

**STRUCTURE PLAN AND
REGIONAL PLANNING ISSUES PANEL
Monday 22 November 2004**

Item No.

4

Members of Panel: M Bayes, R Clements (Sub), A Dodd, D Drake, J Metcalf (Sub), M Saunders, R J Smith, I Simpson, W Storey (Chair), B A York.

Consultation on recommendation 6 in Kate Barker's report – *Review of Housing Supply – Delivering Stability: Securing our Future Housing Needs.*

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1 Purpose of Report

- 1.1 To inform members of the ODPM consultation on recommendation 6 of the Barker Review of Housing Supply and to seek the Panel's views on the Government's proposals.

2 Summary

- 2.1 On 8 September 2004, the ODPM issued a consultation, "Housing and Planning in the regions", on recommendation 6 of the Barker Review of Housing Supply.
- 2.2 The recommendation is that Regional Housing Boards (RHBs) and Regional Planning Bodies (RPBs) should be merged and Regional Planning Executives should be established to give independent advice on future housing numbers.
- 2.3 The Government has already accepted the case for merger. The consultation paper sets out proposals for doing this by giving Regional Assemblies, recently designated the Regional Planning Body, responsibility for the work currently undertaken by Regional Housing Boards.
- 2.4 On independent advice, the paper seeks views on the establishment of a National Advice Unit rather than Barker's recommendation of Regional Planning Executives.

3 Conclusions

- 3.1 Officers feel there is a strong case for merger and support the proposal for bringing the existing work of the RHB within the auspices of the Regional Assembly. They are mindful, however, that the merge must be adequately resourced.

- 3.2 Officers are also of the view that the original Barker proposal for Regional Planning Executives is preferable to the Government's recommendation of a national unit. However, the regional body must have stable and independent funding.
- 3.3 The role of the independent advice unit should be more limited than Barker proposes and restricted to a research and monitoring function. Regions should be given assurance that that the advice from the independent unit is not mandatory.
- 3.4 The Panel's views are sought on the above recommendations. The County Council must submit its response to the ODPM by 30 November 2004.

Background

- 3.5 The Barker Review was set up on 9 April 2003 to assess the issues underlying the lack of supply and responsiveness of housing in the UK. The review was to concentrate on the role of competition, capacity, technology and finance of the housebuilding industry, and the interaction of these factors with the planning system and the Government's sustainable development objectives.
- 3.6 In March 2004, Kate Barker's final report was published, with 36 recommendations. Included in the recommendations were the following suggested improvements to the planning system:
 - Planning should take more account of, and use market information.
 - The process needs greater certainty and speed.
 - More land should be allocated for development to give greater choice and increase competition, whilst ensuring more attention is given to preserving the most valuable land.
 - There should be a stronger role for regional planning bodies, with independent Regional Planning Executive giving advice on market affordability targets, housing numbers, strategic growth areas and co-ordinating links between the key players.
 - There should be alternative routes for gaining planning permission at a local level.
- 3.7 More specifically, Barker's recommendation 6 focuses on strengthening the role of regional planning bodies:

The Regional Planning Bodies and Regional Housing Boards should be merged to create a single body for managing regional housing markets, delivering the region's affordability target and advising on distributing resources for social and sub market housing. The Regional Planning and Housing Bodies (RPHBs) would continue to be responsible for the Regional Spatial Strategy and the integration of housing with other regional functions.

These merged bodies should be supported by a strong and independent Regional Planning Executive in each region which would be the expert analytical body responsible for:

- *Providing public advice to the RPHB on housing numbers and allocation of housing within the region in order to aim to achieve the region's market affordability target*
- *Advising on other technical aspects of the Regional Spatial Strategy (RSS) and investment in social and sub market housing*
- *Identifying strategic growth areas and the need for special purpose vehicles*
- *Creating strong links with key stakeholders*
- *Monitoring the regional housing market and local authority performance on both completions and responsiveness to the market*
- *Signalling the need for a review of the RSS where the market was not functioning well and the affordability target was unlikely to be met.*

The regional planning executive would require new appointments, including a chief executive appointed through an independent public appointments process.

