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**The Dilemmas of Metropolitan City Growth in the London Region
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This is an electronic version of a paper presented at The European Network for Housing Research conference, Tirana, Albania 04 to 07 September 2017.

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Reg No M055

WS15 Metropolitan Dynamics, Urban Change, Markets and Governance

The dilemmas of metropolitan city region growth in the London region.

Abstract

This paper will be based on my continuing research on alternative options for London's growth. It will focus on the current debate over hyperdensity development in London, suburban intensification, urban extensions into the Green Belt, expansion of existing Home Counties centres, new town development and regional dispersal. This relates to the work of the TCPA London and south East working group which I have been convening. This paper will review the impact of recent changes in Government policy such as the Housing White Paper and the strategy being pursued by the new Mayor of London on planning and housing development options. The paper will focus on the social and spatial impacts of alternative development options.

Key Words

London. Strategic planning, compact city

Introduction

The new Mayor of London, Sadiq Khan, has commenced the review of the 2015 London Plan published by his predecessor, Boris Johnson and Greater London Authority planners have already undertaken considerable research on development options, including work based on the spatial scenarios in the 2050 Infrastructure Plan and supporting documents

Research commissioned by the Town and Country Planning Association on household projections by Neil McDonald and Christine Whitehead set out the numerical challenge to be faced (TCPA 2015). The previous Mayor, Boris Johnson, commissioned a series of research projects in relation to the application and possible revision of the current London Plan policy on residential density which is based on the principle of sustainable residential quality (SRQ). These were published in November 2016 (Mayor of London 2016). Much of the debate in the run up to the Mayoral election focused on two specific issues – whether or not there should be any development within the Green Belt and whether or not London's housing shortage can be resolved primarily through the redevelopment and intensification of existing council estates, now designated by Government as brownfield sites. It is important however that the focus of the debate is widened.

The future of London needs to be considered within the context of the wider London metropolitan region. This view was expressed forcibly on the TCPA's behalf by the late TCPA president, Sir Peter Hall and the TCPA has continued to advocate this wider strategic perspective in its contributions to the reviews of the London Plan since the first such Plan in 2004. The Inspector in the 2014 Further Alterations to the London Plan Examination in Public that the Mayor needed to establish an effective method of engaging in discussions on the planning of the metropolitan region with the planning authorities within the travel to work area centred on London – the Functional Urban Region, now more commonly referred to as the 'Wider South East'.

Suggested approach to identifying and assessing options

The starting point for such an approach to strategic planning should be a region-wide evidence basis encompassing an assessment of the requirements for development for each key land use across the region, possibly including a lower growth scenario; and an assessment of development capacity, on a consistent basis to ensure that development capacity is most effectively used. The evidence base should include an assessment of whether recent development activity, has been appropriate in both quantitative and qualitative terms.

The identification of potential locations for residential and employment growth must include an assessment of both an overall spatial framework and of individual locations against a full range of economic, environmental and social sustainability criteria. This balanced approach is critical as justification for specific policy positions is often from a single perspective – for example the justification for Green Belt protection relies on giving preference to an environmentalist perspective, whereas the justification for concentrating new development in central London rather than adopting a more polycentric approach is often based premised on an economic perspective.

There is no single solution to responding to the challenges of London's growth and that a balanced approach will involve components of different options and not overdependence on a single option. Options currently under consideration include the continuation of hyper-dense development in central London and Opportunity areas which are primarily on the fringe of the Central Activities Zone, densification of town centres, residential densification of existing council estates, suburban residential intensification, urban extensions to London, intensification of home counties towns, urban extensions to home counties towns, major new settlements within the Green Belt, major new settlements beyond the Green Belt, expansion of towns at the edge of the metropolitan region, residential dispersal to other parts of the UK, with or without employment capacity. Each of these options may make a contribution to both the quantitative and qualitative shortage of housing and employment related development output, but given the numerical and qualitative deficits, no single approach is sufficient. As set out in a series of articles by the author and colleagues in *Town and Country Planning* (2016) there a a wide range of factors which need to be taken into consideration beyond the specific issue of whether potential development sites are or are not within the existing designated Green Belt. Some of these issues are considered further in an earlier paper on *Beyond the Compact City* (Bowie 2016)

