



RTPI

mediation of space · making of place

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Sent by email to: julian.wheeler@communities.gsi.gov.uk

26 June 2009

Our ref:
Your ref:

Dear Julian

Housing and Planning Delivery Grant – consultation on allocation mechanism for year 2 and year 3

Thank you for the opportunity to respond to the above consultation. The RTPI is a membership organisation representing over 22,000 spatial planners. It exists to advance the science and art of town planning for the benefit of the public.

The RTPI supports the principle of the housing and planning delivery grant (HPDG) to incentivise local authorities to improve the delivery of housing and other planning outcomes. However, we have concerns about the detail of the allocation criteria, some of which remain from earlier consultations.

Specifically, the allocation of HPDG as proposed continues to penalise those authorities where provision of new housing is not a priority (i.e. small authorities, HMR areas and areas of conservation constraint), and also rewards plain quantity rather than quality of delivery, although the proposals regarding affordable housing are welcome in this respect. The outcome is that HPDG is all about the delivery of housing, and the achievement of “other planning outcomes” cited as a key aim of the grant are outcomes that support the delivery of housing, rather than wider outcomes which might have an impact on re-use of previously-developed land or on climate change. The RTPI would suggest, for example, measures that reward councils who meet previously developed land or density targets.

Of most critical immediate concern, however, is the proposal to reduce the overall HPDG budget in 2009/10 and 2010/11 by a total of £75 million. The RTPI considers that this cut not only sends a negative message to those authorities that have worked hard, and succeeded, in delivering new homes despite the current economic

circumstances, it also removes a key funding stream for hard-pressed local authorities at a critical time. It is imperative that the planning system is properly resourced so that councils can equip themselves both to tackle the current economic situation and to have plans ready to enable development in the upturn when it comes.

To achieve these ends, there should be growth, not decline, in planning and housing delivery grant, enabling and targeting spend at the retention of planning and housing capacity. The grant should be viewed as a form of economic stimulus, equivalent to the debt financed public expenditure supporting the banking system or the automotive industry. The proposed cut will result in a capacity reduction in planning and housing, reduce the prospects of delivering much needed social and affordable housing and prolong the adverse effects of the recession in the sector.

In summary, the ability to plan for and respond to new development and/or regeneration proposals is critical to economic recovery: the HPDG is the demonstration of the extent to which CLG is focused on this goal. Places with sound plans and clear visions in place will be far better placed to respond to the economic upturn by attracting inward investment than those places that have not taken this step. HPDG could be used to promote the virtue of sound and timely plan-making as a key step on the road to recovery. If the criteria are revised as suggested, an important opportunity to promote plan-making as an economic stimulus will have been lost.

The RTPi also responds to the specific consultation questions in the attached.

I trust that these comments will be of assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Matt Thomson', followed by a long horizontal flourish.

Matt Thomson
Head of Policy & Practice

cc
enc

Housing and Planning Delivery Grant – consultation on allocation mechanism for year 2 and year 3 Response to consultation questions by the Royal Town Planning Institute

Q1 Do you agree with the Government's decision not to make any changes to the scheme in year 2 and to reduce the threshold from 0.75 to 0.65 in year 3?

The RTPI agrees that, as a modification to the existing allocation mechanism, this is an appropriate response to the downturn in housing completions.

However, the RTPI consider that there needs to be a more effective incentive for councils that are less able to provide significant growth (for example as a result of their size or through conservation or environmental constraints) but who are nonetheless working hard to effectively deliver their housing allocations. It might perhaps be more equitable to base the allocation criteria upon performance against RSS housing targets, rather than a proportion of the existing number of dwellings.

Q2 Do you agree that the proposed changes to the land supply element will install a greater degree of transparency in the land supply position across the country?

While the RTPI considers that the proposed changes have the potential to incentivise improved transparency, it does not consider that transparency is the key issue at stake here.

Councils must be encouraged to produce SHLAAs, and should be rewarded for doing so even if the SHLAA does not demonstrate a 5-year supply, is not endorsed by the HMP and is not supported by an implementation strategy; although councils should be rewarded more highly if they have done so. A thorough SHLAA that fails to demonstrate a 5-year supply and is the sound basis for an authority taking action to achieve 5-years' supply is an important step. The RTPI therefore recommends that a small award is made for authorities who have published a SHLAA and/or have demonstrated a 5-year supply.

Q3 Do you agree that we should not make any changes to the allocation mechanism for delivery of priority development plan documents?

The RTPI has no basis for comment on this at this stage.

Q4 Do you agree with the proposals to change the proportions of the planning element available for demonstrating land for housing and delivering priority development plan documents in year 2?

The RTPI has no basis for comment on this at this stage.

Q5 Do you think we should introduce an affordable housing element in year 3 and if so, which of the two options outlined or a combination of the two would you favour?

The RTPI considers that HPDG should reward authorities for a number of more qualitative aspects of housing delivery. Rewarding delivery of affordable housing introduces a qualitative element to a quantitative measure. In the current economic climate, increased rates of affordable housing provision are essential, and the proposals are welcomed.

While the RTPI is rightly concerned about the delivery of affordable housing in rural areas, it considers that delivering affordable housing in urban areas is of equal priority. In certain respects there are more opportunities for securing affordable housing in rural areas through the use of rural exceptions policies and as a result of the relative economies in greenfield development. It would be inequitable to reward only rural areas, especially as some areas are only classified as such as a result of administrative boundaries.

The RTPI therefore favours the first option, which also has the benefit of being quantifiable using existing data without requiring hard-pressed councils to provide additional subjective evidence.

Q6: Are you content with the criteria proposed for allocation of the additional empowerment funding? If not, could you propose an alternative approach?

The RTPI considers that HPDG should reward authorities for a number of more qualitative aspects of housing delivery. While evidence of community empowerment is a qualitative measure, the RTPI does not consider that the proposed measures are robust in this regard.

The RTPI does not consider that having a target submission date for DPDs in 2009/10 is either a measure of community empowerment or a measure of successful delivery. The selection of specific NIs in a LAA is not a measure of delivery either. Both proposed measures are an indication of a council's aspirations, not its success in achieving empowerment.

The RTPI would recommend that if community empowerment is to be taken seriously in assessing councils' performance, then there needs to be an objective means of assessing how councils have performed in meeting standards set in their SCIs.