurch: Again, from the county-council perspective, if I can, because I think it is slightly different to a city council/unitary perspective, I think there are some major concerns about what CIL will mean. At the end of the day, CIL, by its nature, means there is no certainty around where the money will be spent. It is not ring-fenced for specific schemes. In a two-tier area, the county council is not the charging authority or the collection authority. Between 70% and 80% of the infrastructure costs will fall on it in terms of schools and transport, but it will have no clarity in terms of the CIL revenues that will be coming to it. From one year to another, it could fluctuate. There are no clear parameters on CIL. It is very flexible. I think that sounds fine in theory but, if you are trying to build a £30 million secondary school and you are relying on development contributions via CIL—or even a £6 million primary school or a road scheme—but you do not know how much money you are going to get next year, it is a major problem for medium-term capital programming.

At least with Section 106 agreements, you understand how much you are going to get and the triggers for it. The developer understands that as well, and the community. I acknowledge that they can be renegotiated but at least there is that clarity at that outset, and everybody knows what it is due to come in. We do not have that with CIL, and I think that is a major question and a major challenge to county councils, wondering what the implications of it will be, because what we do know is it will not be massive amounts of income coming through CIL.

Q549 Chair: I will just pick up on two points from that. As part of this criticism now of CIL and support for 106, it was the development industry that wanted CIL because they wanted greater certainty. They thought that, every time they had a 106, they were not sure where they were going to get to, so that gave them certainty. Also, local authorities began to get worried. As they stretched 106 agreements further and further away from the costs of developing an actual site, they wanted something where they could say, "Pay us that money and we can spend it on what we need, rather than what is immediately relevant to that development". Why have both sides suddenly changed, then, when both sides seemed to want CIL in the first place?

Phil Crabtree: I think the level of CIL contribution has diminished over time, if you like. Its role in providing infrastructure is a very small amount of the total infrastructure bill that any local authority faces. Secondly, the fact that it operates through a Section 123 list—are you aware of that? That is to say that the local authority has to publish, under Section 123 of the Act, a list of those projects that are eligible for CIL spending. It could include schools, fire stations, health and roads, etc. This is what gives rise to the uncertainty. There is no guarantee that, if you are an accountant—if I might paraphrase and perhaps steal a bit of your thunder—on a list might be schools. The money is collected by the district council and they choose to spend that money on something that suits them, rather than the school, where you feel the impact.

The same applies, for a district council, in the same way: the money could go towards, say, a prize scheme like flood alleviation—really important—but no money for schools. Under the old regime, however, there would have been a clear contribution to the impact of that development on provision of that infrastructure in that area, therefore making it more palatable for communities to receive the development. The outcry you continually get from communities about new housing growth is, “It is unsustainable. It will impact unfavourably on our community.” How do you demonstrate, in a CIL world, that they are going to get the impacts mitigated in the form and the way that they would wish, within reason? It is not an open book, I accept.

Q550 Mark Pawsey: I just want to follow up on the preference that Mr Crabtree just articulated, in favour of Section 106 over CIL. Just an observation to the point you might want to comment on is that people often go into planning because they want to work in land-use and development but, very often, we turn them into people and ask them to negotiate Section 106 agreements, often with little training for that kind of negotiation. Is that right?

Phil Crabtree: I think that is fair. I have argued for many years that the training regime for planners should be much more generic, and that applies to all professions. I think the Farrell report is absolutely right in that respect.

Q551 Mark Pawsey: If we are asking planners to be negotiators of Section 106 arrangements, I just want to come back to Mr Joseph’s remarks. Mr Joseph, you said, on a couple of occasions, that developers have been accepting development at any cost. If we have had an era when we have been producing 100,000 fewer homes than we have needed for a very long time, is it not right that we get some of this development in place? Your demand for all sorts of very nice and woolly

sustainable-transport schemes to go with them is laudable but, at a time of real housing shortage, the onus is on the planning profession to get those houses delivered. The question for me to ask you, then, is: are the planners failing in not doing what you would like them to do because they have not negotiated hard enough, or is there a fundamental problem with the NPPF?