The first stage needs to be testing the viability of each option against different scenarios in terms of economic, political and governance contexts. There then needs to be an assessment of the impact of each option. For a spatial strategy to be sustainable, transport connectivity of new settlements and of intensified existing settlements is critical. Assessment of transport connectivity is not just about time and level of service but is also about affordability. The potential for intensification of lower density residential suburbs where there is good transport connectivity and social infrastructure or the potential to improve existing services on a cost-effective basis, should be considered. Similarly the potential for urban extensions to London along transport corridors should be subject to further detailed study. Reports by Transport for London (2015), London First (2015), AECOM (2015), the Outer London Commission (2015,2016)and QUOD with SHELTER (2016) have already identified significant potential for residential growth arising from new stations to be provided under Crossrail 1 and Crossrail 2 programmes.

Mobilising resources

Decisions in relation to transport and other infrastructure investment must be related to a coherent spatial plan for the location of new and expanded residential settlements. Orbital light rail and enhancement of commuter networks could also make a significant contribution. A number of sub-regional studies including sectors of London and the wider growth corridors are necessary. This approach was advocated in the 2000 LPAC strategic frameworks and the 2003 Sustainable Communities Plan, as well as in the earlier work of Sir Peter Hall and focuses on the green fingers/ green wedges approach to the urban/rural boundary rather than the concept of a rigid Green Belt.

It needs to be acknowledged that spatial planning is only one component of the development of a sustainable response to the challenges faced by London's growth and that issues of public and private sources of funding, land assembly, land value capture and governance are critical. Regulatory and taxation measures also have a role in ensuring the optimal use of both investment and development output, whether it be residential, commercial or transport and utility services or social infrastructure. The social sustainability of planning decisions and development outputs are critical and this is central to any consideration of development options in a globalised city where we need to ensure that development activity benefits all of the population of the metropolitan region and reduces both social and spatial polarisation rather than increasing it.

We also need to recognise that the current governance structures for the planning of the metropolitan region are inadequate. London cannot be planned independently of the rest of the metropolitan region. The previous Mayor had begun to initiate discussions at both a political and professional level with the other planning authorities within the metropolitan region. These discussions need to be put on a more formal basis and need to move beyond information sharing to a process for joint planning. There needs to be a consideration of a range of governance options. This discussion has been initiated in the recent report of the Outer London Commission and central government, the new Mayor and the representatives of the Home Countries district need to reach an agreement on an appropriate way forward. London is not an island, nor is it a city state detached from the rest of the metropolitan region, the UK and Europe.

Further consideration of the range of alternative development options has been undertaken both within the TCPA London and South East task group, but also within the context of the initiative of the Common Futures Network to develop a new approach to national, regional and sub-regional planning within England, recognising that the devolved nations, Scotland, Wales and Northern Ireland have different planning regimes and in fact all have their own national spatial plans (CFN 2017).

The context of this initial analysis is that London's annual housing requirements between 60,000 and 80,000 per year for 10 years, while the Greater South East requirements (outside London) 40-60,000 per year. We also need a) to test scenarios re impact of BREXIT on labour migration to London. Potential controls on non EU migration to London following a new Government after General election and b) that regional variations in employment opportunities and house-prices do impact on inter-regional migration.

It is also important to focus not just on new housing supply numbers, but to recognise importance of housing type, affordability and location. The main objective should be development which is sustainable in economic, social and environmental terms. Some housing outputs are more attractive for prospective occupiers; others more attractive for investors. We should however focus on housing for occupation, not residential property for investment.

We also need to recognise governance constraints. Firstly, we need to understand relationship between London and Home Counties and London and rest of UK – limited ability of Government to influence inter-regional distribution of population as a) No regional economic policy; b) no regional housing targets; and c) no national spatial plan. Secondly public funding for investment is likely to be constrained in both the short and medium terms, Thirdly much new development is investor driven, rather than generated by national or regional planning policies.

The options given below are not mutually exclusive. They relate to propositions put forward by central Government, the Mayor of London and by other agencies. Given numerical requirements, we will need a combination of options.

Option 1 Hyperdense development on brownfield sites and infill sites in central London and city fringe opportunity areas (including western Docklands).

