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This is a copy of the final version of an article published in *Planning in London*, vol. 102, pp. 16-17.

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Housing and planning politics after the general election

Duncan Bowie says our whole approach to planning, development and housing policy needs a fundamental rethink

The Housing White Paper published by Teresa May, Sajid Javid and the former Minister, Gavin Barwell in February, represented a significant shift in the thinking of the Conservative Government. The fact that it was titled 'Fixing the Broken Housing Market' was significant. The government had abandoned the view held by the Coalition government, and to a large extent by the labour governments of 1997-2010, that the main objective should be to increase access to owner occupation. Over most of the last two decades, we have seen an increase in house-prices, well above increases in earnings, with a consequent reduction in the affordability of home ownership for prospective first time buyers, especially, but not exclusively, in London and the South east of England. Not surprisingly there has been a fall, for the first time since the First World War, in the proportion of households who are home owners, and a doubling of the proportion who are in private rented housing. In London this proportion is 25 per cent, compared with 23 per cent in social housing and 52 per cent in owner occupation (with 24 per cent being owned outright). The White Paper recognised that not all households could be owner occupiers and that the supply of rented homes needed to be increased.

The Conservative Party's General Election Manifesto recognised the need to build more homes and reaffirmed the commitment made in 2015 to deliver a million new homes by the end of 2020, but added a further half million in the following 2 years. It referred to the proposals in the Housing White Paper to 'free up more land for new homes in the right places, speed up build-out by encouraging modern methods of construction and give councils powers to intervene where developers do not act on their planning permissions.' The manifesto spoke of the need to improve the quality of new homes built and to meet a range of different housing needs. More surprisingly, the manifesto also referred to the need for 'the active participation of social and municipal housing providers'. The manifesto was explicit – "So we will help councils to build, but only those councils who will build high-quality,

sustainable and integrated communities. We will enter into new Council Housing Deals with ambitious, pro-development local authorities to help them build more social housing."

As has been widely discussed, the Conservative manifesto did not include any specific costings, so there is no indication of the size of this new council housing programme or how much grant is to be provided and where this funding is going to be sourced. However, the manifesto does state that local authorities will be provided with significant 'low-cost capital funding', which implies loans rather than grant. Ministers have subsequently clarified that the new council homes will not be at social rents but at 'affordable rents – up to 80 per cent market rents. The manifesto refers to 'new fixed-term social houses, which will be sold privately after ten or fifteen years with an automatic Right to Buy for tenants.' It is unclear how tenants who cannot afford to buy their homes would be rehoused.

It is however also relevant that the Labour party's manifesto which promised that 100,000 new homes would be 'genuinely affordable' and was supported by a separate costing document published by the shadow chancellor John McDonnell, did not include any specific funding, implying incorrectly that the proposal to allow councils to increase their borrowing would provide sufficient resources, rather ignoring the fact that an income stream is required to fund increased borrowing.

The Conservative manifesto includes some other proposals – to reform Compulsory Purchase Orders and to make it easier to determine the true market values of sites, and to capture increases in land value from development 'to reinvest in local infrastructure, essential services and further housing'. There is also an emphasis on higher density low-rise homes, such as 'mansion blocks, mews houses and terraced streets'. This reflect the influence of the 'Create Streets' lobby but does not deal with the fact that such housing products tend to be unaffordable by most households. The Manifesto, in parallel with that of the Labour Party, also reaffirms the protection of the Green Belt, which leaves open the question that

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of new development is to be low rise, where are all the new homes going to go. It is interesting that the manifesto always refers to 'houses' when discussing new development. This is despite most new development being mainly flats, especially in London.

Just in case we may think the Conservatives are now council friendly, the manifesto also includes a hint of the previous ideological hostility – 'councils have been amongst the worst offenders in failing to build sustainable, integrated communities. In some instances, they have built for political gain rather than for social purpose'. This rather misses the point that it is not unreasonable for people to vote for politicians who help to provide them with somewhere decent to live. It should also be noted that the Conservative manifesto made no reference to the 2016 Housing and Planning Act, a heritage from the Cameron/ Nick Boles era, most of which has not actually been brought into effect, largely because Gavin Barwell and presumably Theresa May, rightly saw it as counterproductive.