Stephen Joseph: I think there is a conflict. First, can I just say that the comments I was making were more about commercial development than housing development. In our evidence, we talk about edge-of-town retail and business parks. We have not spent so much time talking about housing. I accept the point that, if you are going to have a lot of housing, you want to make sure it happens.

Secondly, as I said, I think there is a slight conflict between a presumption of what the NPPF says about transport, which I have said to you one of the principles is about actively managing “patterns of growth to make the fullest possible use of public transport, walking and cycling, and focus significant development in locations which are or can be made sustainable”; and a presumption in favour of sustainable development, and that “development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe”.

More broadly, there is a tendency, not just on the part of local authorities but on politicians in general, at a time of recession, to want development to happen—any development. The point I was trying to make earlier was this is not some kind of woolly green thing about, “Would it not be nice if everywhere looked like the Netherlands and everybody cycled everywhere?” It is that, by not considering the transport consequences of development, and by locating development and designing it in such a way that people have to use cars, you are storing up problems both of congestion and social exclusion, which will undermine aspects of the development and the things that you want to see happen.

Q552 Mark Pawsey: If we are conducting a review into the NPPF and perhaps may come up with recommendations for change, the point I am trying to ask you to clarify is: is there something wrong with the NPPF and does it need changing, or is it that it is being implemented badly? Which of the two is it?

Stephen Joseph: I think there are two things. First, I think there are some presumptions in the NPPF that need changing; particularly, the quote I just gave from paragraph 32 on transport guidance. Secondly, I think some of the national planning policy guidance that has followed behind the NPPF has removed some things that are valuable, such as transport assessments for major development, so that people can see

what the transport consequences of developments are, and that is less required than it was. Those, then, are things that I think should be addressed, but I think some of what we have talked about in our evidence has been about the operation of the NPPF and the way in which both developers and the Secretary of State have treated developments in terms of calling in development or not calling in development, as the case is. The point I am making is simply that, by allowing a preponderance of edge-of-town and out-of-town retail development, as opposed to town-centre development—and we talk about business parks as well—we are storing up problems for the future just in terms of congestion and, therefore, overall costs to the economy. It is that broad concept of external cost that I think is missing from some of the decisions that have been taken.

Q553 Mark Pawsey: Following up Mr Joseph's point, which I think is that, in an ideal world, you would not have brought forward a new NPPF at a time of recession, because it is the time of recession that has led planning officers to be perhaps a little bit more sympathetic to getting development underway than they might have done in times of plenty, when they might have been more strict in making certain that some of the more sustainable transport proposals, for example, might have been covered.

Phil Crabtree: Can I just return you to your former point for a moment? You asked about CIL versus 106, and viability. I do not think that issue of viability relates to either regime. You can assess viability in respect of 106 agreements just as much as you can under CIL. The problem with CIL is it becomes quite inflexible if market conditions change.

Q554 Mark Pawsey: Sure, but the point Mr Joseph was saying was that, because of the flexibility of Section 106, occasionally planning officers have not been as robust as they might have been.

Phil Crabtree: Absolutely, and I think that is a skill set that you have to acquire in any case. What was your second question, sorry? I have taken you back one.

Q555 Mark Pawsey: We were on to whether or not a time of recession was a bad time to introduce a change to the planning system, because that also has led to planning officers being more flexible because of Mr Joseph's expression about accepting development at any cost.

Phil Crabtree: First of all, I do not believe we accept development at any cost, but I think the emphasis has changed. Was it right to put the NPPF in at a point in time? Yes, probably. Is it a bit loosely drafted? Yes, probably, and it is fraught with legal challenges, as we see all the

time. Is its interpretation correct? I am not convinced that it is. It seems to me the NPPF and the planning system falls, perhaps, on four key principles: first, on the assessment of objective housing need; secondly, on the duty to co-operate; thirdly, on the five-year housing-land supply; and lastly, the other problematic area that I think does require some attention—and I know you want to come on to it—is about retail development.

However, it is dominated by this issue about housing-land supply, and that I get in terms of housing needs. I work for a local authority that has embraced that need probably more than anybody else at the moment, looking for 70,000 new dwellings. The fact of the matter is the house-building industry is always pushing that to the maximum, so they are arguing for 90,000 dwellings in Leeds. They are trying to undermine their five-year land-supply arguments, etc.