Positives: Generates numbers of new units

Negatives: Units not affordable by most Londoners

Sold for investment not occupation- many left empty or not in effective occupation – ie under/occupied/ occupied for only part of year

Wrong Bedroom (BR) size mix – few family homes

Breach Sustainable Residential Quality (SRQ)/ density policies

Often limited social infrastructure

Option 2 Residential development over central London non-residential premises, for

example stations

Positives: Generates numbers

Negatives: Units not affordable by most Londoners

Sold for investment not occupation- many left empty or not in effective occupation – ie under/occupied/ occupied for only part of year

Wrong BR size mix – few family homes

Breach SRQ/ density policies

Sometimes limited social infrastructure if non-residential areas

Option 3 Intensive development of brownfield sites beyond central London and city fringe.

Positives: Generates numbers

Negatives: Units not affordable by most Londoners

Sold for investment not occupation- many left empty or not in effective occupation – ie under/occupied/ occupied for only part of year

Wrong BR size mix – few family homes

Breach SRQ/ density policies

Sometimes limited social infrastructure if non residential areas

Sometimes poor transport access to employment

May involve loss of needed employment capacity

Option 4 Densification through redevelopment of inner London council estates.

Positives: Can generate net additional units

Can remove unfit housing (though not always)

Can fund some replacement or improvement of social housing

Negatives: Significant loss of social housing

Significant displacement of existing residents

Generally a reduction in family sized homes

Units often not affordable by most Londoners

Sold for investment not occupation- many left empty or not in effective occupation – ie under/occupied/ occupied for only part of year

Breach SRQ/ density policies

Option 5 Conversion of underused office blocks for residential purposes

Positives: Generates net additional units

Negatives: Poor standards (often below space standards if delivered through permitted development procedures)

Loss of employment capacity
Poor BR size mix
Unlikely to include affordable units
Often inappropriate locations with no social infrastructure

Option 6 Residential development in underutilised suburban high streets

Positives: Generates net additional units

Negatives: Loss of retail capacity

May be in inappropriate locations with no social infrastructure

Option 7 Redevelopment of underused suburban employment sites

Positives: Generates net additional units

Negatives: Loss of employment capacity

May be in inappropriate locations with no social infrastructure and potentially inappropriate adjacent uses

Option 8 Suburban intensification through infill development (including use of 'surplus' private open space/ large private gardens)

Positives: Generates net additional units

Can provide mix of housing types and tenures with good affordability if land acquisition costs low

Can increase demand for local services in low demand areas

Negatives: Land acquisition challenges

Some demolition may be necessary to access backland sites

Neighbour objections given potential overlooking, privacy, right to light issues

Potential negative impact on value of existing dwellings

Option 9 Residential development on 'surplus' public open space or on private open space not in effective use (for example golf courses)

Positives: Generates net additional units

Can provide mix of housing types and tenures with good

affordability if land acquisition costs low

Can increase demand for local services in low demand areas

Negatives: Sites may not be located close to social infrastructure and public transport

Objections to loss of leisure facilities/ open space (even if not public)

Option 10 Intensification of lower density suburban council estates (without significant redevelopment/ displacement)

Positives: Generates net additional units

- May be delivered without demolition or displacement

- May provide mix of units in terms of BR size and tenure

Negatives: Potentially insufficient value to make intensification viable, if refurbishment of existing stock also necessary

- Increased population in low density area may generate need for additional social and transport infrastructure

- Potential objections from existing residents to loss of public open space within estate

Option 11 Additional storeys on existing residential development

Positives: Potential net additional units

Negatives: Need to distinguish between additional units and additional space for existing units

- Significant disruption during construction period, especially if decanting necessary

- Potential structural issues

- Need for separate access to self-contained units

- Potential neighbourhood objections

Option 12 Urban extensions to London

Positives: Generates net additional units

- May provide mix of units in terms of BR size and tenure

Negatives: Increased population in low density area may generate need for additional social and transport infrastructure

- Potential objections from existing residents to loss of public open space/ designated Green Belt

Option 13 Urban extensions to Home Counties towns (including existing New Towns)

Positives: Generates net additional units

- May provide mix of units in terms of BR size and tenure

Negatives: Increased population in low density area may generate need for additional social and transport infrastructure

- Potential objections from existing residents to loss of public open space/ designated Green Belt

- Potential objections from local planning authorities

Option 14 New settlements within the Green Belt linked to existing public transport nodes

Positives: Generates net additional units

May provide mix of units in terms of BR size and tenure

Negatives: Increased population in low density area may generate need for additional social and transport infrastructure