- 3.8 Within the current institutional framework at the regional level, no organisation has overall ownership of the regional housing market. RPBs determine the scale and allocation of regional housing provisions through the Regional Spatial Strategy, and RHBs advise on the allocation of funding for social and other sub-market housing in a Regional Housing Strategy (RHS). The Regional Economic Strategies produced by Regional Development Agencies have implications for housing demand and spatial planning to meet the needs of the regional economy.
- 3.9 All these strategies use a different evidence base and operate over different timescales. Thus, Barker's recommendation 6 aims to allow various functions and strategies at the regional level to be brought together.
- 3.10 The Barker Review of Housing Supply sets out challenging proposals to central, regional and local government and the development industry. The Government has accepted the need for reforms and has agreed to implement a programme of change as recommended in the Review. As part of this programme, the ODPM is undertaking a consultation on recommendation 6.

4 Key Issues

Merging RHBs and RPBs

- 4.1 The Government has already accepted the case for merger and is proposing to do this by giving Regional Assemblies, in their role as Regional Planning Bodies, responsibility for the work currently undertaken by Regional Housing Boards.
- 4.2 The ODPM considers that the merger will bring about closer working between the Regional Housing Strategy and Regional Spatial Strategy, including linking funding for affordable housing and the means of delivery. It will make the process inclusive, efficient and transparent, and will provide vital continuity through shared evidence bases, joint consultation events and multi-disciplinary teams. It will also provide greater accountability to regional stakeholders and indicates a significant development in the role of regions.
- 4.3 EERA, recently designated as the Regional Planning Body, has issued a draft response to the ODPM consultation. The Assembly strongly supports the proposal that the merging of RHBs and RPBs can be best achieved by giving Regional Assemblies responsibility for producing the RHS and making recommendations to Ministers on the broad pattern of housing investment.
- 4.4 EERA has expressed concern, however, that the ODPM has not explicitly recognised that Regional Assemblies will require additional resources to undertake this work.
- 4.5 The Local Government Association (LGA), Chartered Institute of Housing (CIH) and Royal Town Planning Institute (RTPI) have published a joint report on achieving better integration in planning for housing, in which they voice concerns about the proposed merger. The report argues that merging RPBs and RHBs will raise questions about how to co-ordinate the two strategies as well as dealing fully with matters that relate only to housing or planning.
- 4.6 The LGA, CIH and RTPI recommend that separate boards for planning and housing be maintained within the Regional Assembly structure to ensure that housing and spatial planning issues are not overlooked in a joint organisation.
- 4.7 The County Surveyors Society (CSS) in its draft response agrees that the merger of the RHBs and RPBs is a logical step in bringing together planning and housing interests. The CSS also recognises the need to acknowledge the distinct contribution of expertise from both the planning and housing sectors. It concurs with the EERA view that the merger must be adequately resourced.

- 4.8 Officers are of the view that the benefits of a merger in dealing holistically with housing issues are likely to outweigh the concerns raised by housing groups.

Proposals for independent advice

- 4.9 Barker argues for RHS and RSS to have a common evidence base and be supported by independent advice that would bring greater transparency to the decision making process at regional level. This independent advice should take the form of strong Regional Planning Executives, to be responsible for compiling a common evidence base for the region and inform the regional housing and spatial strategies.
- 4.10 The Government feels that separate regional units may be expensive, bureaucratic and could duplicate the remit of RPBs. Therefore, Ministers would prefer the establishment of a national advice unit, responsible for providing technical advice to all the regions. This would allow a consistent approach to housing supply across the regions.
- 4.11 The proposed body would be a team of experts working closely with, but independent from, the RHBs and RPBs. It might be constituted in several ways, e.g. contracted researchers with a small full-time secretariat; a free-standing independent body.
- 4.12 To ensure independence, the Government proposes that the expert team should be overseen by an independent committee bringing together leading independent experts from the public and private sectors and academic institutions, with an independent chair.
- 4.13 In the absence of a national spatial strategy, EERA considers that the original Barker proposal for a regional advice unit is preferable to the Government's centralised proposal, due to the unique position of expertise that a regional body would have of their specific region.
- 4.14 The Assembly is also concerned that a national unit may not be genuinely independent, as it will receive guidance from central government. The Assembly would prefer to see the development of the role of regional observatories over independent advice units, as this would provide the transparency required and be in keeping with the Government's agenda to move decision making away from the centre.
- 4.15 Should the Government decide to proceed with the concept of a national advice unit, EERA would recommend the unit's remit being extended to provide guidance on Regional Economic Strategies. The Assembly would like assurance that the national advice unit's advice will not be mandatory, allowing regions to depart from any advice if they consider it appropriate to do so.