What I think we have is an unbalanced interpretation of the NPPF, and a balance between the market's involvement and the house builders' involvement in the assessment of need and delivery is probably unduly skewed in their favour. That is not saying that there is not an enormous obligation on local authorities to help improve the delivery of housing, both through the planning system and through its land ownership.

Q556 Mark Pawsey: Mr Achurch, do you think that planners generally have been too keen to get development underway and that they have not got some of the environmental benefits they might have striven for?

Ian Achurch: I think they have been conscious in terms of working with the system and the presumption in favour of development and, therefore, trying to facilitate. Most areas that I am aware of want growth and development, but sustainable development. Therefore, I think my experience is that local authorities are being very open to renegotiation of Section 106 in terms of phasing of agreements, because it enables you to do that, because it is a negotiation in that they have to be agreements. I cannot comment on specifics where they may have been lax. I am not aware of that. What I am aware of is the flexibility in terms of phasing: looking at particularly major development over the long term, understanding cash flows and seeking to be sympathetic in terms of renegotiation.

Related to that, there is a danger in terms of something that you touched on about the NPPF and whether it incentivises development or speculation on development. Maybe the five-year land supply does the latter, in terms of whether there really is an incentive to have a developable site within five years, where, potentially, you could secure

further permissions if there is not a five-year supply there. I think there is a question there.

It is also interesting in terms of how the planning system operates. At the plan-making stage, I do not think you will have a developer who will come and say, "I am sorry. My site is unviable," but as soon as you get into the detail of a negotiation, viability then jumps up. Maybe there is a question about whether viability should be considered more robustly at the plan-making stage, so that we have fewer of these unviable sites coming forward. That is not in anybody's interest.

Q557 Mark Pawsey: In terms of achieving sustainable transport and other environmental benefits, if you were given a choice either to leave the NPPF as it is or to effect a change, which would you do? If you wanted a change, what would it be?

Ian Achurch: From a sustainable-transport point of view, I think the role of the transport authority in that plan-making process, whether it is via a duty to co-operate or a strategic infrastructure framework, as ADEPT have advocated in the past, is needed, which strengthens the transport links with development. At the moment, it is a little light in that area.

Q558 Mark Pawsey: You would like to see some strengthening.

Ian Achurch: Yes, in relation to transport growth.

Q559 Simon Danczuk: Ian, you touched upon this earlier about the duty to co-operate. Do you have concerns about local authorities not co-operating properly?

Ian Achurch: It is such a key issue. Local planning is the highest level of planning in terms of strategy, and housing-market areas are no respecters of administrative boundaries; therefore, the duty to co-operate is essential when, for example, you are dealing with housing. I do not think that it is as robust as it could be. It mentions issues such as that it should be for mutual benefit, but I am not sure what that means.

Q560 Simon Danczuk: ADEPT are suggesting that the NPPF should be more assertive.

Ian Achurch: Yes.

Q561 Simon Danczuk: Are you saying that we need more direction from central Government?

Ian Achurch: I think more clarity in terms of—

Q562 Simon Danczuk: What more clarity do you want than, “You guys should co-operate”?

Ian Achurch: We have suggested some words specifically in terms of transport—there is a duty to co-operate on transport—and in terms of education, ensuring that there is sufficient education capacity in the plan that can deliver development. The danger is that, if you skirt around the critical issues around infrastructure, they are all parked until you get to the planning application stage. I think experience is showing that that is why lots and lots of major developments are stalled.

Q563 Simon Danczuk: Presumably, however, it is your members that are not co-operating.

Ian Achurch: It is more challenging in two-tier areas, which is the area that I work in. It is more challenging. ADEPT is made up of upper-tier authorities: metropolitan authorities, unitary authorities and county councils. Its membership does not include district councils. ADEPT is articulating a challenge in two-tier areas, where the duty to co-operate needs to be clearer. However, ADEPT, in its evidence, also illustrates the example of Luton, where Luton has a housing need that it cannot meet within its boundaries and is looking to its neighbouring authorities to help meet that need. Its view is that the duty to co-operate is not strong enough to enable it to meet that need with its adjacent authorities.

Q564 Simon Danczuk: It is your members, then, who are not co-operating.

Ian Achurch: There is more clarity needed to enable that co-operation to happen.