Objections from existing residents to loss of designated Green Belt

Potential objections from local planning authorities

Option 15 Major new settlements beyond the Green Belt, linked to existing public transport

Positives: Generates net additional units

May provide mix of units in terms of BR size and tenure

Negatives: Increased population in low density area may generate need for additional social and transport infrastructure

Long travel times and high travel costs for commuters to London

Option 16 Major new settlements beyond the Green Belt, based on substantial new employment provision

Positives: Generates net additional units

May provide mix of units in terms of BR size and tenure

Negatives: Increased population in low density area may generate need for additional social and transport infrastructure

Long travel times and high travel costs for commuters to London or other employment centres if local employment provision insufficient or inappropriate

Costs of subsidising employment relocation or growth

Option 17 Dispersal to regions beyond South East linked to employment relocation/creation

Positives: Generates net additional units

May provide mix of units in terms of BR size and tenure

Lower investment requirement than other options

Negatives: Increased population in low density area may generate need for additional social and transport infrastructure

Long travel times and high travel costs for commuters to London or other employment centres if local employment provision insufficient or inappropriate

Costs of subsidising employment relocation or growth

Option 18 Dispersal to regions beyond South East without employment generation, focusing on dispersing households who are not or who are no longer economically active.

Positives: Generates net additional units

- May provide mix of units in terms of BR size and tenure

- Lower investment requirement than other options

Negatives Costs of subsidising employment relocation or growth

- Increased population in low density area may generate need for additional social and transport infrastructure

- Long travel times and high travel costs for commuters to London or other employment centres if local employment provision insufficient or inappropriate

- Potential dispersal of households to areas where potential for employment are low with increased concentration of most vulnerable, economically non safe-sufficient households.

The Challenges of Delivering Affordable Housing in London

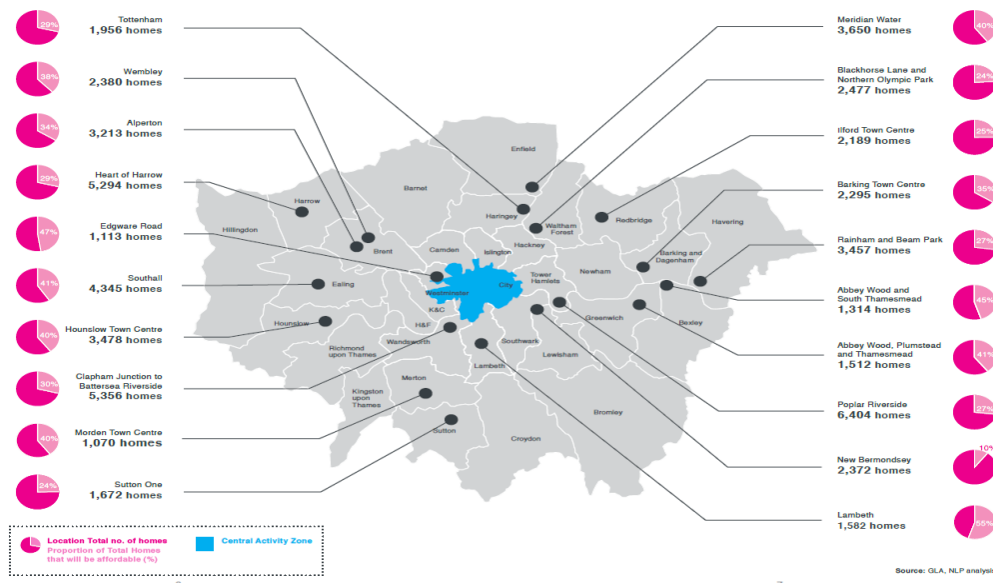
The housing crisis in London is not just about absolute numbers. As has been noted in the above analysis of alternative development options, different choices about location, density and form of development have implications for who can access the homes. Planning policies and funding arrangements in relation to different types of submarket housing are therefore central to the spatial distribution of different types of household and have specific impacts on households who can lease afford to buy or rent housing on the market.