Of course the election was not dominated by debates over housing and planning, but issues of security and terrorism and, perhaps to a lesser extent than anticipated, BREXIT. The Manchester attack led to the Labour Party's mini manifesto on housing being delayed until two days before the election, which meant its promise of a stamp duty holiday for first time buyers (buying homes under £300,000) went largely un-noticed. The main consequence of the election for housing was that Gavin Barwell, a relatively informed and progressive housing minister, losing his seat, though within hours being installed at 10 Downing Street as Theresa May's chief of staff, replacing the disgraced team of Fiona Hill and

Nick Timothy, who were held largely responsible for Theresa May's future to retain or even strengthen her parliamentary majority.

So Barwell will still have influence, though no doubt his attention will now be focused on matters other than housing. The new housing and planning minister, Alok Sharma, the Reading West MP, with a background in the City, is not known to have any past experience in housing and planning, or for that matter any interest in the issues, other than like many Home Counties MP, having a record, according to Inside Housing of opposing new developments in his constituency. Sharma is the 13th Housing minister in 16 years and like many of his predecessors, will take time to settle in.

Barwell, with his extensive experience as a Croydon councillor, and with a supportive secretary of state, was able to apply significant influence fairly quickly. Whether Sharma is ideologically supportive of the need for state intervention in housing, recognised by May and Barwell in contrast with the previously dominant perspective of Cameron and Boles, that the market would sort it has yet to be seen. Neither the Housing White Paper nor the Conservative Manifesto explicitly refers to new legislation in relation to housing and planning. The Queen's Speech given on 21st June had only two relatively minor housing-related Bills – one to ban letting agents in England charging fees to tenants as a condition of tenancy; the other a Good Mortgages Bill which allows mortgagees to use vehicles as security for mortgages. With the focus on Brexit for the next two years, housing and planning reform is unlikely to get space in the legislative programme.

Despite the fact that housing is not a key priority for legislation at present, the Grenfell Tower fire has however dramatically changed the political context for discussing housing and planning. We will have months if not years of everybody involved blaming everyone else. There is however a recognition that fire regulations need to be strengthened and enforced and that wrapping tower blocks in flammable plastic is not the best construction technique. The practice of housing families with young children and other vulnerable people on the top floors of council tower blocks, a practice which had been largely abandoned by most London boroughs in the 1980's, should be stopped altogether. There is also a reinvigoration of the debate as to why we are giving planning consent to residential towers at all. Sadiq Khan, the London Mayor, so far like his two predecessors a supporter if not necessarily an enthusiast for high rise, is now saying that families in tower blocks should be rehoused in lower rise schemes. We do however have to find lower rise social housing for them, and bluntly there is not much



Housing by Assael Architecture – see A professional manifesto overpage

left, mainly due to 38 years of council house sales – it is always the houses and lower-rise flats that get sold first. Most of the sub-market homes in the development programme (and that is only 13 per cent of the development pipeline, are also flats, many in high density and sometimes high rise schemes, and most are shared ownership and sub-market rent not social housing and therefore not affordable by the mainly lower income tower residents. Alok Sharma may promise that the households who have lost their homes will be rehoused in the Notting Hill area – Kensington and Chelsea Council has responded that they can't rehouse these households within the borough and need help from their neighbours. This is not surprising given they are not the only London borough to place homeless households in temporary accommodation out of borough and even out of London. Councils may need to take over management of some empty privately owned private properties – Kensington and Chelsea probably has more than any other council in the coun-

try – and already has powers – the Empty Property Management Order procedure.

So the fire has not just drawn the attention of politicians to the need for tighter control of building and refurbishment, but to the acuteness of the pre-existing housing crisis. Central Government and local authorities are going to have to spend a lot more money than they had budgeted for, and we may see a shift in policy from the current focus of building new homes for investors to building homes that people can afford – both for new households and for those who need to be rehoused from towers. This also leads to a rethink of what kind of homes we need and where we put them. We need lower rise affordable homes in central London and the suburbs. If we are building at lower densities, we also need more land and we need land that does not cost £100 million a hectare. Our whole approach to planning, development and housing policy needs a fundamental rethink. This time lessons must be learnt. ■