Q565 Simon Danczuk: Do they need to be told more strongly by central Government? Do you need more state intervention in local government to get you guys to co-operate?

Ian Achurch: The national planning policy guidance needs to be clearer in terms of strategic planning across boundaries, because these are tricky issues.

Q566 Simon Danczuk: Let us move on. If we agree that councils are failing to co-operate—not all of them but a lot of them—and regional strategies are out of the question, as the Government are not signing up to that, do we need a spatial plan for England, do you think?

Ian Achurch: I think there is a strong case for that. It has been discussed previously and I think there is a case for planning between those two levels—between local and national level.

Q567 Simon Danczuk: Phil, do we need a spatial plan for England?

Phil Crabtree: I can see the benefits of it, not least because it might do something to address regional imbalance in expenditure, and perhaps do a little bit more for the North, on which we have perhaps some common ground here in some cases. If I can return to the duty to co-operate, however, my view is that there is a set of interest groups who try to stop the plan-making proceeding because it is in their interest not to have a plan, so they can exploit the lack of a five-year land supply. In the absence of a local plan, you are then at the behest of the NPPF. That is always the calculation you are making as a local authority.

Before we submitted our draft core strategy for examination, we had members of the private sector coming to see us and saying, “We think you are going to fail the duty to co-operate”. Why? We had taken a lot of legal advice from leading counsel about how we were handling it, etc. There was a move to try to derail the process, in my view, by people representing various interests. What does it mean in practice? First of all, you have to have your objectively assessed housing need; that is absolutely critical. Most authorities that have fallen have fallen because they have not done so. If you cannot meet it within your boundaries, then there are impacts on adjoining authorities; that is the Birmingham problem.

The question then is: are those local authorities willing to take that? The impasse arises when those adjoining local authorities—which is what I think you are describing in Luton—are not willing to take that housing growth, for all sorts of reasons that you can understand from their political perspective. The question is: how do you resolve that impact? Does it mean that Luton—or Birmingham or wherever—cannot proceed with their plan because they cannot get agreement from adjoining local authorities, in which case there must be a planning vacuum somewhere, or is it that, “Yes, we have had the discussions. We have done our level best. We can evidence that. However, we still need to get on and make provision for the housing needs that we have in our district regardless”? I think it is in that area where it falls down.

Q568 Simon Danczuk: So you think we need a spatial plan for England. Stephen, do you think we need a spatial plan for England?

Stephen Joseph: I think you could spend a lot of time creating a spatial plan for England. I think, in principle, it might be a good idea. What I would want to see is some strengthening of some of the things that are already going on, like combined authorities, which Leeds is part of, and some more willingness by central Government to be a bit more directive about this.

We have written evidence about Swindon and Wiltshire versus the West of England, and the difficulty of co-operation between the four districts that make up the Greater Bristol conurbation, where there are really severe difficulties in getting basic co-operation on cross-border infrastructure initiatives and a failure to think about places just over the Greater Bristol border, in places like Swindon and Wiltshire, and to co-operate on basic cross-border transport flows, even at a time when Wiltshire County Council's strategy is large-scale housing development in west Wiltshire, which will have a lot of commuting impacts on Greater Bristol.

Our sense is that there is going to have to be more central Government push to create combined authorities where they do not exist and to strengthen those that do, for example, by strengthening strategic-highway requirements at a combined-authority rather than a district level, and things like that. We think that is going to have more immediate impact in making some of this kind of thing work.

Q569 Simon Danczuk: Just briefly changing the subject to town centres, I will start with you, Ian, and quickly canter through it. What more could the NPPF do to protect town centres from the threat of out-of-town development, do you think?

Ian Achurch: There is the concern that it is too easy to pass through the sequential tests. I know that Mr Crabtree has particular evidence in terms of Leeds, but there is a danger that, while the NPPF is positive about town centres, it also enables development to come forward in other locations. There is a strong case that it could be firmer if it is to protect town centres.

Phil Crabtree: There are a couple of absolutely key High Court decisions, which really have weakened the "town centre first" approach. The first one was the Dundee application, and then, more recently, one at Rushden Lakes, and they say if you have an aggregated form of retail development, which may include a variety of uses—gyms, food stores and bulky goods, etc—unless you have a site that can precisely accommodate that development brought forward, then it is lost. Inevitably, then, you are going to get more edge-of-centre or out-of-centre development, to the detriment of hard-pressed centres that are struggling to retain their vitality anyway.