The new Mayor, Sadiq Khan has been considering introducing a fixed affordable housing target for new development. At one point last year, his predecessor, Boris Johnson seemed to be floating the idea of a 25% for his new housing zones. In 2011, Johnson replaced Livingstone's 50% affordable housing target with a numerical target equivalent to 40% of the assessed London-wide capacity of 32,210 homes. When the 2015 plan increased the capacity based target to 42,000 homes, the numerical target for affordable homes was increased to 17,000 a year, or 40% of the new capacity based target. A number of recent major planning consents have been based on affordable housing targets much lower than 40% and in some cases developers have been successful in renegotiating previously agreed affordable housing targets downwards. This has led to concern that the process of viability appraisals is leading to lower affordable housing outputs than could be delivered and that a policy of non-negotiable fixed targets might be more appropriate.

When the 50% affordable housing target was set in the 2004 London Plan, this was based on an assessment of deliverability which assumed significant central government subsidy to the provision of new social rented and shared ownership homes. With the election of the

2010 coalition government, the subsidy for social rented homes was withdrawn with the funding, which since 2012 has been allocated by the Mayor rather than by central government, focused on sub market rented homes up to 80% market rent (with an average of 65% of market rent) and on shared ownership homes. While some boroughs are funding relatively small programmes of new social rented homes, this is primarily on sites in their own ownership rather than through partnerships with developers. With both Government and the previous Mayor (wrongly) treating sub market rented homes as equivalent to social rented homes, it is increasingly difficult for local authorities to negotiate social rented homes at much lower rents through s106 agreements.

When the development viability process was introduced in London in 2013-4, the process was not just about ensuring developers could provide the maximum reasonable proportion of affordable housing within new schemes, but also as a basis for the then Housing Corporation to assess whether public subsidy was necessary to ensure that the 50% target was met. Understandably Government did not want to use its resources if a scheme could meet the 50% target through its own profitability. In practice few schemes met the 50% target, and during Livingstone's second term (2004-8) and Johnson's first term (2008-2012) the average affordable housing output in proportionate terms was relatively stable at 37-38%. The affordable housing output however fell to 27% in 2013/4 and then to 25% in 2014/5. As the schemes funded by the pre 2010 social rented housing programme are completed, it is likely that the proportion will fall significantly over the next few years. Only 18% of new homes started in 2014/5 were categorised as 'affordable' with only 6% being social rent.



When Johnson published information on his first nine housing zones in February 2015, he gave total capacity figures and proposed affordable housing figures for each zone. The total capacity came to 29,962, with 7,938 homes to be affordable. This gave an overall affordable proportion of 28% - well below his London Plan 40% target. The proportions ranged from 44-45% in the two Abbey Wood zones to only 10% in New Bermondsey and 13% in Southall. Figures available for the nine zones in the second round – 14,385 affordable homes out of a total of 50,696 – also demonstrate a 28% proportion overall – ranging from 47% in the Edgware Road zone to 15% in the Poplar Riverside zone. When a list of a further 11 housing zones was announced in March 2016, it was stated that the affordable housing proportion within these zones, many of which were in suburban locations, would be 34% - still 6% below the Mayor's London-wide target.

Sadiq Khan has indicated that he wishes to reintroduce the strategic 50% affordable homes target that Ken Livingstone inserted into the original 2004 London Plan. He has stated that he wishes to achieve this target on development of GLA and Transport for London owned land. He has also stated that a significant proportion of new homes needed to be genuinely affordable, including homes at rents below the 65% of market rent target set by his predecessor. However there are real challenges in delivering these objectives

Firstly, the Mayor's housing budget is limited in its size and constrained in its application. The Government initially indicated that from 2018 the national housing investment budget would only be available for shared ownership homes and for rented housing for elderly people and other people with special needs. The Mayor's officials pointed out that shared ownership in London was too expensive to meet the full range of housing needs and that a subsidised rented programme remains necessary. Ministers have however given the new Mayor greater flexibility in the use of the available grant and part of the new housing investment programme announced by the Mayor in July 2017 includes rented homes at significantly below the 80% of market rent previously assumed. Secondly, the Mayor nevertheless has constraints on the use of his assets. With the Government indicating that

Transport for London should be self-financing by 2020 and given Khan's manifesto commitment to freeze fares for Transport for London operated services – the underground and the buses - for four years, the Mayor is going to need to maximise receipts from land holdings and this means that subsidising land disposals to achieve affordable housing is unlikely to be deliverable. Thirdly, the Mayor has stated that he will not support any residential development within the Green Belt, much of which is within the London boundary. This means that he has lost the opportunity for planned release of appropriate sites on the edge of London, where sustainable developments could be deliverable for a range of tenures at lower densities on land which could be acquired relatively cost effectively.