- 4.16 CSS acknowledges the need for additional research and advice on methodology to underpin the planning and delivery of housing and to develop and refine the new affordability targets. It also sees it as essential that inter-regional issues are addressed through common methodological approaches and from common data sets.
- 4.17 CSS feels that the idea of independent national advice raises the prospect of tensions between advice from the national agency and the objectives being pursued at the regional or sub regional level. It urges that any advice from the independent body recognises the complexity of housing issues. It is also concerned that the unit's remit could duplicate some tasks currently carried out by the RPB.
- 4.18 Officers are of the view that the concern raised by EERA and CSS relating to whether a national advice unit would be truly independent of central government, is legitimate. Even if, in practice, this were proved not to be the case, the perception that the unit may be partial would still create unease.
- 4.19 Officers feel that a regional advice unit, as proposed in the Barker Review, is preferable to the national body favoured by the Government. However, as alluded to by CSS, many of the functions of the Regional Planning Executive proposed by Barker are integral elements of RSS and RHS preparation and, as such, should sit with the new RPHB. The role of the independent advice unit should be more limited and restricted to a research and monitoring function, focusing primarily on housing but potentially including other issues such as economic monitoring and research.
- 4.20 Officers are not convinced by EERA's argument for the development of the roles of regional observatories in preference to independent advice units. Such observatories are likely to be funded from sources with specific agendas, and this raises concerns about the extent to which advice from these bodies can be considered independent.
- 4.21 Officers stress the importance of the advice being independent and, as such, suggest consideration of a regional body with fewer functions than those proposed by Barker and a more constrained budget. This could equate to the development of the regional observatories but, in this instance, consistent and independent funding and an independent board would have to be ensured.
- 4.22 Should the Government proceed with the proposal for a national advice unit, officers support EERA's recommendation that the unit's remit be extended to provide guidance on Regional Economic Strategies and that the advice would not be mandatory.

5 Conclusions

- 5.1 The Barker Review of Housing Supply sets out a challenging agenda for all tiers of government and the development industry. Officers welcome the Government's proposed programme of change for the planning system and the opportunity to respond to the Housing and Planning in the Regions consultation paper.
- 5.2 Whilst acknowledging the concerns raised in the LGA, CIH and RTPI joint report, officers feel there is a strong case for merger and support the proposal for bringing the existing work of the RHB within the auspices of the Regional Assembly. They are mindful, however, that the merge must be adequately resourced.
- 5.3 Officers are also of the view that the original Barker proposal for Regional Planning Executives is preferable to the Government's recommendation of a national unit. Regional units would ensure that advice is strong on specific regional expertise and independent from undue political influence. This route would also be in keeping with the Government's agenda to move decision making away from the centre.
- 5.4 If the Government opts for a national advice unit, officers feel that the unit's remit should include guidance on Regional Economic Strategies and that the advice should not be mandatory.
- 5.5 The important issue for officers is keeping advice independent, rather than specifying particular organisational arrangements. Whichever structure the Government favours, the role of the independent advice unit should be more limited than the original Barker proposal and restricted to a research and monitoring function.
- 5.6 The Panel's views are sought on the above recommendations. The County Council must submit its response to the ODPM by 30 November 2004.