Q570 Simon Danczuk: The NPPF needs bolstering, then.

Phil Crabtree: Very much so, to reflect the danger posed by those two decisions.

Q571 Simon Danczuk: Stephen, do you have any views?

Stephen Joseph: In our evidence, we talked about what had happened in practice in relation to town-centre versus out-of-centre development. In practice, what is happening is, as I said earlier, an emphasis on out-of-town or edge-of-town development, which is contrary to what the NPPF says. I think the legal points may have an aspect of that, but we think that there is a need, therefore, to strengthen that aspect of the NPPF, as well as, as Mr Crabtree has said, to give a clearer emphasis on the legal side of this and to make it clear that authorities can give priority to town centres. The issues around parking, parking standards and charges in town centres, etc, which are not part of the NPPF particularly, have been part of much debate around the place and have also slightly muddled the water. The NPPF talks about improving the quality of parking, not the quantity of parking. We have seen one experiment in practice, where Aberystwyth took out all parking controls because the business community said it was essential for attracting people to the town, but the chaos was such that, a year later, they had to reintroduce them because the business community decided that the chaos was putting people off. There has been a laboratory experiment there, which I think needs to be reflected.

Chair: We have five minutes each for the last two areas we need to cover.

Q572 John Pugh: I think most my comments follow on from what you already said, Phil, about the problems of getting the building trade to come clean on exactly what the true value and viability is of the various sites that they consider. In Leeds, you have maybe a disproportionate amount of permissions compared with the developments.

Phil Crabtree: That is right.

Q573 John Pugh: I think you said earlier that, when you had this argument with builders, you either had to accept their word for it or take a risk of going out to appeal. You mentioned a third alternative, which was to get an independent assessment, but I think you suggested that was going to be funded by the developer. Just to help me with the answer you gave, my thought is that that might be a slightly incestuous relationship in itself.

Phil Crabtree: Can I say that we take independent viability assessments at two stages? First of all, as part of our land-availability argument—the SHLAA process—we have something like 25,000 sites either allocated or with consent. In the house builder industry’s view, they thought only 11,000 of those were viable. A gap of that size did not seem terribly credible.

John Pugh: They have said to us time and time again—

Phil Crabtree: What did we do? We put a number of the so-called unviable tests to independent assessment by the district valuer. We paid for that and we got our advice; he says it is viable. We then come to a planning application. It is the developer who is saying, “I cannot meet the planning obligations in full”; it is the developer, therefore, who is imposing a cost on the local authority to say, “Is that correct or not?” We therefore invite the developer to fund that assessment, but that assessment is commissioned by and reports to the local authority, not to the developer concerned.

Q574 John Pugh: It does strike me, however, that the sort of people they would get to do it are the sort of people they would often do business with.

Phil Crabtree: No, the appointment is made by the local authority, so there is a very clear and important distinction. While the funding is provided by the developer, like a planning fee—you might say it is an extension of the planning fee—the reporting arrangements are purely to the local authority. Of course, there is a discussion of the conclusions of that assessment between the two parties.

Q575 John Pugh: On the basis of that sort of assessment, however, can you identify quite clearly where there is evidence of developers land-banking rather than building—obtaining permissions but not developing?

Phil Crabtree: That would not help you with the land-banking argument; it would help you more with the five-year supply. I have read stuff from the Home Builders Federation about land-banking and, of course, they believe there is not any. I think what you have to do is to define land-banking very precisely and look at where options are maintained over many years. That is the truth of land-banking.

Q576 John Pugh: What you are basically saying, though, is that there are plenty of sites that are declared non-viable that they hold on to—

Phil Crabtree: That are viable, and I spend a lot of time in public inquiries endlessly arguing this out, to enormous cost and delay.

Q577 Chair: Let us move on, then, finally, to the requirement for five-year land supply. Ian Achurch and Phil Crabtree, you have both referred to paragraphs 47 to 49 of the NPPF, and the problem that those create around viability and deliverability of land. I think, Ian Achurch, you described the definition of five-year housing-land supply as “not fit for purpose” and, Phil Crabtree, you called it a “nonsensical situation” in Leeds. Could you elaborate on that and what is happening? There was some really interesting material in your evidence there.

