

CIH submission to the Ministry of Housing, Communities and Local Government on Planning Reform: supporting the high street and increasing the delivery of new homes



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Housing

About CIH

Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: www.cih.org

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Summary

Part one - New permitted development rights

CIH's response below is focused specifically on the proposed extension of permitted development rights to build upwards on certain buildings, and to demolish commercial buildings and redevelop with residential properties. CIH does not support these proposed extensions to permitted development rights. Our reasons for this are due to the limited ability for local planning authorities to ensure appropriate standards through this mechanism, to require the numbers, size and type of housing delivered appropriate for their local areas, and the loss of affordable housing contributions.

Part two - Disposal of local authority land

We support local authorities having greater flexibility to dispose of land at an undervalue, where this can be demonstrated to support the delivery of more homes required in the local area, and particularly where this increases the delivery of more affordable homes including for social rent.

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Below we provide more detail for our response

Part One - new permitted development rights

CIH supports the government's ambitions to increase housing supply. Many people are struggling to access and sustain an affordable home, resulting in over 270,000 accepted as homeless in England alone. [Analysis](#) from Heriot-Watt University for NHF and Crisis (2018) indicates a shortage of 4 million homes, requiring the development of 340,000 new homes a year up to 2031. Of those homes, 90,000 need to be the most affordable, social rented homes.

Alongside the need for more affordable homes, recent [research](#) by EHRC put a spotlight on what it has termed our hidden housing crisis; the lack of accessible and adaptable homes available for disabled people and our ageing population. The number of disabled people is growing, up to 13.3million in 2016, but still only seven per cent of existing homes have minimal accessibility standards. It is not only about the need for more homes, but that these must also be the right homes in the right places, affordable and accessible for local people.

Permitted development allowing change of use from office to residential dwellings has contributed to the overall increase in additional dwellings, [contributing](#) 13,000 in 2015/16, and 18,000 in 2016/17.

However, we do not support the extension of permitted development rights, and our main concerns with this mechanism are:

- Loss of affordable housing contributions

Section 106 provided 18,200 homes in 2016/17, the majority without grant. This was 43% of total affordable output and a significant increase on the total for the previous year (12,910). A small but significant proportion of the total (14%) was housing for letting at social rents ([UK Housing Review 2018](#)).

CIH has [called](#) for a shift in government investment into affordable housing. However, it is likely that, to meet the numbers required, planning contributions will still continue to be an important route for such development.

However, affordable housing contributions are not required through permitted development, and cost benefit analysis published by RICS estimated the loss at between £37m and £48m for the period 2013-2017 ([The exercise of permitted development rights in England since 2010](#)).

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- Lack of control over quality and standards

Permitted development rights have led to significant deregulation of planning and what the TCPA's [Raynsford review of planning](#) has termed 'a shadow planning system'. The local planning authority is severely constrained in what it can require through prior approval to matters concerning transport, highways, contamination and flood risk.

In the aftermath of the fire at Grenfell Tower, and the evidence of greater, not less regulation needed to ensure the safety of homes, especially where these are in high rise buildings, we believe that all policy and legislative frameworks should work to ensure higher quality that will provide for the health and safety of residents and the wider local community.

A recent assessment of office to residential conversions in five local authorities with high rates of use of this permitted development, published by RICS ([Assessing the impacts of extending permitted development rights to office-to-residential change of use in England](#)) compared the quality of these schemes to those requiring full planning permission and found significant reduction in quality, including:

- Only 30 per cent met national space standards
 - Studio flats that measured only 15-16 square meters
 - No private or communal amenity space
 - Limited changes made in converting from office to residential use
 - Residential schemes sited on industrial estates
 - 77 percent being studio or one-bedroom flats, thus suitable only for a limited segment of the market.
- Loss of office space and local employment opportunities

Although permitted development has led to the conversion of vacant commercial properties, it has included partially or occupied office space, and increased rental costs for remaining units as a result. This can impact on local employment opportunities and economic development (for example London Councils, 2015, [The impact of permitted development rights for office to residential conversion](#)).

- Scale of development and impacts

Permitted development rights are useful but limited tools. Where major development changes are proposed, that will have significant impact on the local area and residents, as with upward extensions and demolition and redevelopment, planning permission should be required to enable the local planning authority to take full account of the impact, and ensure it delivers the right mix of homes and any new

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infrastructure and facilities needed, to create vibrant and sustainable places. The report by RICS ([above](#)) demonstrates how conversions can be delivered well through the full planning process (comparisons with Glasgow and Rotterdam), rather than through adaptations of a specific and limited tool such as permitted development.

- Lack of community engagement

Delivering extensive schemes through the route of permitted development, over which there is little control of standards or design quality, with little or no contribution to the wider infrastructure or access to more affordable homes, is likely to increase people's reluctance to accept new development in local areas. This can have a particularly negative impact for rural areas, where community involvement can be key to identifying and accepting new schemes (illustrated in positive examples in CIH's [report](#) on involving communities in rural housing development).

Part two - disposal of local authority land

We identified a number of local authorities who were using their existing powers and working with housing association partners creatively to develop more homes to meet local needs (such as South Gloucestershire District Council and Sovereign Housing association, or Plymouth City Council and housing association partners through the Plymouth Housing Development Partnership, both case studies in [Building Bridges: a guide to better partnership working between local authorities and housing associations](#)). The report also looked at the legal requirements on local authorities in any disposal of land and included recommendations for greater flexibility for local authorities to dispose of land at an undervalue, particularly where it can be used to deliver additional homes, including for affordable and social rent.

Specifically, in the report, we recommended:

- Broadening the scope of what local authorities can determine constitutes 'best consideration' (section 123 of local government Act 1972) in relation to the disposal of general fund land, where the disposal is to facilitate housing development
- Giving more flexibility to local authorities to contribute land to housing development projects by widening the applicable general consents for disposal of general fund and HRA land
- Specific consent should be required for disposal of general fund land where disposal is within the highest decile of site values.

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Conclusion

CIH supports the need to develop more housing, particularly affordable homes. We believe that these must be built for the long-term benefit of communities, providing the right type of homes in the right places. We would be happy to have further discussion with government on this.