The Mayor also faces a further obstacle not faced by his predecessor – the 2016 Housing and Town Planning Act. The Act required all planning authorities, including London boroughs, to ensure that 20% of new homes built are starter homes. In London these starter homes were defined as affordable at up to £450,000 price, irrespective of size or location or local market value. The homes are supposed to be at a 20% discount on market value, but how this is to be certified is as yet unclear. Purchase of these homes was intended to be limited to persons under 40 and to UK nationals. The target bore no relation to whether or not there is effective demand for homes at this price in a specific location. Given that only 18% of homes started in London 2014/5 were 'affordable' it was difficult to see how if 20% of new homes had to be starter homes, how any other affordable homes – shared ownership, sub-market rent and social rent are to be delivered. The Government saw the 20% starter homes as additional to existing new affordable housing supply, but it was difficult to see how this would have worked in practice as developers would have argued that the starter homes are their contribution to affordable housing targets. They would only need to demonstrate that it is not 'viable' for them to deliver more affordable homes in addition to starter homes. After representation by the Mayor and by other local authorities, the Government modified its proposal. Local Planning Authorities are now required to deliver 10% of new homes as sub-market homes. This allows for a much wider range of housing products. While this target still remains unrelated to the evidence of different housing requirements in a local area as assessed by the Strategic Housing Market Assessment (SHMA) the 10% target will be acceptable to most planning authorities as it allows for a range of different sub-market housing products which relate more closely to the effective demand in a locality.

The new Act also gave the Minister power to over-ride any Council planning policy, such as an existing affordable housing target, which obstructed the delivery of starter homes, and also to over-ride any pre-existing planning obligations agreement relating to affordable housing that a developer has agreed with the local planning authority. Not surprisingly, some developers reviewed existing planned schemes, including schemes under construction, to see if rented or shared ownership homes can be morphed into starter homes.

These changes need to be seen within the wider context of other provisions of the Housing and Planning Act. These include the introduction of a 'voluntary' Right to Buy for housing association tenants and the enforced disposal of vacant 'higher value' council properties on the market to fund the Association discounted sales programme. The Government also intended to introduce market rents for council tenants on incomes over £40,000 in London and £31,000 elsewhere, with a phased transition to the higher rents (known as the 'pay to stay' policy, and also to reduce the maximum initial tenancy of new council tenants to 5

years. The Act also legislated for a system of alternative providers to compete to provide planning services for local authorities, which reduces democratic control over planning while at the same time introduces potential conflicts of interest for consultants providing services to developers and to local authorities.

The Government however in December 2016 decided to abandon the 'pay to stay' policy. The implementation of the voluntary Right to Buy and levy on Local Authority property disposals has been delayed. The proposal for alternative providers of planning services has also not yet been implemented, and may be the subject of further consultation and pilots. This position reflects a shift in Government priorities following the appointment of Theresa May as Prime Minister and Gavin Barwell as planning and housing Minister in July 2016.

The prospect for the provision of a significant number of genuinely affordable new homes in the London metropolitan region however remains poor and there is still little room for manoeuvre either for the new Mayor, the boroughs or the Home Counties districts. The Act, despite its only partial implementation to date, has weakened the planning powers of both Mayor and local planning authorities and the legislative and funding changes in relation to social housing make responding to the challenges faced much more difficult. We need a repeal of most of the provisions of the Act and the re-establishment of a programme of investment in social rented homes. We also need to enable councils to acquire development land on a cost effective basis and to allow planners to identify sites and enable development of genuinely affordable homes on those sites where development is most sustainable in economic, social and environmental terms.

The Conservative Government and the politics of housing after the General Election

The Housing White Paper published by Teresa May, Sajid Javid and the former Minister, Gavin Barwell in February 2017, 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%, compared with 23% in social housing and 52% in owner occupation (with 24% 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% 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 included 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 reflects 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 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.

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 terrorist 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, lost his seat in parliament, 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 still has 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. Both the Housing White Paper and the Conservative Manifesto did not explicitly refer 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 fire on 14th June 2017 at Grenfell Tower in Notting Hill, London, which killed at least 80 people, 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 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% 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 country – 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 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.

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