Phil Crabtree: Things have moved on a bit. First of all, the five-year land supply is based on viable sites. You accept that. Whose assessment of viability? I have just gone through that; I will not repeat it. The house builders’ view is they have never had a better opportunity to bring sites forward and get them on their book at a higher value than ever before.

Chair: Mainly greenfield sites.

Phil Crabtree: Yes. Therefore, they are going to make hay while the sun shines, in a nutshell. They have said that to me. Regional directors have said that to me. We are now faced with a problem: our assessed housing need of five-year supply indicates that, in order to make up the shortfall, we need to release some safeguarded sites in order to make up the numbers. The NPPF says you should only release safeguarded land through the development-plan system and through a site-allocation process, or now the local plan. Our challenge was: how could we manage this sensibly, in a way that did not prejudice that plan-making process, so that we got a genuine plan-making system? We put in place some guidance for the release of the sites, selectively, where they were not of strategic significance. That guidance was tested in the High Court, and we won the case. It is to do with the local plan regulations. The developers have now been given leave to appeal to the Court of Appeal, so it will be interesting to see how that comes out in the autumn.

The difficult position in which we could eventually find ourselves is, first, that there are no criteria against which these safeguarded sites should be released, and yet the NPPF says, “Do not release them until you have your local plan in place”. That is going to take time. We cannot put a DPD in place—a development plan document—because we are doing one already and that will take several months or two years by the end of an inquiry process. If you do not have a five-year supply in place, your plan then defaults back to the NPPF in respect of the housing policy, so we could have an inspector’s decision letter saying

we have a good, sound core strategy in August, our approach for delivering housing land taken away from us in the autumn, and the up-to-date modern-housing land policies and supply policies taken away from us and reverting back to the NPPF and those concerns around Christmas.

Q578 Chair: That is the problem; what is the answer?

Phil Crabtree: The answer is to look at the five-year supply with more rigour.

Chair: More rigour?

Phil Crabtree: Yes, and I think, ultimately—and I have written to CLG about this—they will need to look at the local plan regulations.

Q579 Chair: Can we have a copy of that correspondence?

Phil Crabtree: Yes, and you can have a copy of the High Court decision as well. We will send that to you.

Chair: Any other comments you want to make in addition will be helpful. Mr Achurch?

Ian Achurch: I think Mr Crabtree has covered the key points about the five-year supply. I think one of the issues that ADEPT have raised is the danger that this penalises areas taking more of an aspirational approach to growth, which is in the national interest in terms of promoting an increase in housing to meet unmet demand. The danger is, with the five-year supply and the 20% buffer, if you do not meet your targets, that again is a penalty. There is, then, a perverse incentive that you underestimate your need so that you are not penalised in terms of not meeting that need. With the NPPF at the moment, there is the danger that there is a perverse incentive there not to promote growth.

Q580 Chair: Otherwise, you have a higher need, which may be more realistic, but there are sites that are deemed not to be viable in the current circumstances and there is pressure to pull even more sites in.

Ian Achurch: Exactly, and then you are not meeting the need. Could I just make an additional point?

Chair: Very briefly, yes.

Ian Achurch: You are looking at the NPPF and whether there should be more onus on developers. Throughout the NPPF, it talks about, "Local planning authorities..." and "Local authorities should..." The planning system is reliant on development proposals coming forward,

so perhaps there should be a bit more onus in the NPPF in terms of developers ensuring that their sites are viable and can be implemented. I was reading through it on the train again today, just to refresh my mind, and there is very little reference in there to what the expectations are, through the NPPF, of developers.

Phil Crabtree: Could I endorse that? I think the whole debate from the report years ago on housing-land supply by Kate Barker onwards has had too little emphasis on the behaviours of the development industry in addressing supply and speeding up applications. There are responsibilities there in terms of speed, quality of submissions, and working with local authorities and local communities.

Chair: Thank you. If you want to add any more to that in the further evidence you are going to give to us, that would be appreciated. Thank you all very much for coming to give evidence to us this afternoon.